

**ROLE OF SMALL FARMER COOPERATIVE LIMITED
IN RURAL ECONOMIC DEVELOPMENT**

IN NEPAL:

*A Case Study of Baireni-SFCL, Baireni VDC
Dhading district*

A Thesis Submitted to:

Faculty of Humanities and Social Sciences
Central Department of Rural Development for the partial
Fulfillment of the Requirements for the Degree of
Master of Arts in Rural Development

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SEPTEMBER 2006

RECOMENDATION

This is certified that Mr. Mukunda Raj Aryal has prepared this dissertation - **Role of Small Farmer Cooperative Role in Rural Economic Development in Nepal: A Case Study of Baireni Small Farmer Cooperative Limited** under my continuous supervision.

Present Research report has been prepared as per the partial fulfillment of the requirement for the master's degree in the format as required by the faculty of Humanities and Social Science TU. Therefore I recommend this for evaluation.

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ACKNOWLEDGEMENTS

I am deeply indebted to my supervisor Dr. Prem Sharma University College without whose continuous support and invaluable guidance, I would not have been able to accomplish this research work.

I would like to express sincere gratitude to Dr. Pradeep Khadka, Department Head of Rural Development and all other respected teachers and staff for their suggestions, continuous support and cooperation.

I am indebted to all the respondents of Small Farmer Cooperative Limited's shareholders/member, Chair person and other members of management team of Baireni SFCL for cooperating and providing me all valuable information during the study period.

Finally, I am very proud of my wife Mrs. Sharada Ranabhat, mother Mrs. Nanda Kumari Aryal, father Mr. Jiba Nath Aryal at, and my respected brother Mr. Shankar Aryal and all family members for their sacrifices, utmost patience, understanding, inspiration, unending moral support and continuous encouragement.

Mukunda Raj Aryal

ABSTRACT

This study entitled “Role of Small Farmer Cooperative Limited (SFCL) in Rural Economic Development in Nepal”: A Case Study of Baireni Small Farmer Cooperative Limited, **Baireni**, Dhading District was based on primary data collected in June 2006. Small farmer cooperative is a community based rural financial institution registered under the Cooperative Act 2048 and managed by small farmers of the study area. It is principally devoted to uplift the economic and social condition of the small farmers of the target area. In case of Dhading this Cooperative Limited has been continuously providing financial and non financial services since 2056 but the effectiveness of the services has not been measured yet so, this study was done to access the Role of SFCL in income generating and employment creation in rural area.

The main objective of the study was to trace out the role of SFCL in increasing rural productivity, entrepreneurship, employment generation. The specific objective of this study was to examine the role of SFCL in income generation in rural community; employment opportunities by SFCL interventions in rural area. For the purpose of the study, the researcher had applied both exploratory and descriptive research design. The sources of data were both primary and secondary and the nature of data was both quantitative and quantitative. There are 457 house hold in Baireni VDC having membership of SFCL. Out of them 40 were selected as sample household from 5 wards of the VDC.

The population of ethnic groups(44%) in which majority was Tamang. Bramhin and Chhetri consists 38% with second positioning and occupational cast seems 18%. Tamang have used their mother tongue and Nepali language both. Other castes used only Nepali language. In case of religion Brabhin, Chhetri, Gurung and occupational are Hindu and Tamang with both faith of Hinduism and Buddhism.

The entrepreneurship pattern of members has also become changed. The shifting trend from traditional subsistence farming into commercial type has helped to increase the income. This SFCL is providing loan to small farmers for income generating activities like (agronomy, livestock, agribusiness, cash cropping, and handicrafts) categorizing short term and long term. The trend of borrowing loan from informal source is significantly decreased and farmers have escaped from the high rated interest. The subsistence type of agriculture has changed into commercial type. Off season vegetable

farming has become the major source of income, framers has motivated to intensive farming. The housing condition of small farmers has improved

Baireni SFCL is facing the problem of low repayment of loan; the repayment trend of SFCLs' loan is not satisfactory. The repayment rate of FY 059/060 is seemed only 40% of the disbursed amount of that year. Like this the repayment rate of FY 060/061 is also only 41%. The repayment rate of loan is slightly improved in 061/062 with 54% of the year's disbursed amount. In spite of this, its economic activities like saving, credit and insurance facilities to members it has contributed both technically and financially in community development activities (drinking water, sanitation, irrigation, school roofing, trial improvement, nursery management, seed and seedling management) and social activities like awareness raising, adult literacy class etc. so, Small farmer cooperative Limited in Nepal is touched with the pro poor and marginal farmers of the state. SFCL is a community based grass root institution and has become the active player in rural economic arena.

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ACRONYMS

ADBN	:	Agriculture Development Bank Nepal
APP	:	Agriculture Prospective Plan
BS	:	Bikram Sambat
CBS	:	Central Beuro of Statics
DADO	:	District Agriculture Development Office
DDC	:	District Development Committee
FAO	:	Food and Agriculture Organization
GON	:	Government of Nepal
GTZ	:	German Technical Cooperation
HMG	:	His Majesty government
HDR	:	Human Development Report
IGA	:	Income Generating Activities
IDP	:	Institutional Development Project
MOF	:	Ministry Of Finance
NARC	:	Nepal Agriculture Research Council
NPC	:	National Planning Commission
SFDP	:	Small Farmer Development Program
SFCL	:	Small Farmer Cooperative Limited
SPO	:	Sub Project Office
SKDB	:	Sana Kisan Development Bank
USAID	:	United States AID
UNDP	:	United Nation Development Program
VDC	:	Village Development Committee