

Cooperative Market Development Program

Background

Nepal is a developing country with agriculture as its main economy, having 60.4 % of its people directly engaged in farming. Agriculture contributes to 25.8% of the country's Gross Domestic Product (GDP). Fruits and vegetables are an important sub-sector in Nepal and contributes to roughly 15% of total agriculture produce. In spite of Nepal being an agricultural country, roughly 31% of fruits and vegetables sold by Kalimati Fruits and Vegetables Market, Kathmandu's major hub for fruits and vegetables are imported from various countries, including India. Although the demands for fruits and vegetables is increasing in Kathmandu, there is a huge difference between vegetable farm gate price and the retailer price due to the presence of various layers of market players and middlemen in the supply chain. These middlemen earn exorbitant margins at every stage of the distribution chain, leaving very little for the smallholder farmers and the final consumers end up paying hefty prices for the produce.

Introduction

The Cooperative Market Development Programme (CMDP) aims to establish cooperative market chain for the increased incomes and livelihood opportunities of farmers by establishing and operationalizing cooperative market chain of vegetables and fruits, which in turn will contribute to the poverty reduction in Nepal. It is a joint initiative of Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLCPA), Government of Nepal and United Nations Development Program (UNDP). The project is working closely with 71 primary cooperatives from 18 Municipalities of 6 adjoining districts of the Kathmandu Valley to achieve its goal. Approximately 14,400 households from 71 fruits and vegetables cooperatives will be linked to this cooperative market chain and will directly benefit from this project. The project contributes directly to SDG1(poverty) and SDG2 (hunger, nutrition).



The project intends to achieve following outputs:

- Output 1: Capacity of fruits and Vegetable production cooperatives strengthened for increased production, effective management, and marketing.
- Output 2: Network of Cooperative market chain of fruits and vegetable established.
- Output 3: Policy and institutional capacity of MoLCPA and other relevant government entities improved to facilitate cooperative market development of fruits and vegetables.

Project Summary	
Duration:	February 2018 - January 2023
Geographic coverage:	Chitwan, Dhading, Kavrepalanchowk Lalitpur, Makwanpur and Nuwakot
Focus areas:	Poverty alleviation through cooperative centered Fruits and Vegetable marketing
Implementing Agency:	Ministry of Land Management, Cooperatives and Poverty Alleviation is a implementing partner. It is a joint initiative of Ministry of Land Management, Cooperatives and Poverty Alleviation and United Nations Development Program.
Implementing Partners:	National Cooperative Federations (NCF), District Cooperative Unions (DCU) in the six target districts, 18 Local governments
Funded by:	Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLMCPA), Government of Nepal and UNDP
Budget	Total Budget – USD 11.4 million GoN Contribution- USD 5 million (Rs. 51.5 corer) UNDP-USD 2 million Unfunded-4.4 million

Achievement Against Project Outputs- As of March 2022

Output 1: Capacity of fruits and Vegetable production cooperatives strengthened for increased production, effective management, and marketing

- Provided logistic support to 71 primary cooperatives
- Provided agricultural input support to 58 primary cooperatives
- Provided marketing support to 40 Primary Cooperatives.
- Provided Cooperative Management Training to 1,694 members of 58 primary cooperatives.
- Provided Financial Management Training to 343 members of 69 primary cooperatives.
- Provided Business Plan Training to 377 members of 70 primary cooperatives.
- Provided Value Chain Development Training to 46 members of 24 primary cooperatives.
- Supported 20 Business Plans to Primary Cooperatives, municipal, regional and central level cooperative markets;

Output 2: Network of Cooperative market chain of fruits and vegetable established

- 10 cooperative markets at different level are being constructed (3 completed and 7 ongoing).
- 3 cooperative markets (1 satellite cooperative market, 1 district cooperative market, 2 Municipal cooperative market and 1 milk cooperative market) is in operation.
- Enhanced access of 31,178 farmers (50% women) to the market with the marketing support for collection center, cooling chambers and transportation facilities.
- 55 collection centers supported to primary cooperatives.

- 52 pick-up vehicles supported to 44 primary cooperatives for transportation of fruits and vegetables.
- 45 cooling chambers supported to 36 primary cooperatives.
- Web Based Information System developed
- Web-based marketing portal (website and mobile app) developed together with UNDP Accelerator Lab.

Output 3: Policy and institutional capacity of MoLCPA and other relevant government entities improved to facilitate cooperative market development of fruits and Vegetable

- Guidelines on Sustainable Development Goals for Cooperative Movement of Nepal Developed.
- Cooperatives' Deposit and Credit Insurance Fund Establishment and Operationalization Procedure Draft Prepared.
- Cooperative Market Operation Model Procedure Developed.
- Supported National Cooperative Federation Nepal (NCFN) for preparation of 5 model procedure of the District Cooperative Union (DCU).
- Supported MoLCPA in preparation of progress report of implementation of BIMSTEC Poverty Alleviation Plan of Action, and SAARC Plan of Action on Poverty Alleviation.
- Strengthened the capacity of 82 GoN officials and stakeholders on cooperative marketing through trainings, orientation, learning and knowledge sharing events.
- Policy Dialogue on Cooperative Market System for Fruits and Vegetable in Kathmandu: An alternative to farmers and Consumers
- COPOMIS training to 160 primary cooperatives.
- Media training on Cooperatives and SDGs in partnership with SEJON to educate the economic journalists about the linkage between Cooperatives and SDG
- Training on Cooperatives and Local Media to the local journalists based in CMDP working districts.
- Successful Cooperative Business Model: A case of Study of Krishak Sudhar Falfool tathaa Tarakari Sahakari Ltd.
- Anticipating The Risk of Cooperative Market for Fruits and Vegetable in Kathmandu Valley.
- Exposure visit to successful cooperatives in Nepal for learning of good practices

Gender Equality and Social Inclusion

CMDP has given due consideration for mainstreaming gender and social inclusion in all its intervention. It has also prioritized cooperatives that have women and representatives from ethnic minorities in major positions. Out of the 71 cooperatives selected, 16 are all exclusively women's cooperatives of which 9 have received pickup vehicles, 11 were supported with collection center and 7 have received cooling chambers as of Dec. 2021. In the 71 selected cooperatives, 68% are women, 50% Brahmin/Chhetri/Thakuri; 44 % are Janajati ; 5% are Dalit and rest 1% are from Madhesi, Muslim and Others category. The project has also emphasized on building the capacity of the women and marginalized group through various trainings. Of the total people trained 46% were women, 3% Dalit and 27% Janajati.