

# CHAPTER – ONE

## INTRODUCTION

### 1.1 Background of the study

With the rapid increase in population, the food consumption pattern and the production, the marketing of food has also been changing. The priority is mostly provided on the quantity of the food being produced rather than the quality. Producing a huge amount of food products became a necessity for all producers around the world. They have to fulfill the constantly rising demand of food. This caused the producers to seek a way of farming practice, such farming practice that can yield huge amount of agricultural output with minimal input. And the easy answer was the chemical fertilizers. But the consumption of such products showed negative impact on human health, quality of soil as well as the environment.

Acharya, Ghimire, and Wagle (2020), wrote that the organic farming is gaining popularity in Nepal because it is drawing attention of all from government to general public. The concerns regarding the use of chemical fertilizers is growing and organic products can be the best alternative of the conventional products. Acharya et. al. also stressed that adoption of organic farming can be opportunity for rural employment and poverty alleviation in Nepal.

Then the concept of organic farming was introduced in the early 1900s. Organic farming is an alternative agricultural system which originated early in reaction to rapidly changing farming practices. It is the use of fertilizers of organic origin such as compost manure, green manure etc. It focuses on techniques such as crop rotation and companion planting. Biological pest control, mixed cropping and the fostering of insect predators are encouraged. Organic standards are designed to allow the use of naturally occurring substances while prohibiting or strictly limiting synthetic substances. Organic agricultural methods are internationally regulated and legally enforced by many nations, based in large part on the standards set by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations.

Basically organic farming can be defined as integrated farming system that strives for sustainability, enhancement of soil fertility and biological diversity and prohibiting synthetic pesticides, antibiotics, synthetic fertilizers, genetically modified organisms, and growth hormones with some rare exceptions.

International Federation of Organic Agriculture Movements (IFOAM) defines organic farming as, "Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved."

The popularity of organic farming is increasing globally. Mostly the people who are aware about their health are using organic products. Organic farming is developed and encouraged by various organizations today. The organic markets helps such organic products reach to the general people. Governments all over the world are recognizing the potential benefits of organic farming, produces and they are encouraging the farmers to adopt organic farming practices directly by providing financial incentives or indirectly through support for research, extension and market initiatives.

Nepal being an agricultural country, a huge population depends upon the agriculture for their livelihood. Agriculture is the major source of food, income, raw materials for the agro based industries (cottage to large scale industries).

## **1.2 Statement of the problem**

From the marketing chain to the market place, the marketing activities are poorly managed. A few consumers have an ignorant tendency towards the consumption of the organic product. Excessive use of the agro-chemicals for the production of organic fruits and vegetables has resulted in the decrease in the production itself and also has an adverse effect in the fertility of soil. Most of all the traditional practice of production had adverse effect on the farmers and consumers health alike. And enough researches aren't being conducted in the organic farming and marketing sector.

Another problem for the farmers becomes the pricing of their products. The farmers don't get premium pricing for their products. And some of the other few problems are as follows:

- i. Shortage or inadequate organic fertilizers and bio-mass
- ii. Organic products are a bit pricy than other contemporary products because of their high input cost
- iii. The organic farming practice yield low production as compared to the traditional farming practice.
- iv. There is also the problem in the marketing and distribution chain because of the low demand of the organic products

The study aims to find the answer of following research questions:

- Q. no: 1. What is the farming status of vendors?
- Q. no: 2. What is the status of Organic marketing?
- Q. no: 3. What is the perception of consumers towards organic products?
- Q. no: 4. What are the problems and prospects of organic marketing?

### **1.3 Objectives of the study**

The general objective of the study is to explore the problems and prospects of organic vegetables and fruits market in Farmer's Market at Le Sherpa. The specific objectives are:

- i. To analyze the organic farming status of the farmers
- ii. To analyze the status of organic marketing
- iii. To examine the perception of consumers towards the organic products
- iv. To analyze the prospects and problems of organic marketing

### **1.4 Significance of the study**

With this research I hope to establish the better understanding of the organic market in Kathmandu valley. The status of the organic market and the activities undertaken is essential for the overall growth and development of the market. In general this research helps to understand the status of organic market. The research will show the growth that

the organic market has been making over years. This research also helps us understand the marketing activities undertaken in the organic market. By that we can also get a better understanding of the organic farming practices, marketing chains, input cost and many more. It is also important to understand the response of the consumers towards the organic produces (fruits and vegetables). And at the end of this research we can also be able to evaluate the possibilities and the problems of the organic vegetable and fruit marketing.

### **1.5 Limitation of the Study**

This present study is based on and limited to the farmers and consumers of Farmer's Market at Le Sherpa situated in Maharajgunj area of Kathmandu valley. The study is very specific like that of case studies. So the conclusion drawn from the study might not be conclusive. The conclusion might not be generalized for the wide range of population group. But the interferences might be valid to some extent to those areas, which have similar geographical area, socio-economic and environmental settings.

### **1.6 Organization of the study**

The study has been divided into five chapters. The first chapter presents the introduction, statement of the problem, objectives, significance and limitation. The second chapter is related to the review of related literature. The third chapter presents about the methodology adopted while collecting data. Likewise, the fourth chapter deals about the analysis and interpretation of the data. Finally the fifth chapter is the conclusion part of the study. It contains the summary, findings and suggestions.

# CHAPTER –TWO

## LITERATURE REVIEW

### Conceptual review

#### 2.1 Organic farming

Organic farming focuses on utilizing natural materials in agriculture and prohibiting the use of the chemical fertilizers and pesticides which ultimately ruins the fertility of land. Initially, the heavy use of chemical fertilizers increases the production of the land but as time passes the production capacity of land decreases and finally may reach to zero. Organic farming helps to produce safe, nutritious and quality food products together with maintaining ecological balance and its sustainability.

Mannion (1995) defined organic farming as the holistic view of agriculture that aims to reflect the profound interrelationship between farm, biota, agricultural production, and the overall environment.

Scofield (1986) explained that organic farming does not simply means the use of living materials but emphasizes on the concept of “wholeness” implying the “systematic connection or co-ordination of parts in a whole.”

Organic agriculture is a production system that sustains the health of soils, ecosystem and people. It relies on ecological processes, biodiversity and cycles, adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines traditions, innovation and science to benefit the shared environment and promote fair relationships and good quality of life for all involved. Organic agriculture is a living and dynamic system that responds to internal and external demands and conditions. (IFOAM General Assembly, 2008)

The IFOAM General Assembly also stated the four principles of organic agriculture and they are the principle of health, ecology, fairness, and care.

Organic agriculture should prevent significant risks by adopting appropriate technologies and rejecting unpredictable risks.

## **2.2 Methods of Organic Farming**

In general, organic farming refers to the method of producing crops through the natural process instead of using chemical based pesticides and fertilizers. The primary goal of practicing organic agriculture is to develop sustainable and eco-friendly enterprises at the same time. Organic farming aims to cultivate the land and grow crops in such a way that the health of the soil gets improved by using organic wastes. It focuses on produces with high nutritional level. There are several methods of organic farming and some of them are as follows:

### **2.2.1 Crop Rotation and Polyculture**

Fossel (2007), discussed in his book that crop rotation is a farming technique where farmers do not cultivate the same crops on same land every year. Instead they grow crops alternatively or in rotation to maintain soil's health. Crop rotation is found to be very advantageous farming technique that replenishes the nutrients present in the soil naturally as different plants contribute different nutrients to the soil. This technique disrupts weed and pests activity.

Polyculture in agriculture is usually referred as intercropping. It is based on the already existing and traditional idea that carefully mixes the selected crops which results in higher overall yields. Another advantage of polyculture is that it uses less resource. That means lower fertilizer requirement and multiple crops in field also provides a sense of assurance to the farmers.

### **2.2.2 Green manure**

Green manure refers to the dying plants that are uprooted into soil by the process of decaying. Green manure add the nutrients to the soil that helps to improve its fertility. The green manure supply nutrients such as nitrogen, improve soil organic matter, suppress weeds, improve soil structure and microbial activity, prevent soil erosion, and capture nutrients. Green manure helps ensure soil fertility by improving soil's physical and biological properties. (Fossel, 2007).

Bista and Dahal (2018), mentioned in their research paper that the recent approaches of food security in world is misleading farmers to use maximum chemical inputs for crop production. But these approaches are only deteriorating the environment and yield parameters. They suggested green manure as the best and economic inputs for farm instead of artificially manufactured chemical compounds.

### **2.2.3 Compost**

Fossel (2007), described compost is made from the mass or organic matter and decomposing them. Compost improves the quality of soil, its structure and provides a wide range of nutrients for crops adding the beneficial microbes to the soil. Some of the benefits of compost on soil are better aggregation, pore spacing, water storage, etc. Compost can even be prepared in a small scale for home gardens. But for farm level a lot more materials is required. Compost must have a good balance of Carbon/Nitrogen ratio of 25:1.

### **2.2.4 Soil and Weed Management**

Soil is the primary requirement for any cultivation. Soil is the living breathing entity. Regard the soil as you might regard your own life, or your child's to be nurtured, fed, cared for, and sustained. The quality of soil determines the nutritional value of the agricultural produces. The soil loses its nutrients and depletes in quality after cultivation of crops. Organic farming is good for soil as it uses microbes and bacteria (present in animal waste, compost, green manures) that help not only to replenish the nutrients but also increase the fertility of the soil that yields more production. (Fossel, 2007).

On the other hand weeds are wild grasses that grow unnecessarily along with the cultivated crops in agricultural fields. These weeds absorb most of the nutrients available in the agricultural field leaving almost nothing for the crops and thus they affect the production of crops. The organic farming method aims to reduce the growth of weeds instead of eradicating them. Mulching, mowing, diversify rotation, using cover crops, intercropping, etc. are some techniques to reduce the

growth of weeds. These methods primarily focus on minimizing the growth of weeds providing the nutritional advantage to the crops. (Fossel, 2007).

## **2.3 Types of Organic Farming**

There are two types of organic farming namely pure and integrated. Some farmers prefer pure method of organic farming whereas some prefer integrated farming method. The two types of organic farming as per the guidelines of USDA are as follows:

### **2.3.1 Pure Organic Farming**

As the name suggest this method uses natural ways for cultivation to yield 100% organic produces. This method of organic farming completely avoids inorganic or synthetic chemicals that may harm the soil, crop, and people who consume it. In this method of organic farming, all ingredients and processing aids must be certified organic.

### **2.3.2 Integrated Organic Farming**

This method of organic farming makes the use of pest management and nutrients management and may use a small percentage of non organic ingredients to achieve ecological requirements and fulfill demands.

## **2.4 Organic Farming Certification**

Organic Certification is the process of certifying producer who produces organic agricultural products and organic foods. The Organic Certification certifies the producers like seed suppliers, farmers, food processor, restaurants, and retail shops. Certification is done by either government or private body depending upon the country. According to South Asia Sub-Regional Economic Cooperation (SASEC) Village certification is guided by certain standards which involve process of growing, storage, processing, packaging and shipping. Other important factors taken into considered for organic certification are as follows:

- i. Avoid using human sewage sludge fertilizer used in cultivation of plant and feeding animals
  - ii. Avoid using synthetic chemicals (fertilizers, pesticides, antibiotics, food additives), genetically modified organisms, irradiation
  - iii. Use of farmland for cultivation that is free from synthetic chemicals for more than three years
  - iv. Maintaining records of production and sales
  - v. Periodic on-site inspections and supervisions
  - vi. Maintaining physical separation between organic products from other non-organic products during the process of growing, storage, processing, packaging and shipping
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And a few reasons why the certification of organic product is important are given below:

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- i. Organic certification addresses the consumers' rights to consume the best quality organic products and to prevent malpractices and frauds and thus promote healthy business of organic products.
  - ii. Certification of organic products is similar to what we see Nepal Standard Mark while buying any products in market, which ensures that the product we buy or consume is healthy and hygienic.
  - iii. Certification with Organic mark will differentiate Organic products from conventionally produced product.
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## **2.5 Organic Farming Certification by USDA**

The USDA Organic Regulations have strict guidelines for the certification and labeling of organic products. It allows most of natural substances while prohibiting the synthetic ones. There are certain regulations in place that dictates the requirements for the certification and labeling procedure. Organic products are certified according to the

percentage of organic ingredients they have. The table below shows what to expect from different labels:

| <b>S. No</b> | <b>100% Organic</b>  | <b>Organic</b>  | <b>Made with Organic</b>  | <b>Organic Ingredients</b>   |
|--------------|--|---|---|--|
| 1            | 100% organic ingredients only  | At least 95% organic ingredients  | At least 70% organic ingredients  | Less than 70% organic ingredients                                  |
| 2            | Organic seal allowed   | Organic seal allowed  | Organic seal not allowed and must specify which ingredients are organic | Organic seal not allowed and product can't be described as organic |
| 3            | Genetically Modified Organisms(GMO) not allowed                                | Genetically Modified Organisms(GMO) not allowed                         | Genetically Modified Organisms(GMO) not allowed                         | May contain Genetically Modified Organisms(GMO)                    |
| 4            | All ingredients comply with National list of allowed and prohibited substances | Non-Organic ingredients comply with National list of allowed substances | Non-Organic ingredients comply with National list of allowed substances | Compliance with National list is not required                      |
| 5            | Certification required   | Certification required  | Certification required  | Certification not required   |

(Source: USDA)

**Table 2.1: Organic Labels**

## 2.6 Organic Certification in Nepal

In Nepal, there are various private organizations that provide certification to organic farming and organic products. However, there are no any government organizations till date providing certification. Some of the bodies that work in Nepal for organic certification are listed below:

| S.No | Organization   | Description  |
|------|--|--|
| 1    | Organic Certification Nepal Pvt. Ltd.                              | ) Third Party Certification Body<br>) OCN is the first private initiative to certify organic agricultural production, wild production, processing and inputs for production in Nepal |
| 2    | The Himalayan Bio-organic Agriculture Center Nepal (HIMBOAC-NEPAL) | ) Third Party Certification Body   |
| 3    | Coffee Co-operative Union Ltd.                                     | ) Third Party Certification Body<br>) Organic Coffee Certification   |

(Source: SASEC Nepal)

**Table 2.2: Organic Certification Providing Organizations**

Table 2 shows a few private local certifying bodies. Apart from these few institutions, there are few international organizations that also provide certification to Organic products in Nepal, and they are listed below:

1. **NPOP** – National Programme for Organic Production, India
2. **USDA–NOP** – United States Department of Agriculture – National Organic Program
3. **JAS** – Japanese Agricultural Standards
4. **EC** – Council of the European Union
5. **IFOAM Basic Standards** – International Federation of Organic Agriculture Movements, Germany
6. **Codex Organic Standards**-Codex Alimentarius Commission

## **2.7 General Certification Process**

Certain guidelines need to be followed in order to get the Organic Certification from certifying bodies local, private, or international. The following guideline for the certification process is provided by SASEC Nepal but it doesn't reflect a rigid certification method.

