



A REPORT ON
CONTRACT
FARMING PRACTICE

A BEACON OF HOPE FOR MARGINALIZED LANDLESS COMMUNITIES



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LIST OF ABBREVIATIONS

CBR	Cost-Benefit Ratio
CDO	Chief District Officer
CEN	Clean Energy Nepal
CSOs	Civil Society Organizations
CSRC	Community Self Reliance Centre
DADO	District Agriculture Development Office
DDC	District Development Committee
DLSO	District Livestock Office
DWFG	Dalit Women Farmers' Group
FY	Fiscal Year
GDP	Gross Domestic Product
Ha	Hectare
JTO	Junior Technical Officer
Li-Bird	Local Initiatives for Bio-diversity, Research and Development
MoAD	Ministry of Agriculture Development
MoLRM	Ministry of Land Reforms and Management
NFGF	National Farmers' Groups Federation
NGO	Non-government Organization
NLRF	National Land Rights Forum
NPR	Nepalese Rupees
RM	Rural Municipality
RtF	Right to Food
VDCs	Village Development Committees

CONTRACT FARMING PRACTICE

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1. INTRODUCTION

Land ownership traditionally remains the main source of wealth, social status, and economic and political power in Nepal. Apart from its productive value linked to livelihoods and food security, land ownership for the marginalized communities often becomes the determining factor between a life with dignity and security, and exposure to different vulnerabilities and uncertainties. Ironically, however, the richest 5% own 37% of the total cultivable land leaving only 15% to be shared among rest of the 47% households. Landlessness is as high as 32.1%. Over 44% *Dalits* in the *Terai* and 22% of those in hills are landless and, thereby, deprived of their socio-economic rights. While landlessness is very high in the country, over 30% of cultivable land is estimated to have been left fallow for various reasons such as increasing out-migration of youth, rapid urbanization, decreasing competitiveness for agricultural produce and use of farm land for alternative purposes. Land owners most often keep their land fallow fearing that giving them out for tenant farming would ultimately rob them of their land ownership.

Available official data show that of the total land, about 21% is under cultivation. 65% of the country's population is dependent on agriculture constituting 66% of the labour force. In an agro-dominated economy like Nepal, where two-thirds of the population is still dependent upon agriculture for livelihood, agriculture's contribution to GDP is declining and farmers are facing

substantial challenges in making this a viable livelihood. Only 19.71% Nepali women have the ownership of land despite the fact that women are the ones involved most in agriculture labor.

Despite some progress in poverty reduction over the past decades, Nepal still remains one of the food insecure countries in the world. According to the Ministry of Agriculture Development (MOAD), 33 out of the 75 districts of Nepal are food deficit (2012/13). About 60% of the households in Nepal have sufficient food for only six months from their own production. Mostly, the poor families spend around 70% of their household income on food requirements.

Even after 'legally' freed from bondage, various landless and marginalized communities such as hill and *Terai Dalits* including *Musahars*, freed *Kamaiya*, *Haliya* and *Haruwa-Charuwa* families have not experienced substantial change in their lives and livelihoods.

Among such communities, the study is focusing on the *Musahar* community of Siraha District. According to 2011 census, out of the country's total *Musahar* population (234,490), Siraha district alone is home to 39,929 of them. In Siraha, this community has been compelled to accept a very low daily wage determined by their landlords to meet their livelihoods needs. This predicament traditionally forced them into eating rats for survival, hence known as '*Musahar*' or '*rat eaters*'. Their fundamental rights

including the right to food and shelter are blatantly denied. Most of them are living in deplorable condition without proper house, no or very little arable land with very low productivity, which is not enough to feed their families year-long. Education, health and other basic needs are largely unmet. Women members of the families are living in even more precarious condition. They lack proper understanding of their own rights and entitlements, not to talk of income generation and other livelihood opportunities of their choice. On the one hand the *Musahars*, who totally depend on agriculture for livelihoods do not have their own land nor do they have access to other's arable land to produce their food, while those who own land are taking to alternative professions and leaving their land fallow.

