

Investigation of the

# AGRIBUSINESS SECTOR

in Province No. 1



- The agricultural sector contributes 23.95% of the nation's GDP.
- 63% of the labour force is employed in the agriculture sector (World Bank, 2019).
- Private sectors have yet to perceive agribusiness as a lucrative opportunity as the agricultural sector is beset by various problems.
- This study aims to examine the current state of agribusiness in Province 1 as it has a significant contribution to the agricultural sector
- The study focuses on four main agricultural outputs of Province 1: maize, dairy, cardamom and processed vegetables.



# Value Chain Assessment

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**30%** of the total maize produced in Nepal comes from province 1

Nepal's maize productivity is low due to open-pollinated seeds which are less resistant to diseases

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**Province 1** has the highest milk production

The key problem plaguing dairy sector is rising feed costs

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The **lack of standardisation** in the grading, packaging, and labelling of cardamom in Nepal is affecting the competitiveness of Nepalese cardamom

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SMEs vegetable processors in Nepal encounter difficulties in reaching both domestic and international markets because of **inadequate certifications** and non-compliance with food safety standards



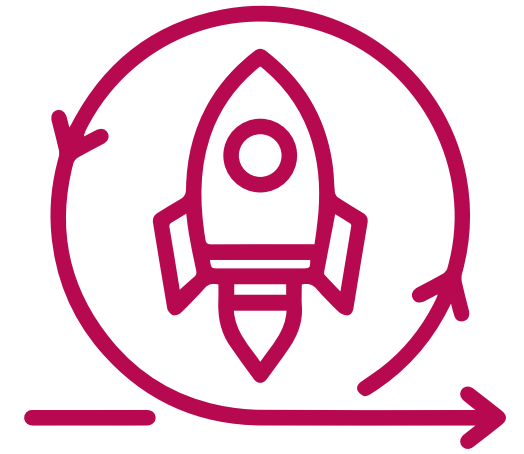
# Challenges of agribusiness

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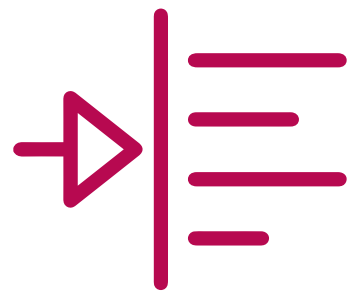
- Lack of access to credit and financial support.
- Lack of adequate raw materials for the business.
  - Nepal is facing an average milk deficit of 180000 litres per day.
  - The feed industries process 60 metric tons of maize daily, with 10% sourced domestically and the rest imported, from India.
- Limited availability of machinery and additional technology.
- Low level of education and training among entrepreneurs.
- Inadequate government support and policy framework.

# Analysis of Past Business Development Service

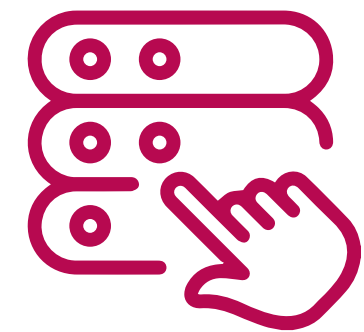
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Program designs were more suitable for early-stage enterprises



Theoretical curriculum neglected practical business realities



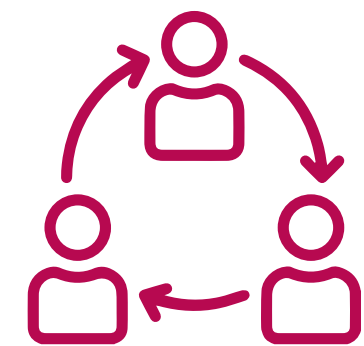
Effective selection metrics were found to be lacking in many such programs



Programs lacked expert mentors from different fields



The program duration was insufficient to provide the level of support required by businesses



Programs did not collaborate with BFIs for investment opportunities

# Recommendations for **Aadhyanta Accelerator Program**