### **Step1: Registration and Application**

First of all, the applicants must get registered to any certification body, which in turn provides an application consisting of the following documents:

1. Application Form
2. Agreement
3. Organic System Plan
  1. Here the information is required on the following:
    - a. Record keeping
    - b. Production details
    - c. Details of input used (Fertility, Pest control and Disease management)
    - d. Preventive measures undertaken
    - e. Methods used for prevention of contamination
    - f. Lab report on Soil and water test
    - g. Map of Farming facility
    - h. Product label to be used
  2. Field History Sheet (For Crops indent, Grower group, Wild harvest)
  3. Inventory list and Farm products
  4. Organic product profile
  5. Questionnaire for Grower group (For Crop production Grower group only)

## **Step 2: Application Review for obtaining Organic Certification**

Once the completely filled application is submitted to the certifying body, it will be reviewed for its completeness, and will be checked for its compliances. If all the standard and criteria are met, applicants will be contacted for on-site audit of mutual agreement.

## **Step 3: Inspection**

- i. An Organic Inspector will visit the applicants' farm, on the prescribed date for the inspection. Where the inspector will verify the farm, check for feasibility of the operator stated by applicant, and also check for the Organic standard compliances. The inspector will interview the applicants' further details.
- ii. Inspection may take as long as half a day to maximum of 3 days depending upon the type of operation carried out by the inspector.
- iii. On the basis of the inspection made, the inspector will submit the report to the certifying body and it will be evaluated.

## **Step 4: Secondary Review**

- i. Secondary review is done if more additional information is sought from the applicants.
- ii. Secondary review is conducted after receiving the report from the inspector, and it may take 2-4 days of time.

## **Step 5: Certification Decision**

- i. The inspectors report along with the secondary review report will be sent to the Head Office of Certifying authority for the final decision.
- ii. The Head Office will issue an Organic Certificate along with a Cover Letter specifying the conditions for awarding the certificate.

- iii. The Organic Certificate contains the details of applicants' company, category of certificate awarded and the list of certified Organic products.
- iv. The overall certification process may take around 4-12 weeks depending upon the documents submitted, cooperation made with the inspection.

Thus the Certification provided by certifying body will ensure the quality of the Organic products, which helps to maintain trust between the producers and consumers.

## **2.8 Training, Support and Research Centers in Nepal**

The involvement of our government in the organic farming and its marketing is negligible. The overall research and development (R & D) sector of our country is weak and similar is the case with the R & D of organic farming. Nevertheless there are some private institutions that are working to provide support and training to the farmers. Some of them are given below:

### **2.8.1 Sustainable Agriculture Development Program (SADP), Nepal**

SADP Nepal offers different level of training and internship program in organic agriculture as per the interest groups. Their training program ranges from basic to advanced, where trainees are provided with different skills. Some of the skills acquired by the trainees of SADP Nepal are as follows:

- i. Introduction of Organic agriculture in Nepal
- ii. Making nursery seedlings and a discussion of what plants need to start as seedlings
- iii. Garden bed making techniques for different seasons and situations, double digging method,
- iv. Composting including composting technique and different uses of animal manure
- v. Cultivating micro-organisms for making liquid fertilizers
- vi. Companion planting
- vii. Garden care including plant observation and problem solving techniques to understand what plants need

- viii. Integrated pest management
- ix. Making natural pesticides
- x. Harvesting for consumption
- xi. Discussions on the importance of seed saving, what is happening with our seed biodiversity now, and active seed saving on the farm

### **2.8.2 Everything Organic Nepal**

Everything Organic Nursery offers two different in-house training programs. Both the trainings are a three day program. The first one is the basic biointensive training whereas the second is the advanced fruit and nut tree cultivation training. In addition, everything organic also provides specific technical training on request, such as one-day grafting or pruning trainings as per the trainee's needs and goals.

### **2.8.3 HASERA Agriculture Research and Training Center**

HASERA conducts training courses on various aspects of organic farming, community development and Permaculture regularly. The courses ranges from single day to 16 days and include practice oriented topics such as seed production, nursery management, soil improvement, compost making, pest and disease identification, bees, vegetables, mushrooms and fruit production, roof top gardening, urban Permaculture etc. A full 16 day Permaculture design course will help the trainees design their farm and livelihood based on Permaculture.

## **2.9 Market and Marketing**

A market is defined as the sum total of all buyers and sellers in an area or region under consideration. Generally, a market place is a specific place where the value, cost, and price of items are traded as per forces of supply and demand in market. The market may be physical place or virtual and it may be local or global.

Dr. Philip Kotler defined marketing as “the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies

unfulfilled needs and desires. It defines, measures, and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate product and services.”

Cochrane (1957) defined market as some sphere or space where:

- a. The forces of demand and supply are at work
- b. The price is determined or modified
- c. The ownership of some quantity of goods and services is transferred
- d. A certain physical and institutional arrangements may be in evidence.

Bressler and King (1970), defined marketing as an area or setting within which producers and consumers are in communication with each other, where supply and demand conditions operate, the title of goods is transferred. The actual movement of goods in space or time is usually but not necessarily involved.

Additionally, Shepherd (1976) defined market as a group of freely competing buyers and sellers with facilities for trading.

However Houck (1984), applied a different approach while defining marketing. He considered a product as a well defined homogenous commodity where there is a partial equilibrium for demand and supply and is presumed that prices and costs for other commodities and services were constant momentarily. Then using the horizontal summation of the demand curve and supply curve for two different set of individuals were identified. Using the graphs, the intersection of two functions showed the market price and market clearing sales quantity of the product. The principles or process of aggregation which result in two aggregate functions define the “Market”. Houck also discussed about the factors like actual and potential buyers and sellers, competition, regulation, demand and supply with the changing price or cost and their effects.

Conclusively, Houck (1984), defined market as a collection of actual or potential buyers and sellers of specific goods and services. This collection has two characteristics:

- a. None of the buyers has the option to purchase the item from sellers outside this collection and
- b. None of the sellers has the option to sell the items to buyers outside this collection.

The interaction of these buyers and sellers generates a set of interrelated prices and conditions for sale and use. The principles or facts determining which buyers and sellers are in this collection identify the market spatially, temporally, and politically.

Agricultural marketing comprises buying, selling, storage, processing, standardization, certification and distribution of farm products. In the process of transfer from farmer to consumers, agro-products pass through a channel involving a sequence of change in their forms and prices and numerous intermediaries play a significant role in getting products transferred from farm gate to the consumer (Ellis, 1996, cited in Pokhrel and Thapa 2005).

Marketing is usually a function that comes after production and includes the business activities involved in the flow of products from the points of initial production to the consumers. Marketing also plays an important role in agricultural production.

Pandit, et. al. (2015), conducted a survey research in Kavreplanchowk, Sindhupalchok, Gulmi, Palpa, and Syanga districts and Kathmandu valley on production and marketing of coffee in Nepal where they found that coffee production was running in profit in all districts. The authors suggested that the training for technical knowledge and quality processing, cheap interest loan, and management of pulping center will help the production and marketing of organic coffee in Nepal.

## **2.10 Marketing Chains**

Bhatta, Doppler, and KC, (2009), wrote in their research paper about two of the most common practices of selling organic vegetables in Kathmandu valley. They are sold directly through producers and through middleman. Bhatta et al. (2009), further illustrated that there are two ways of selling the produces directly. They are:

- a. The consumers come directly to farm to buy vegetables which is less common and,
- b. Producers themselves deliver the product door to door to a few affluent consumers and usually they are willing to pay more.

These two methods promote the direct distribution of products from farm to consumers and is based on the principle of producers and consumers “shaking hands” and “supporting each other.” On the other hand the marketing is performed by a middleman and the delivery of vegetables to the consumers is done through the middleman. Bhatta et al. (2009), wrote that other marketing channels beside these two rarely exist and it can be expected in the future that complex marketing channel will take momentum.

|  |
|--|
| Producers ----- Consumers                                    |
| Producers ----- Collectors ----- Consumers                   |
| Producers ----- Collectors ----- Retailers ----- Consumers   |
| Producers ----- Collectors ----- Wholesalers ----- Consumers |

(Source: Bhatta et al. 2009)

**Figure 2.1: common marketing chains of organic vegetables in Kathmandu valley**

Pokherel (2011), mentioned in his research proposal that marketing channel refers to the route through which products flow from the producers to the final customers. During the marketing process the products go through a change in time, place, form, and ownership. Pokherel further elaborated that the chain through which various products pass in between producers and consumers is their marketing channel. Therefore, marketing channel means an inter-organizational system made up of interdependent agencies tasked with moving the products from point of production to point of consumption.

|            |  |
|------------|--|
| Channel 1: | Producer -- Primary Wholesalers -- Secondary Wholesalers -- Retailer -- Consumer |
| Channel 2: | Producer -- Village Trader – Wholesaler – Retailer – Consumer                    |
| Channel 3: | Producer -- Wholesaler -- Retailer -- Consumer                                   |
| Channel 4: | Producer -- Wholesaler -- Consumer   |
| Channel 5: | Producer -- Retailer -- Consumer   |
| Channel 6: | Producer -- Consumer   |

(Source: Pandey et al. 2011)

**Figure 2.2: marketing of sweet orange in Kumaon of Uttarakhand in India**

|            |  |
|------------|--|
| Channel 1: | Producers ---- Retailers ---- Consumers  |
| Channel 2: | Producers ---- Wholesalers ---- Retailers ---- Consumers                       |
| Channel 3: | Producers ---- Commission Agents---- Wholesalers ---- Retailers ---- Consumers |
| Channel 4: | Producers ---- Collectors ---- Wholesalers ---- Retailers ---- Consumers       |

(Source: Dhakal et al. 2005)

**Figure 2.3: Marketing channel of acid lime and hill lemon in Nepal**

The marketing channels presented above in figure 2 and 3 clearly illustrate the different marketing chains present in markets. It is also safe to say that producers, collectors, wholesalers, retailers, traders, agents, consumers, etc. are the main actors of marketing system. These actors actively affect the market and marketing system.

If we take an example of a long marketing chain where 4 or 5 actors are involved, then the marketing cost of the product increases significantly. Consequently that reduces producer's share in profitability margin and consumer's welfare can't be safeguarded.

On the other hand, in case of a very short marketing chain where only 2 or 3 actors are involved, the marketing cost of product decreases, producer's share in profitability margin is comparatively higher and consumer's welfare can also be safeguarded. Also the short marketing chain is most likely to provide its consumers with fresh produces.