As per the constitution each farmer shall have the right to have access to land for agricultural work. Currently, the country has completed the process of establishing local governments with the powers to, among others, formulate their own policies, develop data base of landless and land-poor people and utilize fallow land. Working policies on land-lease are in place at federal level. If they are implemented, marginalized landless groups can access land on long-term lease with the government paying for such lease and bearing 50% of basic agricultural inputs. But still the wretched condition that the *Musahars* are living in emanates from a lack of land use plan, which has led to unequal land ownership, endemic problem of

¹HLCCLR 2012.

landlessness, a lack of optimum use of available land resource and denial of marginal households' access to land. Poor understanding and knowledge of land related legislative and institutional provisions among the people in general as well as their elected representatives in local government have further exacerbated the problem.

1.2 PROJECT CONTEXT

Against this backdrop CARE Nepal devised an appropriate intervention to contribute to the realization of food rights of the economically and socially vulnerable small holders and landless farmers of three districts of Eastern Nepal. Altogether 27 then Village Development Committees (VDCs) in Siraha, Udayapur and Okhaldhunga were selected as project area. For this purpose, CARE launched a Civil Society Support Project on Right to Food (RtF project) 2013-2017 covering the three districts. The project aimed at supporting Civil society Organizations (CSOs) to become more representative, inclusive, legitimate, accountable and effective in order to demonstrate new ways of addressing food insecurity and required policy responses through engagement with the government, which contribute to realization of the right to food, especially among the marginalized landless communities. Promotion of contract farming both in practice and policy was a key built-in component of the RTF project. CARE together with its strategic partners, particularly National Farmers' Groups Federation (NFGF), piloted the contract farming component of the project in then Bhagwanpur VDC of Siraha district engaging 40 marginalized and landless Musahar families.

Building on the experience and learning from the Right to Food

(RtF) project, the next phase of CARE Denmark- supported project (July 2018-December 2021) has been implemented as "SAMARTHYA : Promoting Inclusive Governance and Resilience for the Right to Food" in the same districts in partnership with National Land Rights Forum (NLRF), National Farmers' Groups Federation (NFGF), Community Self Reliance Centre (CSRC) and Clean Energy Nepal (CEN). It focuses on strengthening peoples' organizations to become more effective in engaging with government at all levels. The project's impact group includes: smallholder, tenants, marginal and landless farmer households, and labourers; natural resource dependent communities; groups differentially impacted by climate change and disasters; and people living in geographically remote areas and in poverty pockets. The impact goal of the project is that "*Representative people's organizations have individually and in alliances or networks contributed to the realization of the right to food for the benefit of the impact groups in partnership with local and state governments*".

One of the project's three domains of change is: the local, district and state federations of strategic partners representing the impact group mobilize and empower communities, expand knowledge, and improve their capacities to work jointly with decentralized governments in developing and implementing inclusive solutions around issues of land rights, food, agriculture and resilience to climate change and disasters. The next domain envisages that strategic partners representing impact group have increased their own representativeness, inclusiveness and governance and are capable of influencing policy formulation and

implementation at local, state and federal levels around agriculture, food, land rights and resilience to climate change. The third domain of change focuses on government and other duty bearers, at federal, state and local levels, their responsiveness and engagement with civil society organizations to implement land, food, agriculture, climate change adaptation policies and plans taking into account the needs of the impact groups.

1.3 OBJECTIVE OF THE STUDY

With the aim of showcasing the programme results including the positive changes brought about by the successful intervention of contract farming, CARE Nepal/SAMARTHYA aims to generate evidences that create opportunity to advocate for preparation and implementation of the lease hold or contract farming policy at provincial and local levels. The intent is also to institutionalize and share the learning with a wider set of stakeholders. This study on contract farming practice has, therefore, been conducted to learn about and document the key initiatives or process and strategies that have led to the achievements in terms of contract farming in practice and policy, the effects to the constituencies and key learning. A return on investment analysis was also part of the study.

1.4 STUDY METHODOLOGY

This document is an outcome of project literature reviews and a day-long field work which helped collect firsthand information through focus group discussions (FGD) with the impact group, the Musahar community at Bhagwanpur Rural Municipality (RM), interaction with the chairpersons and other officials of Bhagwanpur RM and some of the Wards. Meetings were also held with NFGF officials at the district level as well as at the Centre

and CARE team to further discuss the field level findings, verify some facts and collect additional information. The *Musahar* settlement and the land they are now cultivating were observed to get a feel of the achievements that the impact group felt proud of showcasing. The FGD was held at the community meeting place recently built by the *Musahar* women of Bhagawanpur RM-1 with the support of then District Development Committee (DDC). A cost-benefit analysis was also conducted to calculate the return on investment.

