

UPDATE

SECTOR - MECHANIZATION

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Catalyzing changes in the availability of mini-tillers in the mid-hills of Nepal

The agriculture sector in Nepal is largely dependent on traditional methods of farming, with farmers using bullocks and farmhands for land preparation and harvest. The use of mechanized agricultural equipment is mainly limited to larger farmlands in Terai lowlands. In the mid-hills of Nepal, where tractors and power tillers are not suitable for use in the narrow and sloped terrain, only an estimated 15% of productive farmland is prepared by mechanized equipment.

Mini-tillers, however, are a potential solution for farmers in the mid-hills. These smaller, two-wheeled forms of mechanized equipment can be transported relatively easily, and are a feasible solution for the narrow terraces, where the majority of farmers cultivate their crops. Since 2009, private companies importing agricultural equipment into Nepal have begun to stock and sell mini-tillers as an alternative method of land preparation. Mini-tillers are currently available in 27 districts of Nepal.

Among farmers, however, there is still widespread skepticism about mini-tiller's functions due to limited



access, limited knowledge about their use, and unavailability of repair services and spare parts. These are some of the reasons why there has been limited uptake from farmers in shifting from traditional, less productive means of land preparation towards mini-tillers. Marketing strategies adopted by importers have, so far, not been able to reach out to the farmers of the hills in reducing their skepticism, informing the benefits of mini-tillers and making mini-tillers and repair services accessible.

First steps

In order to help increase the demand for the mini-tillers among the farmers, throughout the mid-hills of Nepal, Samarth-NMDP first conducted an in-depth market research on consumer satisfaction of mini-tillers; to understand the market potential of mini-tillers and the perception of the farmers regarding their use in the mid-hills. The research indicated that the farmers are aware about the use of mini-tillers as an alternative to the use of oxen and also that mini-tillers are the most appropriate means of land preparation in the hills.

“Our organization specialized in harvester, thresher, tillers and seed graders. We were importing mini-tillers in a very limited quantity. In November 2013, we participated in the event organized by Samarth Nepal, where we could visibly see the opportunities in the mini-tiller business. We did additional research and we decided to increase mini-tiller business. We now have 30 mini-tillers and its spare parts in our stock and a dealership in 4 districts.”

Gaurav Shrestha
Import Assistant, Shrestha Agro Inputs

However, a large number of farmers are still skeptical about using the mini-tillers due to the widespread misperceptions about its performance, availability and repair services.

On November 29, 2013, Samarth-NMDP organized an event, to share the findings of the research, which brought together the major importers of the mini-tillers of Nepal. The event also provided an interactive platform to the importers to understand and internalize the findings; share and learn from each other's experiences; and reinvent their marketing strategies. As a result of the event, one of the importers – Shrestha Agro Inputs - was convinced about the business opportunity and potential market in the mid-hills, and has even begun to invest in a larger inventory of the products.

The business innovation

Samarth-NMDP partnered with Force Construction & Associates Pvt. Ltd. - one of the participants in the event, based on their willingness and capacity to pilot the 'business advisory services'.



"Before partnering with Samarth, we were working in a haphazard manner. We negotiated individual sales through our dealer networks and promoted our products through the dealers themselves. After working with Samarth, we learnt to segregate our marketing strategy into pre-sales, sales and after-sales services and inform the benefit of our product to the customers such as informing them about using mini-tillers to till others' land and recover the cost within a couple of harvesting seasons.

We haven't received any tangible result yet, since it's too early to see the impact but I am hopeful that within the next season, our sales will boost and we will be able to penetrate the market better. However, we do feel that we would benefit more if the business advisory services also embedded the knowledge regarding technical specification as well."

Bipin Lamichhane
Director, Force Construction Group

Samarth-NMDP will provide business advisory services to Force group to test models such as farmer-focused service provision, improved investment in after-sales and repairs, and collaboration with local government and extension officers for social marketing. The programme will support Force group to pilot the models in two cropping seasons, in two districts of Nepal - Tehrathum and Ilam. The lessons learnt from the pilot will be shared with the wider industry once again, to review their marketing strategies, and implement improved after-sales services that can benefit smallholders in Nepal's hilly districts.

About Samarth-NMDP

Samarth-NMDP is a five year DFID-funded program that aims to reduce poverty in Nepal. The programme follows a market systems development approach, addressing underlying causes in the performance of the market systems, to bring about more competitive and sustainable markets that work better for the poor.

Samarth-NMDP in Mechanization sub-sector

Samarth-NMDP is working to catalyze changes in the availability of mini-tillers in the mid-hills of Nepal by strengthening the capacity of the market players' through the provision of 'Business Advisory Services'.