### **2.11 Contribution of Agriculture in Nepal's GDP**

Nepal being an agricultural country a huge amount of our country's population is working in agricultural sector. Agriculture sector alone accounts for a significant amount of GDP every year.

| <b>Year</b> | <b>Agriculture Sector</b> |
|-------------|---------------------------|
| 2020        | 23.13%                    |
| 2019        | 21.58%                    |
| 2018        | 22.33%                    |
| 2017        | 23.7%                     |
| 2016        | 29.15%                    |

(Source: CBS)

**Table 2.3: GDP contribution by agriculture sector in last five years**

### **2.12 Nepal's Policies Regarding Organic Agriculture**

Nepal's agriculture is in developmental stage. The productivity, adoption of new technologies, crop variety is low. The farmers are dependent on chemical and synthetic fertilizers for high productivity. The shift in agricultural pattern from industrial to environment friendly is necessary in Nepal's agriculture sector. It is high time that all of us from local to central and policy level gear up and work on shifting to sustainable and eco-friendly way of agricultural cultivation. Here are some of the important agricultural policies of Nepal and what they meant for organic farming:

| s.no | Policy                                | Focus on organic agriculture  | Effects on organic agriculture          |
|------|---------------------------------------|---|---|
| 1    | Agricultural Perspective Plan 1995    | Against the organic agriculture, however prioritized IPM  | Negative                                |
| 2    | National Fertilizer Policy 2002       | Against the organic agriculture, however prioritized IPM  | Negative                                |
| 3    | National Coffee Policy 2003           | Promotes organic coffee, but priority is given for 'export' and 'incomes' rather than Environmental conservation. | Positive, and export oriented           |
| 4    | National Agricultural Policy 2004     | Encouraged organic agriculture and provides support for export.   | Positive, but export oriented           |
| 5    | Agribusiness Policy 2006              | Demarcates production area for organic agriculture  | Positive, but no Implementation at all. |
| 6    | Agricultural Biodiversity Policy 2006 | Regulates GMOs and promotes organic agriculture   | Positive for biodiversity conservation  |
| 7    | Trade Policy 2009                     | Supports organic certification and promotes organic tea, coffee, honey and vegetables for export                  | Positive, but export oriented           |

|    |  |   |   |
|----|--|---|---|
| 8  | Nepal Trade Integration Strategy 2010                                    | Seven agro-food items are listed for export, and priority is given for organic products   | Positive, but export oriented   |
| 9  | Climate Change Policy 2011   | Introduced agriculture insurance for climate affected areas   | Silent on organic agriculture   |
| 10 | Agricultural Development Strategy 2014                                   | Emphasized on organic branding for export, promote bio fertilizers, and focus on improving soil organic matter. No ban on the chemical fertilizers, pesticides, and hormones. | Positive and also export Oriented. No clear vision on organic agriculture in Nepal. |
| 11 | National Standards of Organic Agriculture Production and Processing 2007 | Sets rules and regulation for organic products, established national level governing body, and sets priority agro-commodity for organic export.                               | Positive, but lacks clarity, mostly qualitative, and tedious to follow all rules    |
| 12 | The 9 <sup>th</sup> Plan   | Emphasized on IPM and IPNMS   | Silent on organic agriculture   |
| 13 | The 10 <sup>th</sup> Plan  | Introduced the term 'organic farming' in policy, promoted IPM, IPNMS.   | Coined the term, nothing more   |
| 14 | The 11 <sup>th</sup> Plan  | Envisioned to make  | Positive, but   |

|    |                           |  |  |
|----|---------------------------|--|--|
|    |                           | Nepal as organic country, and plans for new policy; but still focused on export  | export oriented; however it envisioned "Organic Nepal" |
| 15 | The 12 <sup>th</sup> Plan | Emphasized organic products through prioritizing organic fertilizer factory, facilitating product branding and certification, and demarcation of organic production area | Positive, but no implementation                        |
| 16 | The 13 <sup>th</sup> Plan | Promotes organic agriculture through facilitating branding and certification - so export priority  | Positive, but export oriented                          |

(Source: ANSAB)

**Table 2.4: Nepal's policies related to sustainable agriculture**

From the table 2.4, we can clearly see the policies that are being formulated for sustainable agriculture in Nepal. There is no clear vision of the government in terms of organic agriculture. Contrasting policies have been formulated, if we take an example we can clearly see that the government is subsidizing chemical and synthetic fertilizers while promoting organic agriculture. Amongst the numerous agricultural policies formulated, a handful of them only emphasizes towards the sustainable and organic agriculture. If we look at the 10<sup>th</sup> five year plan, it did nothing more than coining the term. Furthermore, the policies slowly but gradually have started to acknowledge the sustainable practices but the implementation of those policies are still a distant dream. These policies either lack

vision or are export oriented. And the reasons might be because of the less knowledge in the subject matter which could be a major drawback for the future of sustainable and organic agriculture development in Nepal.

### **Empirical review**

Some research shows the problem in the organic supply chain that causes problems in getting products to consumers and meeting consumer demands. Whereas other research purposes the importance in educating consumers in the organic processes to reduce concern of quality and safety issues and increase consumer knowledge that differentiates the organic products from any other product. Some research examines the quality and safety risks that indicate that best practices in organic farming needs to be considered, while still other research has examined the expectations and perceptions from consumers regarding organic products. There are techniques that research has proven that will shift the seasons of organic products to widen the window of opportunity for organic farmers and other techniques that are alternatives to increase best practices to reduce risks of disease in organic products. Local organic farmers need opportunity to sell products year round. Better plan must be made to implement a better advertising system the organic product to consumers. Also the digital space can play a vital role in the advertisement of organic products. Different WebPages and online sales ideas would boost the perception of consumers as well as the sales of organic products. And a central warehouse for organic product distribution to create a better shopping experience that would provide a faster, more efficient service and higher profitability.

Shrestha, Shrestha & Pandey (2014) found in their research that both the organic and conventional farmers were selling their vegetables through different marketing methods. The different marketing methods involved self-marketing, customer in farm, sellers in farm and local market. Amongst these different methods self-marketing was the most used and local market was the least used method in organic marketing practices. Shrestha, Shrestha & Pandey also shed light on the fact that the serious problem faced by the organic market in Kathmandu valley was the price instability. And amongst the organic vegetable farmers the other major problem was the input price instability.

Shrestha, Shrestha & Pandey (2014) performed the SWOT analysis where they found that the strengths of organic farming and marketing in Kathmandu valley were that they were more profitable than conventional farming and also it provided a better employment opportunity. Secondly the weaknesses were lack of appropriate crop varieties, poor quality of seed and fertilizers and higher middleman margins. Similarly, the opportunities were that the entrepreneurs actually had possibility of shifting from subsistence farming to commercial vegetable production and marketing. The urban waste would be used and the organic vegetables had the potential to replace conventional vegetables. And finally the threats were from the incidences from pests and diseases, fluctuation (instability) in market prices of input materials and labor shortage.

Commercial vegetable farming is profitable enterprise in Kathmandu valley because of the ease of market and inputs. The price instability of both the inputs and products put commercial farmers in risk of getting into financial loss. And the price premium is the main factor yielding higher benefit to cost ratio. Additionally the production cost is comparatively lower in organic vegetable farming in comparison to conventional farming. (Shrestha et al., 2014)

Some research even suggests the poor knowledge and education that the consumers have towards the organic products. Also since the process in the production of organic products requires not to use any sort of chemicals, insecticides etc, the pricing of the organic products will obviously be higher than the contemporary products. This begs an important question if the consumers are ready to purchase comparatively expensive products. Also some research suggest that the organic product farming and marketing is progressing in Nepal but in a sluggish manner. Shrestha et. al. (2014) talked in his journal about the profitability and pricing of the organic vegetables in Kathmandu valley. Shrestha et. al. mentioned that only 20% consumers go to farm to purchase vegetables whereas remaining 80% consumers buy their products from middle man, this causes the price hacking and instability in the prices of all agricultural products.

Pokhrel, and Pant (2009), stressed that formulation of National Standards of Organic Agriculture Production and Processing (2064) has been an important step for organic agriculture production in Nepal. It opened up potential to all organic producers,

promoters, and certifiers to contribute to promotion of organic production and processing. However, there are some major challenges to implement such standards like certification mechanism, making people aware of organic products, etc.

Bhurtyal, Dangol & Joshi (2015) discovered that the farmers were using organic vegetables with the help of locally available resources for a long time in Kaski. But in the latest 2 year, farmers were more focused in producing the organic vegetables from marketing point of view. Bhurtyal et al. found that 60 percent household grew organic vegetables to sell while remaining 40 percent grew for their own consumption. Also 61 percent household was known to sell the surplus (after own consumption), while 39 percent sold whole production to earn money. And finally around 56 percent sold their products to their neighbors, 13 percent to local shop, 4.5 percent to local traders and 51 percent to traders from outside the village.

Organic farmers of kaski told that they sold their organic vegetables such as cauliflower, cabbage, broccoli, pea, cowpea, tomato, beans and other vegetables to the market also known as “The Bazaar.” The market is one of the working business houses that facilitate marketing of organic vegetables from farmers to the consumers through its market outlets located in Pokhara city. The market also distributes organic vegetables and products to Shree Complex of Pokhara city. The organic vegetable producers of the other districts had market place in the Kathmandu valley for the heterogeneous products ranging vegetables like lettuce, spinach, turnip, carrot, cabbage, tomato and leek are the major ones (Aryal et al., 2009).

The marketing channels of organic vegetables in Kaski were

- (i) Production in farmers field
- (ii) Collection center
- (iii) Display at market outlets and
- (iv) Ultimately to consumers.

Similar type of marketing channels of organic products was reported from Kathmandu valley. In the study site, generally, farmers took their organic vegetables in a collection center (Deurali) where traders from Pokhara city can buy it to take them to the

consumers. In addition, farmers directly sell their organic vegetables to neighbors, local shops and local traders in the villages apart from “The Bazaar” (Bhurtyal et al., 2015).

Thapa, (2019) conducted a study to explore the consumer awareness and purchasing attitude towards green products in Nepal. Thapa discovered that the consumers have a very superficial knowledge about green products and its various features. Thapa also found out that the consumers were purchasing the green products because of the word of mouth communication rather than advertisements. Consumers were negative about the promotional strategies and claims made by vendors while marketing green products.

Fossel (2007), mentioned in his book that consumers give several reasons for seeking out organic fruits and vegetables. Some of those reasons are mentioned below:

- a. Health
- b. Nutrition
- c. Taste

Fossel (2007), further elaborated that the farmers are also attracted towards the organic farming practices. Some of the reasons why farmers were attracted towards the organic farming practices were:

- a. Marketing chain and practices
- b. Economy
- c. Friendliness to earth
- d. Pests

Fossel (2007), mentioned in his book that consumers were willing to pay a better value to the organic fruits and vegetables because they tasted better than conventional produces. No pesticides can be marketed safe. Pesticides are toxins and toxins are inherently deadly in right dosage. Fossel further illustrates that some pesticides such as organophosphates (OP) and carbamates affect nervous system while, others may be carcinogens and they may affect hormones and endocrine system of body. Its long been thought that pesticides don't cross placenta to a fetus on womb but a study conducted by American Red Cross in 2005 tested 21 common pesticides and found all of 21 made the crossover to the fetus. A French scientist reported reported in January 2006 that exposure to pesticides in the womb or as a child can double the risk of leukemia, young children exposed to the

pesticides and insecticides had more than double the rise of illness than other children. Fossel also mentioned a study conducted in University of Washington in which children consuming organic fruits and vegetables had lower concentrations of OP in their urine (six times lower) than the children consuming conventional produce. A couple reasons were presented why children are at risk and they are:

- a. Children eat more food relative to their body mass.
- b. Children are smaller than adults, as a result equal dose of chemicals have greater effect on them.

Fossel (2007), talked about the concept of “safe threshold”. “Safe threshold” is often associated with the usage of pesticides and other chemicals in the production of food to justify their presence but a few studies suggested that there is no “safe threshold” for lead or mercury in human body. Conventionally produced fruits and vegetables have higher pesticide level even after washing them. Fossel also talked about the nutritional contents in both organic and conventional produces. A research conducted by Davis in University of California found that organic tomatoes had higher levels of phytochemicals and Vitamin C than tomatoes produced conventionally. Phytochemicals prevent or slow down cancer, heart and other diseases. An Australian Research Foundation also determined that organic food had higher levels of Vitamin C, Iron and Magnesium and less unwanted and potentially toxic nitrates.

Atreya (2015), wrote in the report published by ANSAB about the progression of modern agriculture at around 1950s after the discovery of DDT. After that agricultural productivity increased dramatically but at the same time a bunch of negative effects on ecological, economical, and social aspects was seen. The modern approach revolutionized the production of food around the world. It was a paradigm shift in terms of agricultural inputs. Atreya wrote at that time the industrial agricultural system was accepted and well received because it was believed that the benefits of industrial agriculture in terms of the increased productivity far outweighed their negative impact on human health and environment. Unlike in past, now it is widely believed that the negative effect of the industrial agriculture is too high price to pay just for its few advantages. The use of chemical fertilizers and pesticides in agricultures has two major effects and they are:

- a. The first is positive income gain because of the increased productivity gain. and,
- b. The second is negative ecological impact and human health degradation.

Moreover, the negative ecological impacts can be seen in two different levels, first on physical environment and second on the biotic community.

Dahal et al. (2016), wrote about the possibility of organic agriculture for future of Nepal. They mentioned about the dynamic nature of our planet. The nature has provided a basic instinct of survival and adaptation to all the living beings without any discrimination. On top of that human beings are given to understand the ways of nature and natural balance. That's why it is also the responsibility of human beings to make our home safe for all by transforming our agriculture production system from unfriendly to nature friendly. Dahal et al. (2016) compared traditional and conventional agriculture in Nepalese context based on different parameters like fertilizers, crop varieties, pesticides, crop mechanics, irrigation and capital. Then the effect on conventional agriculture was observed in immediate and long term basis. The immediate outcome was positive with high yield production, pest control, time saving and better management of crops. Whereas, in the long run land races erosion were seen with decreased yield and productivity, soil health decline, pest resurgence, decrease in resource efficiency and expensive maintenance cost along with several other negative impacts were observed.

Mandal, in his research paper made a claim that IPM is one of the best ecological approaches that minimize the cost of farming by using bio-fertilizers and it also increased the quality of products.

Nepal is an agricultural country. People not only depend upon agriculture for food but also for a stable income. A significant percentage share comes from agriculture on GDP. It also provides raw materials to agro based industries. But majority of the farming system used in our country is conventional in nature. it is high time that we make a shift from conventional to organic farming system. If the farming system makes the shift then the food consumption pattern can also be changed. Organic agriculture makes the use of organic fertilizers which has many advantages. Organic fertilizers after coming in contact with the roots, they do not burn or desiccate them. They release nutrients in a slow rate

than chemical fertilizers and with such slow rate the nutrients remain available for plants for a long period of time. Not only can organic fertilizers improve the physical properties of soil it also improves other properties of soil like increasing the water holding capacity. (Baker, 2010).

### **2.13 Organic Farming and Environment**

We are a part of ecosystem therefore all of us are interdependent to one another for food, shelter, etc. Organic farming practices means supporting the flora and fauna, which is a part of our very own ecosystem. This also means that we are adapting the sustainable farming practices by reducing the reliance of chemicals and pesticides.