2. KEY FINDINGS OF THE STUDY

2.1 CONTRACT FARMING PRACTICE : KEY INITIATIVES AND PROCESS

2.1.1 Conception of the idea of contract farming

CARE and its strategic partners were quite strategic in conceiving contract farming practice as part of the RtF project design. It can be safely said that in doing so they took some calculated risk as contract farming had hardly been practiced in the country, hence no practical knowledge and learning existed.

Community farming was practiced in various areas. But general observation and experience in certain communities indicated that this practice was losing popular interest. As per general observation, in community farming practice, all community/group members involved are supposed to work on the same plot of land, work equally and share the benefits equally. However, internal governance in the groups are most often not well defined and collectively understood. In theory, each group member has equal ownership and responsibility but, most often than not, this does not happen

in reality. For example, one member might start thinking that as all share the benefits equally, why should s/he put more effort, hence s/he might start to work as less as possible giving rise to frequent conflict among the group members. This tendency may lead to nobody really taking serious responsibility thereby jeopardizing the community farming practice as such. However, in contract farming practice, the assumption is that a group takes the overall responsibility, while each household represented in the group takes ownership of its share of land and makes more effort to produce and earn more. This becomes a big motivating factor for the households, hence each household owns it and also becomes a part of a healthy competition for better results.

As contract farming was an 'untrodden turf' CARE and its partners carefully decided to first pilot this practice only in Siraha, one of the three RtF

project districts, with NFGF taking the implementing responsibility. The objectives of the piloting were to showcase contract farming practice in Bhagwanpur-1, Siraha as a model for productive land use, advocate integration of climate adaptation with budgetary provision in government's development plan and for increasing investment in agricultural development focusing on female small-holder farmers by citing return on investment as evidence. SAMARTHYA, the current phase of the project has retained a strong focus on the contract farming intervention, with an added emphasis on building capacity of local government, particularly around optimum utilization of land resource generating employment and improving livelihoods of the most marginalized land-poor and landless communities, and development and implementation of policy and law for promotion of tested model such as contract farming in Bhagwanpur-1.



Dalit Women Farmers Group implementing a Model Practice of Contract Farming

2.1.2 Impact group formation and conclusion of land lease deed

As envisaged by the project, which focused on smallholder, tenants, marginal and landless farmer households, and labourers and natural resource dependent communities as its impact group, CARE and NFGF identified the most marginalized and landless *Musahar* community at Ward No. 1, Bhagwanpur RM in Siraha district as the impact group. Most of the male members of the community were outside the country in search of jobs, while the women were barely meeting the families' daily essentials working as daily wage earners. NFGF started conversations with the community, which included 40 *Musahar* families. Assessment of the community's interest to engage in the piloting and required support and cooperation of the government authorities and key stakeholders was also part of the process. After all stakeholders including the women responded in affirmative, NFGF supported formation of a 40-member Dalit Women Farmers' Group (DWFG) representing all the 40 families in the *Musahar* community and formal registration of the group with the District Agriculture Development Office (DADO).

This was followed by several rounds of discussions with the DWFG on availability and identification of land for lease, while at the same time interacting with the district-based government and non-government stakeholders seeking their cooperation. Then NFGF VDC Federation played significant role in identifying appropriate land on long-term lease. NFGF local facilitators finally identified 80 Katthas or 4 bighas (2.6 ha) of land owned by two absentee land owners. The land was lying barren with no irrigation facility. The NFGF VDC Federation traced the land

owners, who did not live in the area. NFGF VDC and District Federations then calculated a reasonable lease rate (NPR 2,200/per kattha (0.03 ha)/year) for 10 years. This was followed by NFGF VDC Federation's negotiation with the land owners. The negotiation led to a conclusion but reaching the conclusion was not easy. "The land owners were not interested to lease out their land to us (*Musahars*) as they (as other elites) looked down upon us, did not trust us and thought that we would either not pay their lease amount or claim tenancy right over their land," said DWFG chairperson Laduvati Saday. After long discussion citing the law and working policies on land lease a contract was finally inked between the DWFG chairperson and the land owners. Representatives of NFGF VDC and District Federations, District Agriculture Development Office (DADO) and District Livestock Office (DLSO) have also signed the contract as witness. Now with the change in the structure of local government, NFGF is planning to bring on board the present Bhagwanpur RM as a party to the deed. After the deed was finalized, the land was divided into 40 plots measuring two Katthas (0.06 ha) each, numbered each plot and allocated them to each *Musahar* families.

The project has a provision of paying the lease amount until 2019, the sixth year of the intervention. It is expected that by the time the DWFG members will be able to access land on contract and pay the land rental on their own, and that Bhagwanpur RM and the Wards under it will have policy and budgetary provision to replicate and scale up contract farming in the rural municipality. The project has also the provision for bearing the cost of agriculture inputs. However, productive collaboration with various government

authorities and other stakeholders led to then VDC, DDC, DADO, DLSO, and Li-Bird providing various technical inputs.

2.1.3 Policy initiatives

Right from the beginning, the contract farming intervention was aimed at not only livelihoods improvement. The chief objective was to generate evidences from this model and use them as a tool for lobbying then VDC for integrating the contract farming provision in local plan and budget. With this purpose NFGF held series of discussions with the VDC officials, who, as a result, were extending all possible support for the intervention. Contract farming in Bhagwanpur commenced in April 2015. The then Chief District Officer (CDO) formally launched the project. The representatives of DADO, DLSO, DDC, VDC, District Forest Office, District Police Office and local NGOs, among others, were present on the occasion.

NFGF availed of this opportunity to brief them about what contract farming is all about and how it contributes to meeting the immediate livelihood needs of the most marginalized community (*Musahar*), while in the long run leading to optimum utilization of natural resources, in this case land lying fallow. It formally presented a concept paper highlighting how the country once almost self-sufficient in food grains has now been relegated to a country dependent on food grains imports. The government authorities' attention was also drawn to the fact that on the one hand landless and land poor communities do not have land to grow food for their survival and livelihood, while on the other large swathes of arable land are lying barren as land owners would not allow anyone to cultivate the land for fear of having to give their land to tenants.

The concept paper also outlined CARE and NFGF's strategy to create a win-win situation for the landless farmers and the land owners. It would be done by guaranteeing the land owners' ownership of their land and providing them reasonable amount for long-term lease of their land, and supporting the landless farmers to access land on lease to use it as a means of production. CARE and NFGF have therefore initiated contract farming practice as a model with DWFG of Bhagwanpur-1 as the impact group. The contract farming practice aims to generate evidences of success and call the government's attention to the need for policy provision to institutionalize and scale up this practice as a driver of increasing agricultural production and contributing to national economy in the long-run. The concept paper also highlighted the rationale behind engaging the most marginalized landless *Musahar* community as impact group and the multi-stakeholder approach to building a wider support base for the initiative. It also included proposition regarding areas of multiple stakeholders' expected collaboration.

The concept paper was subsequently submitted to the Department of Agriculture. One year after the contract farming started in Siraha NFGF organized an observation tour of Bhagwanpur, Siraha for the Director General of Department of Agriculture and two senior officers from the Social Welfare Council. They interacted with the impact group members involved in the project and left with positive impressions. NFGF continued its lobbying and follow-up with all agriculture ministers who kept on changing as political instability led to change of government frequently. Every time they met the new minister for agriculture, NFGF submitted to



them a “position paper” briefing about the contract farming highlighting its multifaceted benefits.

Prince Joachim of Denmark together with the Danish ambassador and high ranking Nepal government officials also visited Bhagwanpur on 3rd March 2017, interacted with the DWFG members and observed their work in the field. Positive remarks by the prince and other visitors about the intervention were expected to spur policy initiatives for promotion of such tested model.

NFGF also invited then minister for agriculture to its office in 2015, briefed him about the contract farming, its achievements and potentials, and emphasized the need for policy initiative to institutionalize the practice and ensure government ownership of the concept. The minister, who had a background in promoting agricultural activities, promised to do something tangible to promote contract farming during his tenure. Meanwhile, CARE partners, especially NFGF, CSRC and NLRG were lobbying both the then Ministry of Agriculture Development (MoAD) and the Ministry of Land Reforms and Management (MoLRM) for formulation of policies on land lease.

Immediately after the elections concluded under the federal system, NFGF entrusted the Siraha district-based NFGF Municipal Federation with the

responsibility of leading on the agenda of promoting contract farming with NFGF backing. The Municipal Federation played the role of a convener bringing together the newly elected representatives for a civic reception. The event served as a platform for NFGF to brief the elected representatives about the concept of contract farming and lobby for policy initiatives to replicate and scale up contract farming practice.