Fossil (2007), states that there are more demerits of chemical farming than just health and nutrition. There are some environmental costs as well and they include soil erosion, water pollution, and damage to biotic and abiotic diversity. Organic farming has a significant role in slowing down global warming and its effects. Cornell study conducted in 2005 claimed that the soil rich in organic matter absorb and retain significant amount of carbon after comparing the organic and conventional farms. The organic farm had 15 to 28% more carbon which is helpful in slowing down the global warming and its effects. Lampkin (1990), stresses that organic farming have the potential to provide benefits in terms of environmental protection, conservation of non-renewable resources, improvements in food quality, reductions in the output of surplus products, and the reorientation of agriculture toward areas of market demand.

Many researchers have pointed out the healthy relationship between soil health, agriculture and environment. Organic agriculture is the best option to adapt in our country because we are already following the integrated farming system. A set of rigid planning and strategies along with crystal clear and holistic approach in policy level can help us make a shift from conventional to organic agriculture system. (Parajuli, Shrestha, and Ghimire, 2020).

Health of environment is directly proportional to the health of living organisms in that particular environment. Therefore in organic farming the environmental pollution is lower because there is a lot less industrial chemicals used. This eventually has a positive

impact on the health of all organisms living in that environment. (Sivaranjani and Rakshit, 2019).

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Banjara and Poudel (2016), found in their research that more than 90% farmers were satisfied from the income of organic products. They further wrote that there is a high chance of sustainability of organic agriculture in Nepal because the conventional farming practices were more similar to organic farming practices. Also, the Nepalese farmers are already using the integrated farming practices too.

## **CHAPTER – THREE**

### **RESEARCH METHODOLOGY**

Research methodology is a systemic inquiry to describe, explain, predict and control the observed phenomenon using inductive and deductive methods. (Earl Robert Babbie).

It is an important part of the study because it constructs the framework of the research. It helps to identify the necessary inputs of the study. In this study the research methodology involves research design, selection of the study area, nature and sources of data, sampling procedure, data collection tools and technique, methods of data analysis and data presentation technique.

#### **3.1 Research design**

The study was conducted as explanatory research design because the study was carried out emphasizing the marketing activities of organic marketing. It explores a bunch of questions. The study focuses on the problems and prospects of organic farming and marketing. With the help of the study the several aspects of organic farming and marketing was also explored.

Additionally, the study provides a detail concept of organic products from its origin to present. This study helps to understand the perception of consumers towards the organic products. It helps us to understand the status of organic farming and marketing in Kathmandu valley. Therefore, this study can be categorized under explanatory research design.

#### **3.2 Rationale of the selection of study area**

The study was carried out in “Farmer’s Market at Le Sherpa” situated in Maharajgunj area of Kathmandu valley.

Kathmandu valley has immense potential in organic farming and marketing of organic products because of several reasons. The first advantage can be the population itself as more than 25 lakh people are living in Kathmandu valley. Secondly, the majority population of Kathmandu valley is educated. And the educated population is attracted towards the organic products. They are the potential buyers. Besides, Kathmandu valley

is good for farming as the land is fertile and climate is favorable for farmers for cultivation. There is easy access of transportation so that farmers can transport their products to market area easily by themselves. The farmer's market is located in an ideal location as the Maharajgunj area is known for the residence of a high income section of society and foreigners because those are the target population for consumption of organic products. Also the Farmer's Market has a rule of allowing the vendors to sell the products that are produced by them. Finally, the farmer's of Kathmandu valley are also educated and they themselves are trying to make shift from conventional farming practices to organic farming practices.

### **3.3 Nature and sources of data**

Both the primary and secondary data sources were used in this study. The collected data were both qualitative and quantitative in nature. Primary data were collected using structured questionnaires, Focus Group Discussions and observation method. Whereas secondary data were collected from several books, journals published by different researchers and social scientists. Additionally, many governmental sites, NGOs & INGOs sites were also used to collect secondary data.

### **3.4 Universe, Sample Size and Sampling Procedure**

The universe of the study is the Farmers/Vendors and consumers of "Farmer's Market at Le Sherpa". There were 50 registered vendors in total among which 40 were organic vegetable vendors and remaining 10 were organic fruit vendors at the time of the field survey. Whereas, the number of targeted consumers who were visiting the market to purchase fruits and vegetables were tentatively estimated as 100. The data regarding the number of universe population were taken from the market administration.

The sample population was determined to be 40% of the total classified population. Among 50 vendors 40 were organic vegetable farmers and 10 were organic fruit farmers. Therefore, 16 organic vegetable farmers and 4 organic fruit farmers were chosen. Again, out of 100 targeted consumers 40 were chosen.

In case of the vendors the "simple random sampling method" was used and "accidental sampling method" was used for consumers to select the sample population.

**Table 3.1: Universe, Sample Size and Sampling Procedure**

| <b>Categories</b> | <b>Universe</b> | <b>Sample Size</b> | <b>Sampling Procedure</b>     |
|-------------------|-----------------|--------------------|-------------------------------|
| Vegetables        | 40              | 16                 | Simple Random Sampling Method |
| Fruits            | 10              | 4                  | Simple Random Sampling Method |
| Consumers         | 100             | 40                 | Accidental Sampling Method    |

### **3.5 Data Collection Techniques and Tools**

To collect the primary data, the structured questionnaire, Focus Group Discussion, and observation methods were used.

#### **3.5.1 Questionnaire Survey**

Survey is a form of research that is used for collecting data from predefined group of respondents to gain information and insights into various topics of interests. The interview was conducted over the period of 3 days to collect the data from 60 respondents. Out of 60, 16 were selling vegetables, 12 were selling fruits and 40 were the targeted consumers of the fruits and vegetables.

In this study, the respondents were defined and categorized into three different groups: Organic vegetable respondents, Organic fruit respondents, and Consumers. Two distinct set of structured questionnaires were formed for farmers and consumers to collect data from the respondents. The format of questionnaires has been attached in ANNEX I and ANNEX II.

#### **3.5.2 Focus Group Discussion (FGD)**

Focus Group Discussion is a form of qualitative research technique used to collect data where a group of people from similar background and experiences are gathered together and discussed on a specific topic. FGD was conducted in the last day of data collection

where total 6 respondents took participation out of which 3 were organic vegetables vendors and remaining 3 were organic fruits vendors.

In this study, the organic fruit and vegetable farmers were gathered together and asked about problems & prospects, further improvement and expansion of organic farming and marketing. The farmers were also asked if they were planning to continue or quit organic farming and marketing. Their response was filled up in a form to collect the required information for the study. The format of FGD guideline has been attached in ANNEX III.

### **3.6 Method of Data Analysis**

The data were analyzed in two different ways; Statistical Analysis and Descriptive analysis. The quantitative data collected using the structured questionnaire was analyzed using statistical analysis. Similarly the qualitative data collected from the Focus Group Discussion and observation was analyzed using the descriptive analysis. It deals with comparative analysis about the farming and marketing to fulfill the above mentioned objectives.

## **CHAPTER – FOUR**

### **DATA PRESENTATION AND ANALYSIS**

The survey was conducted to study the microeconomic and marketing activities of organic market. This research also aims to know the perception of consumers towards organic market as well as the problems and prospects of organic farming and marketing of the vendors of “Farmer’s Market at Le Sherpa” located in Maharajgunj area of Kathmandu valley.

In this chapter the collected data were organized, edited, classified, and tabulated for presentation and analysis. The chapter as a whole has been organized into the following six sequences:

- 4.1 Socio-Demographic Characteristics of Vendors
- 4.2 Socio-Demographic Characteristics of Consumers
- 4.3 Farming Status of Vendors
- 4.4 Status of Organic Marketing
- 4.5 Perception of Consumers towards Organic Products
- 4.6 Organic Marketing: Problems and Prospects

Initially the socio-demographic variables will be taken into consideration and analyzed to build up a general profile of the respondents.

#### **4.1 Socio-Demographic Characteristics of Vendors**

In order to conduct this research a small section of people at random were selected as the sample population. The research was conducted by taking data from that sample population and analyzed to present the final report.

##### **4.1.1 Gender Structure**

Gender is the social construct that refers to the physical, biological, mental and behavioral characteristics pertaining to and differentiating between masculinity and

femininity. The term gender may refer to biological sexual difference (state of being male, female or LGBTQI+), sex based social structures (gender and social roles) and gender identity.

**Table 4.1: Gender Structure of Farmers**

| <b>Gender</b> | <b>No of respondents</b> | <b>Percentage</b> |
|---------------|--------------------------|-------------------|
| Male          | 11                       | 55                |
| Female        | 9                        | 45                |
| Total         | 20                       | 100               |

(Source: Field Survey, 2021)

Table 4.1 illustrates that amongst 20 farmers 11 (55%) are male and 9 (45%) are female. The number of male farmers is slightly higher than female farmers.

#### **4.1.2 Total Number of Family Members**

The family number for farmers is tabulated and illustrated in table 4.2. Family member is an important socio-demographic characteristic as it shows the size of the family. And family size is important while analyzing the economic activities of any family.

**Table 4.2: Family Structure of Farmers**

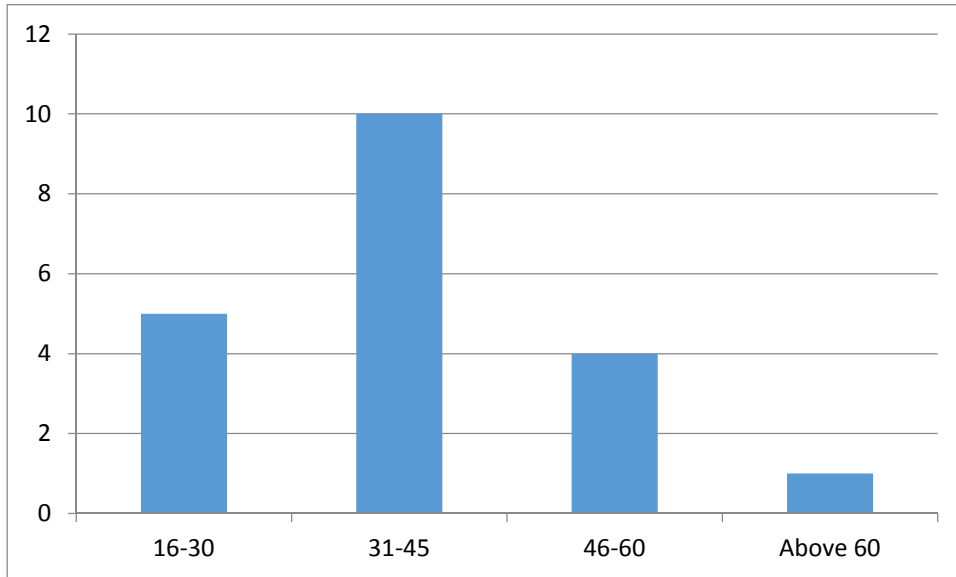
| <b>Family members</b> | <b>No of respondents</b> | <b>Percentage</b> |
|-----------------------|--------------------------|-------------------|
| Below 4               | 6                        | 30                |
| 4-8                   | 12                       | 60                |
| More than 8           | 2                        | 10                |
| Total                 | 20                       | 100               |

(Source: Field Survey, 2021)

As we can clearly tell that case of farmers, mostly the family size is small and nuclear in nature. But a small percentage (10% to be precise) the family size is large in nature as it is kind of expected because of the traditional belief system and mindset as well as our country's socio-political climate favors the large family structure, which is changing gradually.

### 4.1.3 Age-Wise Structure

During the study, the samples were chosen randomly from various age groups of respondents. The age groups of respondents are segregated in 4 major groups which are represented by these graphs below:



(Source: Field Survey, 2021)

**Figure 4.1: Age Wise Distribution of Organic Farmers**

The bar graph above shows the different age groups of the farmer respondents. The graph tells us that most of the vendors involved in farming and marketing of the organic fruits and vegetables. Mostly the farmers of active age group are involved in farming and marketing with the highest involvement of age group of 31-45. However, there is a 5% involvement of inactive old age population (above age group 60).

From the bar graph above, it is safe to say that the active population has a greater involvement in all farming and marketing of organic products.

### 4.1.4 Educational Status

Education is a social institution through which society provides its members with important knowledge, skills, cultural norms and values. A good education doesn't only

mean going to school, college and acquiring degree. Education helps to improve and uplift the economic activities in people's life by improving trade and commerce. Not only that, education helps people to make better life choices. Education in our country is generally divided into different levels such as primary, lower secondary, secondary, higher secondary and university degree. Education level of the respondents has been listed below:

**Table 4.3: Educational Status of Farmers**

| <b>Levels</b>          | <b>No of Respondents</b> | <b>Percentage</b> |
|------------------------|--------------------------|-------------------|
| Illiterate             | 1                        | 5                 |
| Literate               | 19                       | 95                |
| Total                  | 20                       | 100               |
| <b>Out of Literate</b> |                          |                   |
| Primary                | 1                        | 5.26              |
| Lower Secondary        | 2                        | 10.53             |
| Secondary              | 5                        | 26.32             |
| Higher Secondary       | 11                       | 57.89             |
| Total                  | 19                       | 100               |

(Source: Field Survey, 2021)

From the above table 4.3, we can see that only 5% farmers are illiterate whereas a huge 95% farmers are literate. Out of literate farmers, a huge percentage (57.89%) have acquired higher secondary level of education. But a small percentage of farmers (5.26%) have only received primary level education. In General, the table illustrates that most of the farmers of the organic farming and marketing industry are well educated.

#### **4.1.5 Income and Income Source of Respondents**

Income plays an important part while analyzing the marketing of any product. Income is directly proportional to the purchasing power of the consumer. Income dictates the various aspects of people's life. A good income means improved standard of living, better education, increased life expectancy, savings, etc. If the income is increased for

farmers then they are motivated to work in that particular field for a long period of time. Whereas, for consumers good income means they will have access to qualitative products with premium pricing.