2.2 SIGNIFICANT CHANGES BROUGHT ABOUT BY CONTRACT FARMING PRACTICE

2.2.1 Empowerment of *Musahar* women in personal, social and economic spheres

Before CARE and its strategic partner NFGF came into contact with the *Musahar* community at Bhagwanpur-I four years ago, contract farming was something never heard of in the community. Or they did not have any access to information that could be useful for them as they were virtually an isolated community. They did not even bother to seek such access and learn about options that could lift them out of the precarious condition as one could feel an untold acceptance among them of their “destiny”. “We used to be badly put off by the treatment meted out to us. We felt extremely sad, wondering why we had to be poor or Dalit. But no matter how much trouble we had to put up with or how much anxiety we felt, what alternative was there in the end. We just learnt to live with it. This was a few years ago,” said Shila Devi Saday, DWFG member.

Musahar and other Dalit women are often not aware of their rights, lack access to relevant information and knowledge of emerging issues such as contract farming and the need for policy provision to govern it. Consequently, they do not participate, let alone influence decisions on such issues, while, due to their role, they have crucial knowledge of their natural resources including land and agriculture. They worked for others – almost like bonded labour. For example, a landlord would allow a *Musahar* family to cultivate 5 katthas (0.16 hectare) of land. In exchange for that the entire family had to work free for the landlord the whole year. Such practice had received a kind of ‘social acceptance’ including the *Musahars* themselves. Coming from such background, the women from *Musahar* community found it too alien an idea to own land and work for themselves. CARE staff and NFGF had to struggle a lot before finally convincing the women’s group about the benefits of contract farming.

Champa Devi Saday, Vice-chairperson of the group said, “We had no idea whatsoever about contract farming; we did not have the practice of meeting and discussing our issues. We had no connection with anybody as we were a community looked down upon by the so called higher caste and well to do people—almost forgotten by society. Our connection was limited to those who employed us as daily wage labourers; and the wage rate depended on their ‘mercy’; we did not have the courage to negotiate.” There was no question of taking care of their own health and that of their children. Education was far beyond their reach. Good nutritious food was a luxury they could not afford. As almost all males in the community have left the country in search of job, even women, who gave birth days ago, were compelled to earn daily wage, although they were not potential employer’s choice as they would not be able to work as much as other women. And even women, who had to carry their babies to their workplace with nobody else at home to take

care of the baby, were also not accepted as labourers.

“*Hum sab maanav rupi pashu samaan chheliyai. Karaar khetisa hum sab maanab swarup praapt keliyei,*” said Laduvati Saday, DWFG chairperson in the Maithili language, her mother tongue. She meant to say that the God gave the *Musahars* and other Terai Dalits the life of human being but the society treated them as animals. With the touching pathos she described, in her expression, the pangs of poverty, exclusion and denial of the *Musahar* community’s human rights. She, however, immediately added, “contract farming programme introduced by CARE and NFGF made us understand the importance of being human and our purpose of life.”

The situation of the *Musahar* community has undergone tremendous change after their involvement in RtF and the subsequent SAMARTYHA project. The projects have paved the way for transformational change for the *Musahar* women directly involved in the projects through positive change in personal, social and political (policy related) levels. At personal level, the women are demonstrating increased confidence to act. Politically, they have been able to effectively interact with informal and formal structures such as the informal power holders, particularly land holding elites, and formal structures, primarily the Wards and Municipality. They are influencing change in the attitude and practice of those in positions of power and demanding policies, laws and practice reflecting the needs and interests of marginalized and landless women and men. In social sphere, the women, who have organized as Dalit Women Farmers’ Group, have demonstrated organizational potential for them to unite so as to promote their causes. Meanwhile, their economic leadership is gradually taking better shape.

The women, who initially seemed to be slacking off on their work, difficult as it was for them to undergo the transition from daily wage earners to owners of their own leased land, burst into such energy and zeal

after their first harvest that through sheer toil and sweat they transformed into fertility and greenery the 4 bighas (2.6 ha) of land. That empty piece of land started teeming with vegetables and other crops, and the purses of all the women started filling up as a result. After the second harvest they were inspired to take more land on lease on their own. Some portion of their income goes into the group saving scheme, which they initiated for a rainy day. The members, who have more than 10 katthas (0.3 ha) of land, need to spend a portion of their income to buy agricultural input such as seeds and fertilizers on top of what they receive from the project fund and the government agencies. The end result is that the women have had opportunities to take up gainful employment, learn about their rights and show initiative to gain access to more land on lease.

The women members of the group, who were initially allotted two katthas (0.06 ha) of land per family, are accessing more land investing a portion of their income from contract farming on land rental, and producing and earning more, while marking a shift from subsistence to commercial farming. The project is paying the lease amount of only the 4 bighas (2.6 ha) of land divided among the 40 *Musahar* families. Their initial income, which averaged NPR 20,000 among the 40 group members, is gradually increasing. With a boost in their morale and confidence thanks to the contract farming practice, about half of the group members have added more land on contract to the initial two katthas (0.06 ha). The following list is just an example:

Group members	Land they are cultivating
Gauri Devi Saday	4 bighas (2.6 ha)
Duliya Saday	2 bighas (1.3 ha)
Champa Devi Saday	22 katthas (0.7 ha)
Laduvati Saday	15 katthas (0.5 ha)
Ramo Devi Saday	14 katthas (0.47 ha)
Shila Devi Saday	12 katthas (0.40 ha)
Tetri Devi Saday	12 katthas (0.40 ha)



If any group member for some reasons is not able to pay the lease amount for the additional land, other members extend their support. This has also helped foster closer unity among the women. Fortuitously, most of the males of the community are either in India or the Gulf countries in search of jobs. Needless to say it has added to the drudgery and responsibility of the women. They have to earn, take care of children and elders, more so when they are not in good health, and all other household chores. At the same time their involvement in contract farming has hugely increased their responsibility, which also includes their engagement in public affairs. However, as a boon in disguise, it is the women who are today in a position to take decisions at family and community levels, influence decisions at Ward and Municipality level, and are accessing, controlling and managing resources including the income they are making from contract farming. They are taking decision related to their children's better education, household requirements, investment in additional land on contract and so on. As a group they discuss the issues affecting group members as well as issues related to farming. Unlike before, they know which

government agencies to approach for their required services. They frequently meet the Junior Technical Officer (JTO) to discuss issues of pest control and quality seeds of vegetables and other crops, and access agriculture extension service provisioned by the local government. On top of that they have also set an example to others what leadership should be like.

“Until now, we had no idea of what income is all about and how it is made, except for the daily wage we earned,” said Gauri Devi Saday, Treasurer of the group, adding, “now we know the ‘taste’ of income; we will continue our contract farming practice.” She appreciated CARE and NFGF's role in supporting them to organize, engaging in contract farming, connecting the women's group to various relevant government agencies such as DADO, DDC and Ward and Municipality office bearers thereby facilitating leveraging of additional resources and inputs.

RtF, the CARE project, which has been titled SAMARTHYA in the current phase, has empowered the *Musahar* community through several tailored capacity building support thereby making them aware of their rights and

the agency role they can play for their own development. Contract farming led to good economic gains (at least by their standards), which also served as a morale booster for them. By supporting the development of the group members' confidence and voice the project seems to be adopting a strategy for unlocking significant economic advantages for the marginalized women.

The community women no longer feel isolated, scorned and purposeless. Rather they have an increased sense of dignity and self-respect, and feel they are gradually enjoying better social recognition. As an example, Champa Devi Saday of DWFG proudly shared that the provincial minister felicitated her on the occasion of NFGF district convention in appreciation of her good work to bring change to her own life and the example she has set for others to emulate. They are earning enough to meet their daily essentials. They are conscious about health, sanitation and education for their children, “who even speak English these days”. They do not have to sleep with empty stomach or eat just bread as before. Their meal today includes fresh vegetable, curd and occasionally fish and meat. As against their earlier conviction that they are controlled by their destiny and that there is nothing much they can do to change their ‘fate’, the DWFG members today see the brighter side of their lives. They have their own land to cultivate, hence no need to be compelled to work for a meager daily wage. “If we have some free time after finishing work in our own field, and if we feel like doing it, we work as daily wage earners for others but, unlike before, now we are able to negotiate the wage rate,” said Laduvati Saday, the group chairperson. They have been able to negotiate an increase in the wage rate from 5 kg to 10 kg of paddy a day.