**Table 4.4: Income of Farmers**

| <b>Income Nrs. (per month)</b> | <b>No of respondents</b> | <b>Percentage</b> |
|--------------------------------|--------------------------|-------------------|
| 0-20,000                       | 5                        | 25                |
| 20,000-50,000                  | 7                        | 35                |
| 50,000-80,000                  | 4                        | 20                |
| 80,000-100,000                 | 1                        | 5                 |
| Above 100,000                  | 3                        | 15                |
| Total                          | 20                       | 100               |

(Source: Field Survey, 2021)

From the above presented tables 4.4, we can see the per month income of organic fruit and vegetable farmers. The table shows that in case of the farmers 60% of farmer's income is towards the lower range. As we can clearly interpret the data that only 5% of farmers are making 80,000-100,000 and 15% farmers are making a bit better income than that (i.e. above 100,000).

**Table 4.5: Major Income Source of Vendors**

| <b>Income Source</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------|--------------------------|-------------------|
| Agriculture          | 12                       | 60                |
| Business             | 6                        | 30                |
| Service              | 2                        | 10                |
| Other                | 0                        | 0                 |
| Total                | 20                       | 100               |

(Source: Field Survey, 2021)

The tables 4.5 presented above shows the major income source of respondents. In case of the farmers respondents 60% depend upon agriculture for their livelihood. Similarly, business and service accounts for 6% and 2% respectively.

## 4.2 Socio-Demographic Characteristics of Consumers

### 4.2.1 Gender Structure

Gender is the social construct that refers to the physical, biological, mental and behavioral characteristics pertaining to and differentiating between masculinity and femininity. The term gender may refer to biological sexual difference (state of being male, female or LGBTQIA+), sex based social structures (gender and social roles) and gender identity.

**Table 4.6: Gender Structure of Consumers**

| <b>Gender</b> | <b>No of respondents</b> | <b>Percentage</b> |
|---------------|--------------------------|-------------------|
| Male          | 28                       | 70                |
| Female        | 12                       | 30                |
| Total         | 40                       | 100               |

(Source: Field Survey, 2021)

Table 4.6 illustrates that amongst 40 consumer respondents 28 (70%) are male and only 12 (30%) are female. In this case the number of male respondent is significantly higher than the female.

### 4.2.2 Total Number of Family Members

The table 4.7 presented below shows the total no of family member of consumers. Family member is an important socio-demographic characteristic as it shows the size of the family. And family size is important while analyzing the economic activities of any family.

**Table 4.7: Family Structure of Consumers**

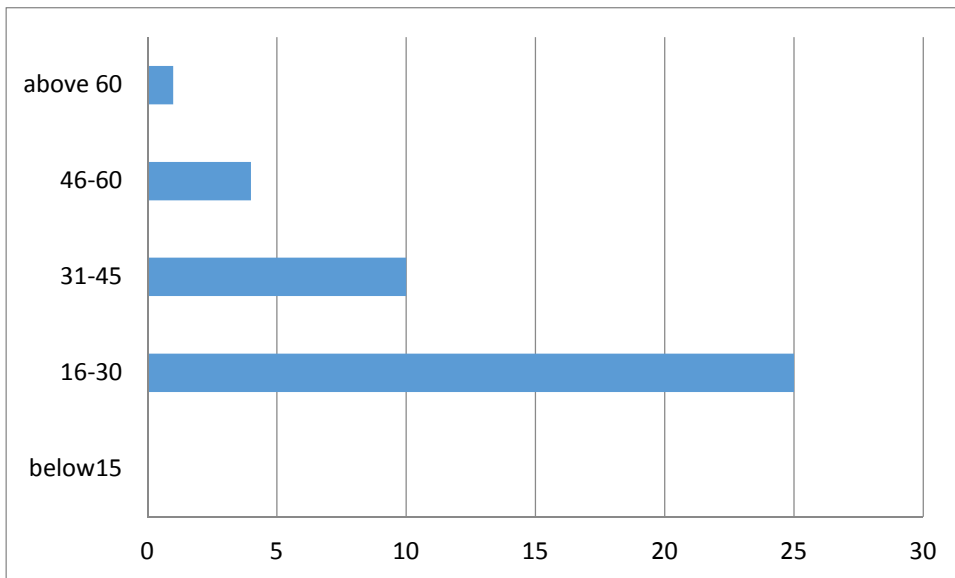
| Family members | No of respondents | Percentage |
|----------------|-------------------|------------|
| Below 4        | 21                | 52.5       |
| 4-8            | 15                | 37.5       |
| More than 8    | 4                 | 10         |
| Total          | 40                | 100        |

(Source: Field Survey, 2021)

As we can clearly tell that from the table above, the family size is small and nuclear in nature. But a small percentage (10% to be precise) is large in nature as it is kind of expected because of the traditional belief system and mindset as well as our country's socio-political climate favors the large family structure, which is changing gradually.

#### 4.2.3 Age-Wise Distribution

During the study, the samples were chosen randomly from various age groups of respondents. The age groups of respondents are segregated in 5 major groups which are represented by these graphs below:



(Source: Field Survey, 2021)

**Figure 4.2: Age Wise Distribution of Organic Product Consumers**

The above bar graph shows the age wise distribution of organic product consumer respondents. From this graph we can see a similar pattern to figure 4.1 (See pp.37) where there was a greater involvement of active population. In this graph the consumers of age group 16-30 is highest while only 2.5% of old age group is purchasing organic food. Similarly, the number of consumers age group 31-45 and 46-60 are 10 (25%) and 4 (10%) respectively.

From the bar graph above, we can deduce that the active population again has a greater involvement in consumption of organic products also.

#### 4.2.4 Educational Status

Education in our country is generally divided into different levels such as primary, lower secondary, secondary, higher secondary and university degree. Education level of the respondents has been listed below:

**Table 4.8: Educational Status of Consumers**

| Levels      | No of respondents | Percentage |
|-------------|-------------------|------------|
| Illiterate  | 0                 | 0          |
| Primary     | 2                 | 5          |
| Lower sec.  | 0                 | 0          |
| Secondary   | 4                 | 10         |
| Higher sec. | 34                | 85         |
| Total       | 40                | 100        |

(Source: Field Survey, 2021)

From the above table 4.8, we can see that a huge percentage of consumers (85%) have acquired higher secondary level of education. Whereas a small percentage of consumers (5%) have only primary level education. The table above shows that the consumers of the organic products are highly educated. Therefore, it can be deduced that education plays an important role while choosing the organic products for consumption.

#### 4.2.5 Income and Income Source

From the table 4.9 presented below, we can see the per month income of organic fruit and vegetable consumers. In case of the consumers the presented data shows that the consumers of the organic product have a good income with only 25% of respondents having income towards lower range. A significant 40% of people have income in between 80,000 to 100,000 and 20% people have income above 100,000.

**Table 4.9: Income of Consumers**

| <b>Income Nrs. (per month)</b> | <b>No of respondents</b> | <b>Percentage</b> |
|--------------------------------|--------------------------|-------------------|
| 0-20,000                       | 8                        | 5                 |
| 20,000-50,000                  | 16                       | 20                |
| 50,000-80,000                  | 2                        | 15                |
| 80,000-100,000                 | 8                        | 40                |
| Above 100,000                  | 6                        | 20                |
| Total                          | 40                       | 100               |

(Source: Field Survey, 2021)

**Table 4.10: Major Income Source of Consumers**

| <b>Income Source</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------|--------------------------|-------------------|
| Agriculture          | 3                        | 7.5               |
| Business             | 14                       | 35                |
| Service              | 17                       | 42.5              |
| Other                | 6                        | 15                |
| Total                | 40                       | 100               |

(Source: Field Survey, 2021)

The table 4.10 presented above shows the income source of respondents. About 42.5% of consumers are engaged in services, 35% in business and only 7.5% in agriculture.

### 4.3 Farming Status of Vendors

#### 4.3.1 Trainings

Dale S. Beach defined training as “the organized procedure by which people learn knowledge and skill for a definite purpose. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.” Training gives a lot of benefits to the trainees such as improvement in efficiency and effectiveness, development of self confidence and assists everyone in self management. Training also helps to adapt according to the changing environment and adopt new technologies.

**Table 4.11: Training of Farmers**

|                             | <b>No of Respondents</b> | <b>Percentage</b> |
|-----------------------------|--------------------------|-------------------|
| Received Training           | 8                        | 40                |
| Didn't Receive any Training | 12                       | 60                |
| Total                       | 20                       | 100               |

(Source: Field Survey, 2021)

The table above shows the training status of the farmers involved in the organic fruits and vegetables farming. Out of 20 farmers only 40% farmers received training to work in the organic farming sector. But the rest 60% farmers don't have any training and still they are producing organic products.

One of the reasons why majority of farmers didn't receive training is that the training programs in Nepal are provided by private institutions and they tend to be costly. Additionally, Nepalese farmers have been practicing the integrated farming system for generations and do not feel the need to get trained.

### 4.3.2 Cultivation of organic products

The vendors were asked if they produce their own products or they buy them through various marketing channel actors. The data is tabulated below:

**Table 4.12: Production of Organic Fruits and Vegetables**

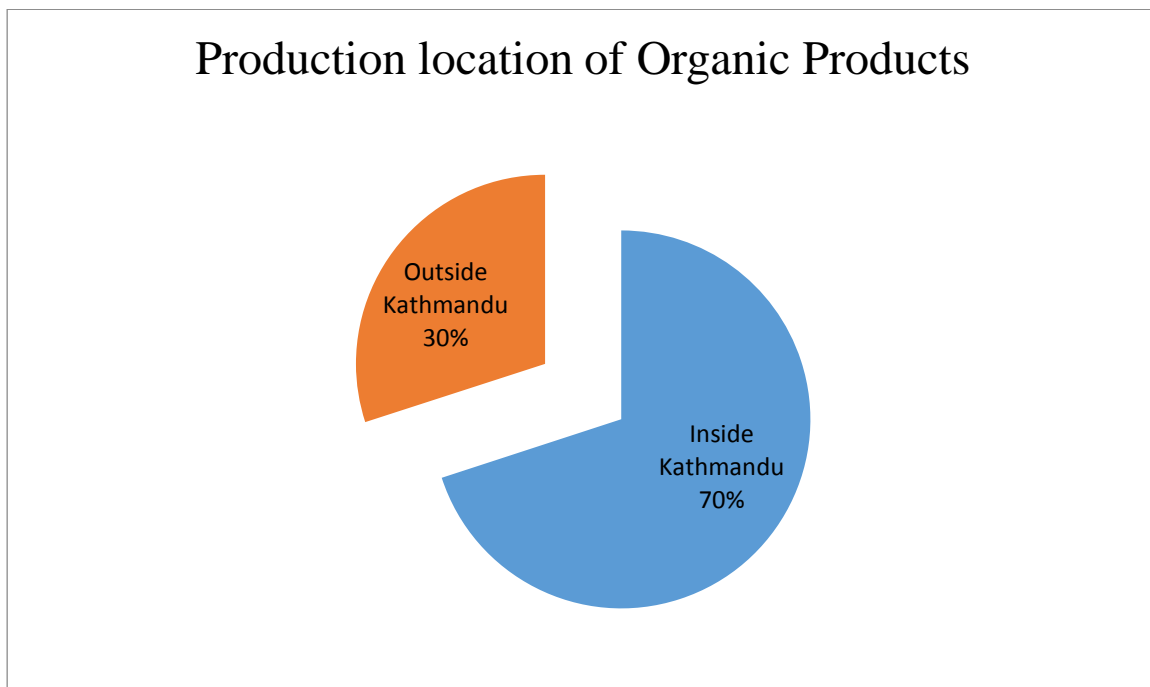
| Description             | No of respondents | Percentage |
|-------------------------|-------------------|------------|
| Own Production          | 14                | 70         |
| Bought from Producers   | 3                 | 15         |
| Bought from Wholesalers | 3                 | 15         |
| Bought from Collectors  | 0                 | 0          |
| Total                   | 20                | 100        |

(Source: Field Survey, 2021)

Table 4.12 shows that most of the vendors produce their own products. And only a small percentage of vendors buy their products from the actors of marketing chain. 15% vendors bought their products from producers directly and the rest 15% bought from wholesalers, to be precise.

### 4.3.3 Production Location and Varieties

Production location is important in a few different things. For example if the cultivation area is nearby then the transportation cost is reduced highly which eventually effects the pricing of the products. The consumers also get to consume relatively fresh produces. The data regarding the production location of the organic products is presented by the pie chart below:



(Source: Field Survey, 2021)

**Figure 4.3: Production Location of Organic Fruits and Vegetables**

From the above pie chart we can see that the majority products (70%) are produced inside Kathmandu valley and only 30% products come from outside Kathmandu valley.

The production locations inside the Kathmandu valley are the outskirts where the population is relatively less dense. Farmers said have their farm in *Sakhu*, *Tokha*, *Salinadi*, etc. And the farmers from outside Kathmandu valley have their farm in *Chitwan*, *Butwal*, *Bhairawaha*, etc.

The vendors were also asked about the production varieties and most of them replied that they produce the seasonal vegetables and fruits. Some farmers cultivated green leafy vegetables like kale, lettuce, spinach, chards, etc. Whereas the seasonal fruits and vegetables include tomato, peas, carrot, garlic, cabbage, broccoli, cauliflower, dragon fruits, avocado, apples, banana, mushroom, mustard, sweet potato, etc.

#### 4.3.4 Use of External Inputs

The use of external input is gaining popularity among farmers these days. External inputs such as insecticides, pesticides, and other fertilizers help to increase productivity. However, there are selective external inputs that can be used in case of organic farming. The farmers were asked what kind of external inputs they used in their farm.

**Table 4.13: Use of External Inputs for Production**

| <b>Items</b>         | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------|--------------------------|-------------------|
| Insecticides         | 0                        | 0                 |
| Pesticides           | 0                        | 0                 |
| Chemical Fertilizers | 5                        | 25                |
| Compost              | 9                        | 45                |
| Organic Fertilizers  | 4                        | 20                |
| Manure               | 2                        | 10                |
| Total                | 20                       | 100               |

(Source: Field Survey, 2021)

The above table 4.13 shows the different kinds of external inputs used by the farmers in their farm. 45% were using compost, 20% organic fertilizers and 10% manure. But 25% farmers were using the chemical fertilizers in their farm.

#### 4.3.5 Cultivation Land and Land Possession

The farmers were also asked about the cultivation land and their possession during the research. And the data is tabulated below.

**Table 4.14: Total Area of Cultivation**

| <b>Land Area (<i>ropani</i>)</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------------------|--------------------------|-------------------|
| 0-1                              | 3                        | 15                |
| 1-3                              | 4                        | 20                |
| 3-5                              | 3                        | 15                |
| More than 5                      | 10                       | 50                |
| Total                            | 20                       | 100               |

(Source: Field Survey, 2021)

The above table 4.14 shows the land area used by farmers to cultivate the organic products. 50% farmers had more than 5 *ropani* of land area for cultivation. On the other hand, 20% farmers had 1-3 *ropani*, 15% farmers had less than 1 *ropani* and 3-5 *ropani* for organic farming.

**Table 4.15: Land Possession**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Own Land           | 4                        | 20                |
| On Lease           | 10                       | 50                |
| Both               | 6                        | 30                |
| Total              | 20                       | 100               |

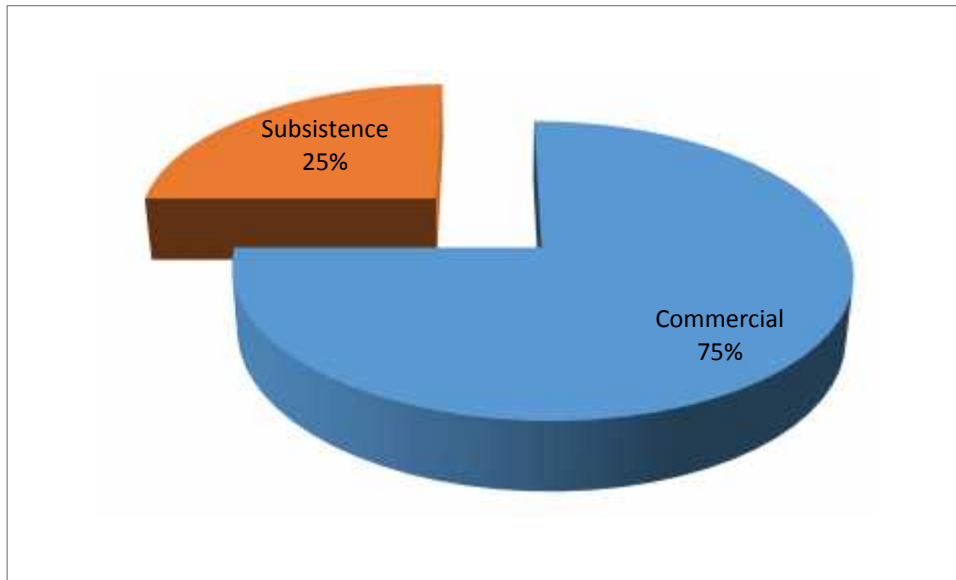
(Source: Field Survey, 2021)

The table 4.15 shows the data of the land possession by farmers. Here, 50% farmers took their cultivation land on lease, 20% farmers have their own land for cultivation. But 30% farmers own partial land and remaining was on lease.

#### **4.3.6 Capital and Investments**

Capital investments generally are made to increase operational capacity, capture a larger share of the market, and generate more revenue. Capital investments allow the business to operate smoothly and it also helps to determine the scale of the business.

**Figure 4.4: Scale of the Farm**



(Source: Field Survey, 2021)

The pie chart presented above shows the scale of the organic farm of the farmers. Here 75% vendors are producing the products commercially and remaining 25% farmers are dependent on the subsistence farming.

**Table 4.16: Current Investment (Annually)**

| Budget         | No of Respondents | Percentage |
|----------------|-------------------|------------|
| 0-100k         | 2                 | 10         |
| 100k-300k      | 2                 | 10         |
| 300k-500k      | 2                 | 10         |
| More than 500k | 14                | 70         |
| Total          | 20                | 100        |

(Source: Field Survey, 2021)

The above presented table illustrates the current capital investment of the farmers in their organic farm. Here, a huge section of farmers (70%) have more than 5 lakhs rupees investment whereas the rest 10%, 10%, and other 10% farmers have “less than 1 lakhs”, “1 lakhs-3 lakhs”, and “3 lakhs- 5 lakhs” respectively.

#### 4.4 Status of Organic Marketing

##### 4.4.1 Sales Status

The respondents were also asked how much quantity they sold on a daily basis in an average. Their response is tabulated below.

**Table 4.17: Sale of Organic Products (per day)**

| Quantity (kg) | No of respondents | Percentage |
|---------------|-------------------|------------|
| 0-10          | 5                 | 25         |
| 10-30         | 5                 | 25         |
| 30-50         | 5                 | 25         |
| 50-70         | 2                 | 10         |
| 70-100        | 0                 | 0          |
| Above 100     | 3                 | 15         |
| Total         | 20                | 100        |

(Source: Field Survey, 2021)

Table 4.17 shows that in most of the cases per day sale of organic fruits and vegetables is usually towards the lower to medium range. However, 10% vendors sell about 50-70 kilograms of products in one day from the market and 15% farmers claimed to sell above 100 kilograms of organic produces in a single day.

**Table 4.18: Sales Preference of Organic Products**

|           | No of respondents | Percentage |
|-----------|-------------------|------------|
| Wholesale | 2                 | 10         |
| Retail    | 10                | 50         |
| Both      | 8                 | 40         |
| Total     | 20                | 100        |

(Source: Field Survey, 2021)

The vendors were then further asked if they were selling their products in wholesale or retail. Out of 20 vendors 50% said that they were selling their products only in retail and 40% vendors said that they sold both in retail and in wholesale.

#### 4.4.2 Price Tally

##### 4.4.2.1 Wholesale Price

**Table 4.19: Price Tally of Wholesale Products**

| <b>Products</b>       | <b>Organic Price<br/>(per kg)</b> | <b>Conventional<br/>Price (per kg)</b> | <b>Price<br/>Difference</b> |
|-----------------------|-----------------------------------|--|-----------------------------|
| Broccoli              | 150                               | 40                                     | 110                         |
| <i>Saag (I mutha)</i> | 30                                | 5                                      | 25                          |
| Avocado               | 550                               | 410                                    | 140                         |
| Dragon Fruit          | 760                               | 350                                    | 410                         |

(Source: Field Survey, 2021)

The table above compares the wholesale price of organic and conventional products. From the table we can clearly see that the prices of organic products are very expensive compared to conventional products.

##### 4.4.2.2 Retail Price

**Table 4.20: Price Tally of Retail Products**

| <b>Products</b>       | <b>Organic Price<br/>(per kg)</b> | <b>Conventional<br/>Price (per kg)</b> | <b>Price<br/>Difference</b> |
|-----------------------|-----------------------------------|--|-----------------------------|
| Broccoli              | 200                               | 50                                     | 150                         |
| <i>Saag (I mutha)</i> | 40                                | 10                                     | 30                          |
| Avocado               | 700                               | 540                                    | 160                         |
| Dragon Fruit          | 850                               | 400                                    | 450                         |

(Source: Field Survey, 2021)

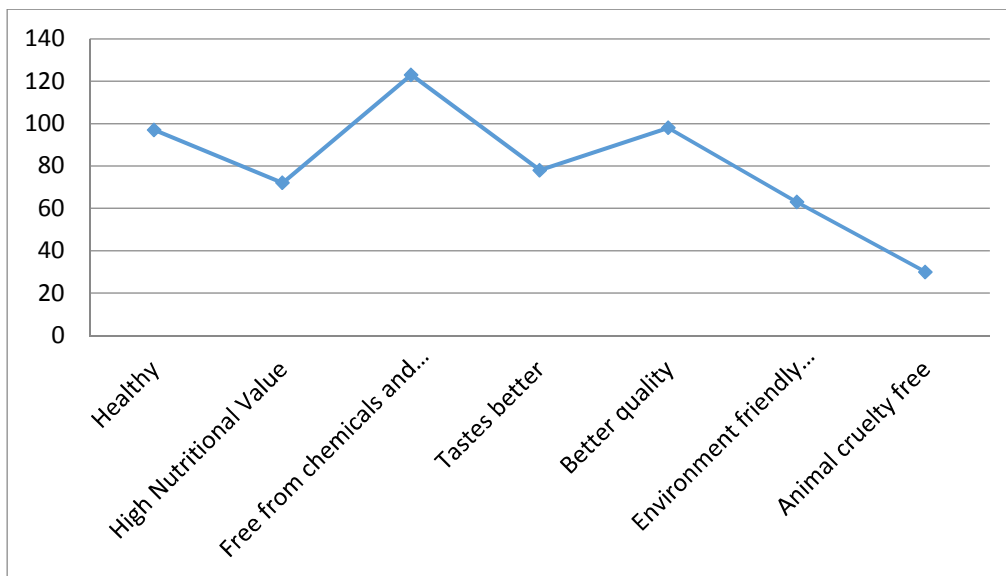
The table above compares the retail price of organic and conventional products. From the table we can clearly see that the prices of organic products are extremely expensive compared to conventional products.

As we clearly see from tables 4.19 and 4.20 that the price of organic products are very high than that of conventional products. The reason why the organic products are so expensive is because of the high input cost of the organic farming.

#### 4.4.3 Marketing of Organic Products

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best, and it designs and promotes the appropriate products and services. (Philip Kotler)

Marketing starts before the production of the products and doesn't ends even after the sales of the products. During the research the vendors were given a set of structured parameters to rank them in order of their marketing strategy preferences.



(Source: Field Survey, 2021)

**Figure 4.5: Marketing Strategies**

The line graph in figure 4.4 shows the marketing strategies adopted by the vendors to sell their organic products. We can clearly see that the most used strategy to sell organic products is “Free from chemicals and synthetic fertilizers” along with “Better quality” and “Healthy products”. Whereas, the least used were “Animal cruelty free” and “Environment friendly products”.

#### **4.4.4 Prior Marketing Activities:**

Table 4.21 illustrates the marketing activities of the vendors before adopting the organic farming and marketing. 90% of farmers started with the organic farming and marketing and rest 10% farmers produce and sold conventional products before starting the organic farming and marketing. Upon being asked the reason, the farmers who made a shift from conventional to organic replied that they wanted to earn their living without causing and harm to the environment.

**Table 4.21: Prior Marketing Activities**

| <b>Description</b>                     | <b>No of Respondents</b> | <b>Percentage</b> |
|--|--------------------------|-------------------|
| Produce and Sold Conventional Products | 2                        | 10                |
| Started with Organic Marketing         | 18                       | 90                |
| Total                                  | 20                       | 100               |

(Source: Field Survey, 2021)

#### **4.4.5 Time invested in Organic Product Marketing:**

The vendors were asked since how long they have been producing and marketing organic products. The obtained data is tabulate below in table 28. 80% vendors were involved in the organic product farming and marketing more than 5 years. And 10% were involved for 1-3 years and remaining 10% for 3-5 years.

**Table 4.22: Time Invested in Organic Farming and Marketing**

| <b>Time (year)</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| 0-1                |                          |                   |
| 1-3                | 2                        | 10                |
| 3-5                | 2                        | 10                |
| More than 5        | 16                       | 80                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

#### **4.4.6 Registration and Certification:**

Registration is the process or an act of recording the products produced by any company in order to safeguard the quality of products. Registration and certification helps to identify the level of quality of any product and in the process also maintains the faith of the consumers in the company and its products. Registration and certification is usually conducted by a governmental body but in the absence of government body a third party institutions take the responsibility of registration and certification. Such third party institutions must be unbiased to make sure the quality is appropriate.

**Table 4.23: Registration**

|                | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------|--------------------------|-------------------|
| Registered     | 20                       | 100               |
| Not Registered | 0                        | 0                 |
| Total          | 0                        | 100               |

(Source: Field Survey, 2021)

Table 4.23 indicates the registration of the organic farm of the farmers. All of the vendors selling organic products were registered. The farmer's market has a strict rule about the registration of the organic farm and non-registered farm's products were not allowed to sell in the market.

**Table 4.24: Registration Process**

| <b>Description</b>         | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------------|--------------------------|-------------------|
| Lengthy/Difficult          | 2                        | 10                |
| Brief/Easy                 | 9                        | 45                |
| Neither Easy Nor Difficult | 9                        | 45                |
| Total                      | 20                       | 100               |

(Source: Field Survey, 2021)

The data of table 4.24 reveals the experience of the farmers during the registration process. 10% farmers found the process to be lengthy and difficult and 45% found the registration experience easy and client friendly. The remaining 45% of respondents found the registration process neither easy nor difficult.

**Table 4.25: Certification of Organic Products**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Certified          | 12                       | 60                |
| Not Certified      | 8                        | 40                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

The above table 4.25 exhibits the data regarding the certification of organic products. 60% vendors certify their products whereas the remaining 40% did not certify their products. And the table 32 presented below indicate the different types of certification process adopted by the vendors. Upon asking, the respondents replied that most of the certification of their products is done by themselves.

**Table 4.26: Certification Process of Organic Products**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Packaging          | 5                        | 25                |
| Labeling           | 0                        | 0                 |
| Both               | 8                        | 40                |
| None               | 7                        | 35                |
| Other              | 0                        | 0                 |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

The above table 4.26 clearly communicates the different certification approaches taken by the vendors. 25% packaged their products, 40% vendors packaged and labeled their products whereas 35% vendors didn't use any certification methods to sell their products.

#### **4.4.7 Rental Cost:**

Rental cost is another important factor that dictates the sales of the products. In case of the organic products rental cost affects the pricing of the products directly. If the rental cost is too high then it can adversely affect the sales of the products. We already know from table 4.15 that more than 50% farmers have taken the farm land on lease for cultivation. Let's analyze the rental cost of the vendors using the data tabulated below.

**Table 4.27: Total Rental Cost**

| <b>Cost (annually)</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|------------------------|--------------------------|-------------------|
| 0-100,000              | 2                        | 10                |
| 100,000-200,000        | 5                        | 25                |
| 200,000-300,000        | 5                        | 25                |
| 300,000-400,000        | 2                        | 10                |
| 400,000-500,000        | 2                        | 10                |
| Above 500,000          | 4                        | 20                |
| Total                  | 20                       | 100               |

(Source: Field Survey, 2021)

Table 4.27 reveals that 20% farmers' rental cost is above five lakh rupees. Similarly 25% farmers' rental cost is 1-2 lakh and another 25% farmers' rental cost is 2-3 lakh. Likewise 10% farmer's rental cost is less than 1 lakh, another 10% farmers' rental cost is 3-4 lakh and final 10% farmers' rental cost is 4-5 lakh rupees.

#### **4.5 Perception of Consumers towards Organic Products**

##### **4.5.1 Level of Awareness amongst Consumers:**

The table below reveals that 90% percent of organic product consuming respondents are well aware about the organic products whereas remaining 10% don't know the difference between organic and conventional products.

**Table 4.28: Awareness amongst the Consumers**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Aware              | 36                       | 90                |
| Not Aware          | 4                        | 10                |
| total              | 40                       | 100               |

(Source: Field Survey, 2021)

The consumers were asked if they know the difference between the organic and conventional products. The knowledge of consumers about the organic and conventional products is listed below:

- i. Organic products don't have any medicines.
- ii. Organic products are healthy, environment friendly, chemical pesticides free, grown without the use of pesticides, grown natural way.
- iii. Organic products use organic fertilizers only but conventional products are artificially produced things.
- iv. Organic products are grown by adopting traditional approach of farming
- v. Organic products promote good environment, climate control, use of natural fertilizers, etc.

#### 4.5.2 Consumption of Organic Products:

The consumers were asked about their consumption behavior and the time period of their organic product consumption. The table below reveals the time period of organic products consumption by the consumers.

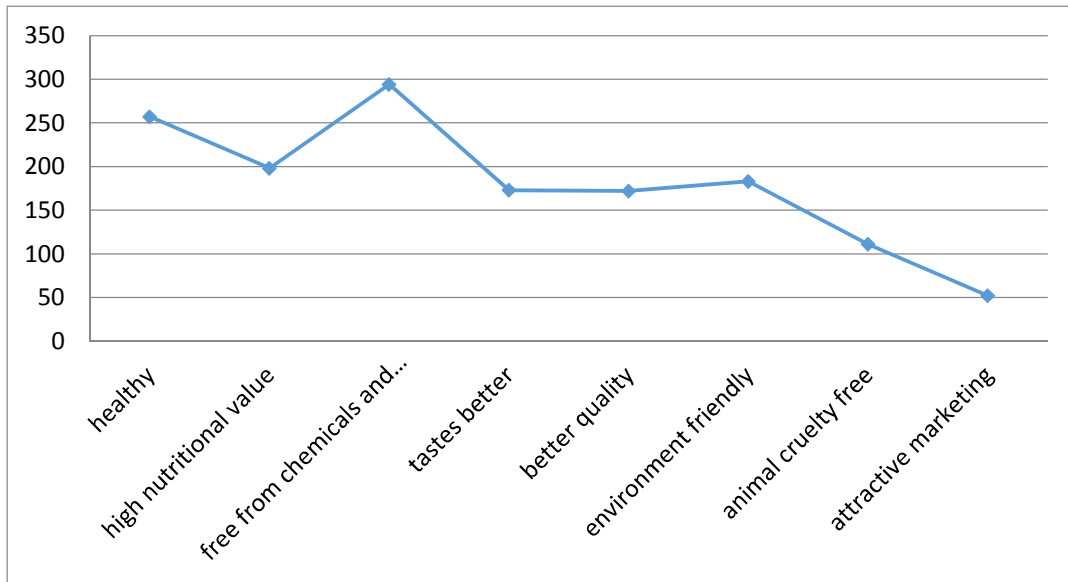
**Table 4.29: Time of Organic Product Consumption**

| <b>Time (year)</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| 0-1                | 11                       | 27.5              |
| 1-2                | 4                        | 10                |
| 2-3                | 3                        | 7.5               |
| 3-4                | 3                        | 7.5               |
| 4-5                | 2                        | 5                 |
| More than 5        | 17                       | 42.5              |
| Total              | 40                       | 100               |

(Source: Field Survey, 2021)

The table shows that 42.5% of consumers have been consuming organic products more for more than 5 years and 27.5% consumers started less than a year ago. Similarly, only 5% consumers have been consuming for 4-5 years and 10% for 1-2 years. On the other hand remaining 7.5% consumers were consuming organic products for 2-3 years and final 7.5% consumers for 3-4 years time.

### 4.5.3 Reasons to Consume Organic Products:



(Source: Field Survey, 2021)

**Figure 4.6: Reasons to Consume Organic Products by Consumers**

The line graph shown in figure 4.6 illustrates the reasons of the consumers to consume the organic product. We can clearly tell that the biggest reason for the consumers to consume organic product is that organic products is “free from chemicals and synthetic fertilizers”. Likewise health reasons, better quality, high nutritional values are some other parameters that are important for consumption of organic products. On the other hand the consumers care least about the “attractive marketing” and “animal cruelty free products”.

### 4.5.4 Purchasing Frequency of Consumers:

In simple term, purchasing power refers to the financial ability to buy goods and services. The table below reveals that a huge number (62.5%) of consumers are not sure about their purchasing frequency when it comes to the organic products. But 10% consumers buy and consume organic products on a daily basis and 27.5% consumers purchase organic products weekly.

**Table 4.30: Purchasing Frequency of Consumers**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Daily              | 4                        | 10                |
| Once a Week        | 11                       | 27.5              |
| Not Fixed          | 25                       | 62.5              |
| Total              | 40                       | 100               |

(Source: Field Survey, 2021)

#### **4.5.5 Reason to Visit this Particular Market:**

There are a few factors that affect the purchasing behavior and preference to visit any market. The following table depicts why consumers like to visit farmer's market located in Maharajgunj.

**Table 4.31: Market Preference**

| <b>Description</b>   | <b>No of Respondents</b> | <b>Percentage</b> |
|----------------------|--------------------------|-------------------|
| Near Location        | 13                       | 32.5              |
| Qualitative Products | 22                       | 55                |
| Reasonable Pricing   | 2                        | 5                 |
| All of Above         | 3                        | 7.5               |
| Total                | 40                       | 100               |

(Source: Field Survey, 2021)

55% consumers said they like to visit farmer's market in Maharajgunj because they get to buy good quality products. Similarly, 32.5% consumers visit the market because the market is near their home and it is convenient for them to visit the market. And 5% consumers found that the price is reasonable and final 7.5% consumers like to visit market because of all the mentioned reasons.

#### **4.5.6 Prior Purchasing Habits:**

The consumers were asked about their food consumption habits in past. Their response is tabulated below.

**Table 32: Prior Purchasing Habits of Consumers**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Organic            | 18                       | 45                |
| Conventional       | 22                       | 55                |
| Total              | 40                       | 100               |

(Source: Field Survey, 2021)

The table 4.32 shows the prior purchasing habit of consumers. 55% consumers made shift from conventional products consumption to organic product. But 45% consumers said that they always consumed organic products only.

Also the consumers who made shift from conventional to organic were asked what inspired them to make the shift. Some of the reasons given by consumers are listed below:

- i. Organic products are healthy, qualitative and it helps to lead a healthy lifestyle.
- ii. Consumption of organic product is good for health and also helps the local farmers economically.
- iii. Organic product consumption is the natural way of living life.
- iv. Some consumers said that they want to feed good quality food to their children.
- v. Some consumers said they heard good things about organic product and wanted to try something different for a change.
- vi. Some consumers replied that they gravitated towards organic products because of their education.

#### **4.5.7 Satisfaction with the Organic Products:**

The consumers were also asked if they were satisfied with the organic products they were consuming. 90% consumers said that they were satisfied but 10% were not satisfied with the products they were consuming.

**Table 4.33: Satisfaction of Consumers with Organic Products**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Satisfied          | 36                       | 90                |
| Not Satisfied      | 4                        | 10                |
| Total              | 40                       | 100               |

(Source: Field Survey, 2021)

Furthermore, the consumers were also asked the reason behind their satisfaction and dissatisfaction. The reasons given by consumers are as below:

**4.5.7.1 Reasons for satisfaction:**

- i. The products are healthy, tasty, qualitative and they don't have synthetic chemicals and pesticides in them.
- ii. The organic products have long term health benefits.
- iii. The market is organized and clean. And the products have been doing well to consumer's health.
- iv. The products are locally made and fresh.

**4.5.7.2 Reasons for dissatisfaction:**

- i. There are not many choices in Nepal regarding organic products.
- ii. The organic products are very expensive.
- iii. There is no way of telling if the products are actually organic as they are advertised.
- iv. The lack of involvement of Nepal government makes the products less trustworthy.

**4.5.8 Future Plans for Organic Products Consumption:**

Table 4.34 illustrates if the consumers are willing to continue consuming organic products in foreseeable future. The data clearly shows that 85% consumers want to continue consuming organic products in coming days too but 15% consumers want to quit.

**Table 4.34: Future Plans of Consumers to Consume Organic Products**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Continue Consuming | 34                       | 85                |
| Quit Consuming     | 6                        | 15                |
| Total              | 40                       | 100               |

(Source: Field Survey, 2021)

The consumers who wanted to quit consuming organic products were asked what changed their mind. And their response is listed below:

- i. Organic products are very expensive.
- ii. There is no scientific way to identify the organic products from inorganic products.
- iii. There is no proper regulating body; the farmers certify their product themselves.
- iv. There is no involvement of government body which makes the products less trustworthy.

## **4.6 Organic Marketing: Problems and Prospects**

### **4.6.1 Subsidies and Aid:**

Subsidies generally mean benefit given to an individual, a business, or an industry usually in the form of monetary aid with the intention to help the business grow. Mostly subsidies are provided by the government to its citizens and it helps to remove the burden off the citizens while promoting the economy.

**Table 4.35: Subsidies and Aid**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Received           | 6                        | 30                |
| Never Received     | 14                       | 70                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

Above presented table illustrates the status of subsidies received by the farmers from the government. Here, 70% farmers have never received any aid from the government whereas, 30% farmers have received subsidies from the government in form of grants, discounts, interest deduction, improved seeds, etc.

Upon being asked about the process, farmers replied that they filled forms published by the government offices for grants & aid and they waited for the phone call from the government officials. Mostly the farmers were not adequately informed about the processes to receive the subsidies and aid.

#### **4.6.2 Access of Transportation:**

Transportation is another important factor in development of market. It broadens the market for by moving the goods, raw materials, equipments, products, etc. from and towards the farm and marketing places. A good transportation system also helps to maintain the price of the products and goods reasonable range.

**Table 4.36: Access of Transportation**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Access             | 20                       | 100               |
| Not Access         | 0                        | 0                 |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

From table 4.36, we can clearly see that all of the farmers have the access of transportation from their farm to the market.

#### **4.6.3 Access of Local Market:**

The respondents were also asked if they had the access of local market to sell their products. Table 4.37 shows that 40% farmers had the access to the local market but 60% farmers didn't.

**Table 4.37: Access of Local Market**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Access             | 8                        | 40                |
| No Access          | 12                       | 60                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

Respondents who had access to local market choose that particular market for their products because they were happy with the sales rate from the market. The vendors replied that they get premium price for their product and the stalls were cheap. Also some farmers said that they had regular visiting consumers in that market. While some vendors had different reasons, they were there for publicity of their organic farm.

#### **4.6.4 Sales Rate of Organic Products**

Also the farmers were asked if they were satisfied with the sales rate of their products from the market. The table below indicates the satisfaction level of farmers. 80% farmers are satisfied with the sales rate from the market but 20 percent farmers are not.

**Table 4.38: Sales Rate of Organic Products**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Satisfied          | 16                       | 80                |
| Not Satisfied      | 4                        | 20                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

#### **4.6.5 Future Plans of Marketing Organic Products:**

The farmers were asked about their future plans regarding the organic product farming and marketing. Their response is tabulated below.

**Table 4.39: Future Plans of Vendors**

| <b>Description</b> | <b>No of Respondents</b> | <b>Percentage</b> |
|--------------------|--------------------------|-------------------|
| Continue           | 16                       | 80                |
| Discontinue        | 2                        | 10                |
| Not Sure           | 2                        | 10                |
| Total              | 20                       | 100               |

(Source: Field Survey, 2021)

The table above indicates that 80% farmers are willing to continue organic product farming and marketing in future too but 10% farmers want to discontinue organic farming and marketing. And the final 10% farmers are not sure about the future of organic farming and marketing.

**4.6.5.1 Reasons to Continue Organic Farming and Marketing:**

1. Organic farming and marketing is the main source of income.
2. The demand of organic product is increasing now more than ever
3. organic products have a premium pricing and income is great
4. Farmers are passionate about organic farming and they love what they do.
5. To promote organic farming to wide range of people.
6. To lead a healthy way of living and conserve the soil ecosystem by promoting sustainable soil management system
7. To earn living by helping people realize a better way of life.
8. The business is going good and expanding.
9. To make a difference and feed people food that doesn't contain synthetic chemicals
10. This is the major source of income
11. Some farmers left their job to pursue their career in the field of organic farming and marketing.

#### **4.6.5.2 Reasons to Discontinue Organic Farming and Marketing:**

1. The market is too competitive and there is a flexible pricing strategy
2. There are no proper rules, regulations, policies and system from government level
3. The younger generations (farmer's children) don't want to do farming, they want white collar job, hence no support from children
4. Transportation cost is getting too high
5. Farming is a very difficult and laborious job
6. Some respondents want to go to village far from the hustle and live a simple life
7. Been doing organic farming for too long, want to retire
8. Some respondents wanted to change their career path and try something different.

#### **4.6.6 Further Improvement:**

The farmers were asked what can be done for the further improvement of the organic farming and marketing practice. The farmers replied that they needed to provide a better service to their consumers. Additionally, the quality control and certification of the products must be up to the mark. Some farmers responded that the general public must be made aware about the health benefits of the organic products. Finally, some initiative from the government level would help expand the limited horizon of the organic product marketing.

#### **4.6.7 Problems and prospects:**

One of the objectives of this research was to find the problems and prospects of organic farming and marketing. That's why the farmer respondents were asked about the problems they faced during organic farming and marketing during the Focus Group Discussion (FGD).

#### **4.6.7.1 Problems**

Some of the problems mentioned by respondents during FGD are as follows:

1. Most of the farmers don't have proper knowledge and training regarding organic farming and marketing.
2. The lack of technical knowledge restricts the farmers from adopting modern technologies.
3. Inadequate training regarding farm layout preparation, preparation of fertilizer, compost, nursery establishment and how to use them.
4. There is a huge problem of diseases and pests are decreasing the productivity and quality of products since organic farming can't make the use of pesticides, insecticides and chemicals.
5. Farmers are also facing the financial problems because only a few financial institutions are willing to give them loan. And most of the time the interest of the loan is too high.
6. Only a few farmers have their own vehicle for transportation and the transportation cost for those farmers who don't have their own vehicle is high.
7. During COVID for last two years, most of the organic products were rotten in farm itself. Farmers had to deal with huge loss.
8. Production quantity is limited compared to the conventional farming.
9. Consumers complain about the pricing of the products without realizing the high input cost, hardships and challenges that comes with organic farming.
10. Farmers have to face problems in human resource as the labor cost is increasing day by day.
11. The input cost as well as the rental cost are too high.
12. Lack of government intervention creates doubt regarding the purity and quality control amongst consumers.

#### **4.6.7.2 Prospects**

On the other hand, the organic product marketing is also gaining popularity. If done and managed properly organic farming and marketing has a bright future moving forward. Some of the possibility of organic farming and marketing are listed below:

1. Commercialization of organic farming and marketing is important to maximize, broaden and penetrate the untapped area for profit maximization.
2. The pricing of organic products generally lies within premium segment which attracts farmers aiming for more income.
3. Organic products are gaining popularity, especially among the educated section of society.
4. The shift from conventional farming to organic farming is inevitable given the socio-political and cultural climate that we live in. So, it would be logical for us to make the shift as soon as possible.
5. Organic farming provides additional employment opportunities for people at various levels from market, farm, transportation, processing, operations, etc.
6. Organic farming restores and maintains balance to the environment by tackling soil erosion, soil quality degradation, land, soil and water pollution, ecosystem imbalance, etc.
7. Since our country has a diverse climate and topography, a variety of agricultural products can be cultivated easily.

While triangulating the data obtained from questionnaires and FGD, few similar outcomes were found. Some of the problems are common like farmers are not equipped with technical knowledge and the input and production costs are high due to negligible financial aid and the interest rate of loan is also high. But from the perspective of the consumers the pricing of the products is high which results in the average sales rate. The market needs more promotion.

On the other hand, some possibilities are that the organic farming and marketing is just in its infancy stage. Organic farming and marketing requires a lot nurturing and care from government, farmers, vendors, and consumers in order to flourish properly. The organic sector is grabbing attention of masses. Finally, a significant number of educated people are involved in this sector resulting some of the innovative promotional strategy that helps to boost the sales rate.

## **CHAPTER – FIVE**

### **SUMMARY, CONCLUSION AND SUGGESTIONS**

#### **5.1 Summary of the study**

The rapid population growth has increased the demand of food. Therefore, the quantity of food is being prioritized over quality. That's why the farmers and producers from all over the world started using the easiest method of cultivation which increases the productivity. That easy method is use of chemicals and synthetic fertilizers. But the consumption of such products started affecting the health of people and environment. It was found that such products are low in nutrition and quality by the researchers and scientists.

Therefore, organic product farming and consumption has become the best alternative. The food consumption pattern has been changing slowly these days.

In the introductory portion of this research, the general concept of organic farming and its history is discussed. The objectives of this study were to analyze the status of organic marketing, to analyze the marketing activities of organic farming, to analyze the problems and prospects of organic marketing and to understand the perception of consumers towards the organic products.

In this study both the primary and secondary data were used. Primary data were collected from respondents using structured questionnaires, Focus Group Discussions (FGD), and observation method. Whereas secondary data were collected from different books and journals published by researchers. Additionally, secondary data were also extracted from different government publications & sites, NGO & INGO sites as well. The research design used in this research was explanatory. The research was conducted at Farmer's Market at Le Sherpa located in Maharajgunj of Kathmandu valley. Twenty farmers and sixty consumers were selected at random using accidental sampling method to collect primary data. Among the twenty farmers sixteen were organic vegetable farmers and four were organic fruit farmers.

Initially, from the socio demographic characteristics it was discovered that the farmers and consumers involved with the organic products are mostly well educated and they also

come from a small family size. The income of the respondents was found to be good and the involvement of active male population was found to be higher than female population.

Secondly, the farming status of the farmers was analyzed. In this portion of analysis, the number of trained farmers was less than that of untrained farmers. The cultivation by farmers was mostly being conducted in a commercial scale and most of the farmers were using organic fertilizers, compost and manure for cultivation. A huge portion of organic products are being produced inside the Kathmandu valley and majority of farmers took the farm land in lease for cultivation.

Similarly, while analyzing the status of the market, it was found that most of the farmers were happy with the sales rate and profit margin. The price comparison was carried out between organic and conventional products where the organic products were found to be expensive by a huge margin. The registration process was found to be quick and easy for farmers.

The consumers were not well aware about the organic products. They either had no knowledge or had a partial knowledge regarding the organic products. It was also found that the targeted consumers of the market are very small. Majority of the consumers were also happy with the products they were consuming while a few complained about the pricing of the products.

But a few problems were found nonetheless. Some consumers shared their concern about the quality and certification of products. Some complained that the pricing of the product was too high. On the other hand farmers have difficulties and challenges themselves.

Thus, there is a huge possibility of organic product farming and marketing in Kathmandu valley. In order to tap into a broad population, first the organic products must be produced commercially and targeted to the general people rather than a small section of society.

## **5.2 Conclusions**

The status of organic farming and marketing is still in its infancy right now. A huge population either doesn't have knowledge of organic products and their benefits or they are not interested in consuming organic products. The organic markets are small and content to a certain section of society only. The markets are managed by a private institution and there is no involvement of government. Mostly the high income group and foreigners are likely to be the consumer of organic fruits and vegetable products. However, the existing organic markets are clean and hygienic.

The farmers were happy with the sales rate, pricing and the profit margin. But the general population can't afford the organic products because of their premium pricing. A price tally was carried out which revealed a huge difference in the pricing between organic and conventional products.

On the other hand, the consumers who are consuming organic products for a long time seem to be happy with the product they are consuming but the consumers who are recently trying to make a shift are either unhappy with the pricing or they have trust issues with the quality control and purity of the organic products.

The farmers/vendors also have to face a lot of difficulties and challenges while producing and selling organic vegetable and fruits. They are in desperate need of financial aid, promotion of their products, better farming technologies and knowledge to minimize the risks that come with farming.

## **5.3 Suggestions**

Organic products are trending lately because of their beneficial attribute. Based on the findings and conclusion following suggestions has been made:

### **5.3.1. Immediate Action**

#### **1. Promotion of Organic Farming and Organic Products:**

The market administration must reach out to general public and actively promote the organic products. The general public must be made aware about the organic

farming and the health and environmental benefits of organic product farming and consumption.

## 2. Providing Adequate Trainings and Education to Farmers

The farmers must be properly trained on how to prepare organic fertilizers, compost, farm layout and they must be equipped with modern technologies with adequate knowledge to operate them by the local government.

## 3. Quality Control

The local government must work on the certification and quality control of the organic products. The involvement of the government provides a sense of surety amongst consumers regarding the purity of the products.

### **5.3.2 Academic Recommendation**

This research analyzes the status of organic market and marketing practices while highlighting the problems and prospects of organic marketing in Nepal. But still this research doesn't dives deep into the promotion and marketing strategies to maximize the sales and increase the reach to general public. Also the quality control methods are not enquired enough thoroughly.

My recommendation to the researchers who would want to contribute more in this domain would be towards these two particular spheres of studies:

- a. Quality Control of Organic Products
- b. Promotion and Marketing of Organic Products

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11. How much produces do you sell (volume)?

- a. Daily ..... b. Monthly .....

12. Do you sell in wholesale or retail?

- a. Wholesale b. Retail c. Both

13. Price tally.

a. Wholesale products:

| Products | Organic Price | Conventional Price | Price Difference |
|----------|---------------|--------------------|------------------|
|          |               |                    |                  |
|          |               |                    |                  |
|          |               |                    |                  |
|          |               |                    |                  |

b. Retail products:

| Products | Organic Price | Conventional Price | Price Difference |
|----------|---------------|--------------------|------------------|
|          |               |                    |                  |
|          |               |                    |                  |
|          |               |                    |                  |
|          |               |                    |                  |

14. Rank the following parameters from 1 to 7 where, 1 being most used and 7 being least used while marketing the organic products.

|         |                        |                         |               |                |                               |                     |
|---------|------------------------|-------------------------|---------------|----------------|-------------------------------|---------------------|
| Healthy | High Nutritional Value | Free from Chemicals and | Tastes better | Better Quality | Environment Friendly Produces | Animal Cruelty Free |
|---------|------------------------|-------------------------|---------------|----------------|-------------------------------|---------------------|





Questionnaire for Consumers

1. Personal Information

Name: .....

Age: a. 15 year and below    b. 16-30 year    c. 31-45 year    d. 46-60 year  
   e. above 60 year

Sex:    a. Male    b. Female

No of family members:    a. 4 and less    b. 4-8    c. 8 and more

2. What is your academic qualification?

a. Illiterate    b. Literate    c. Primary level    d. Lower secondary level  
   e. Secondary level    f. Higher secondary and above

3. Do you know the difference between organic and inorganic produces?

a. Yes    b. No

4. If yes, can you tell me some?

.....  
.....  
.....  
.....  
.....

5. How long have you been consuming organic produces?

a. Less than 1 year    b. 1-2 year    c. 2-3 year    c.3-4 year    d. 4-5 year  
   e. More than 5 year

6. What is your major source of income?

a. Agriculture    b. Business    c. Service    d. Others  
   specify.....

7. What is your monthly income?

a. 0-20k    b. 20k-50k    c. 50k-80k    d.80k-100k    e. Above 100k

8. Rank the following parameters from 1 to 8 based on your preference why you consume organic produces. 1 being most likely and 8 being least likely reason of consuming organic produces.

|         |                        |   |               |                |                      |                     |                      |
|---------|------------------------|---|---------------|----------------|----------------------|---------------------|----------------------|
| Healthy | High nutritional value | Free from chemicals and synthetic fertilizers | Tastes better | Better quality | Environment friendly | Animal cruelty free | Attractive marketing |
|         |                        |   |               |                |                      |                     |                      |

9. How frequently do you purchase organic produces?

- a. I consume only organic    b. Once a week    c. Not fixed

10. Why do you visit this particular market?

- a. Near my location    b. Good quality products    c. Affordable prices    d. other .....

11. Did you make a shift from inorganic produces to organic?

- a. Yes    b. No

12. If yes, why?

.....  
 .....  
 .....  
 .....  
 .....

13. Are you satisfied with the organic produces that you are consuming?

- a. Yes    b. No

14. If yes/no, why?

.....  
 .....  
 .....

15. Do you plan to continue consuming organic produces in foreseeable future?

- a. Yes
- b. No

16. If no, why?

.....  
.....  
.....  
.....  
.....

17. Any suggestions for organic product marketing?

.....  
.....  
.....  
.....

**FGD Guidelines for Farmers**

1. What are the problems regarding the organic product marketing?

.....  
.....  
.....  
.....  
.....  
.....

2. What can be done for further improvement?

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.....  
.....  
.....  
.....  
.....

3. Are you willing to continue organic produce cultivation and marketing?

- a. Continue (reasons):

.....  
.....  
.....  
.....  
.....  
.....

- b. Want to quit (reasons):

.....  
.....  
.....

4. What are your chances of your further expansion?

a. Positive:

.....  
.....  
.....

b. Content:

.....  
.....  
.....

c. Diminishing:

.....  
.....  
.....

5. Any prospects you see for organic farming and marketing?

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