The visible change in attitude and behaviour of the women at Bhagwanpur-1 has now become a topic of interest and inquiry for women elsewhere also. Sarita Ram of NFGF district working committee spoke about the efforts the committee is making to have the contract farming programme replicated in other municipalities as well. In this connection, she added, the committee is lobbying for replication of the Bhagwanpur model in Lahan Municipality. To start with the local NFGF committee has been able to convince chairperson of Ward No. 14 Mahesh Shrestha, who has expressed his commitment to replicate the contract farming practice in the Ward. However, it is yet to be included in the Ward level plan and budget. According to Sarita Ram, as the government officials from other municipalities have also closely observed the change in Bhagwanpur-1 they are impressed by the results and have expressed interest to promote the practice.

2.2.2 Changes in *Musahar* Women's public engagement and progress in policy initiatives

The present change trajectory that Bhagwanpur-1 is witnessing has the potential to trigger a positive shift in the existing power relationship. The DWFG members have increased sense of self-worth, self-knowledge and self-confidence (power within), which has resulted in their enhanced capacity to decide and act (power to) so as to shape their lives. This has led to joint action, or power with by way of collective strength based on mutual support, solidarity and collaboration. Empowerment at personal level has led to their increased interaction and participation in public sphere thereby enhancing their confidence to the extent that some of them even contested the recent elections under

the federal structure. DWFG vice-chairperson Champa Devi Saday is an example. Although she did not win, she, most importantly, challenged the status quo by contesting the election for the position of deputy chairperson of Bhagwanpur RM and secured 400 votes.

The *Musahar* community members, especially women, who would never talk to anyone, have now become confident enough to come out openly interacting with formal and informal power structures not only on issues related to them particularly but also about issues affecting the society as a whole such as roads, drinking water, quality education in schools etc. Now they are invited to formal meetings of school management committees, Ward committees and other public forums. Previously, even if they sneaked into such meetings, the organizers would simply ignore them, not to talk of allowing them to speak and listen to them. "But today, we are welcomed to such meetings and interactions, and also listened to," said DWFG chairperson Laduvati Saday. Asked what prompted the change, she explained, "They are impressed by the progress we made in quite a short period. They know we are well organized and have better access and network up to the central (Federal) level."

That these women are not inferior in any way to the other community members is borne out by the stride they have made over the last four years or so. They have also started seeking an equal share in public resources, a say in local governance and in the opportunities for development. It has also been brought home to them that there is no alternative but to organize themselves and press their case if they are to secure their rights.

Given these changes, it can be safely argued that contract farming practice is not limited to improving the DWFG member's livelihood; it has rather been a gate way to building active citizens –empowering the women to exercise their citizenship, influencing local governance and holding the duty bearers to account.

In course of this study an interaction was held with a group of about 15 rural municipality level key stakeholders. They included the Bhagwanpur RM and Ward chairpersons, NFGF Municipal Federation representatives and local activists at the municipal office.

A deduction was made from the interaction that *Musahars* in Bhagwanpur, who used to be despised by 'elites' and people in power, are today earning their respect and appreciation for their effort for change. Change in perception, attitude and practice among the people in positions of power at the municipal level is quite obvious. "Thanks to the visioning of CARE and NFGF, the most marginalized community reeling under abject poverty with a deep sense of social inferiority is today witnessing the dawn of social, economic and political transformation", said Bechan Yadav, chairperson of Bhagwanpur RM. He was of the view that living standards of the *Musahars* involved in contract farming programme is gradually improving. Currently, almost all *Musahar* families at Bhagwanpur have their own toilets, the settlement is kept clean, their children are going to school and the community members have started demonstrating great level of enthusiasm and planning for better future as against their usual tendency. "*Musahars* did not bother to go for work as long as they had saved for a day's meal," said the RM chairperson, Mr. Yadav. But now they

have developed the habit of working in their own piece of lands. Economic gain has prompted them to explore new alternatives of progress. They are expanding their agricultural activities also to livestock and fisheries.

“The *Musahars*, who make up the most down trodden and marginalized section of society, are undergoing tremendous change,” said ward No. 1 Chairperson Badri Narayan Yadav. They are pretty conscious about their identity. They no longer cower away from talking with even government officials. “They talk to me without any hesitation, put across their views and demand services.” He also said that inspired by the change taking place in Bhagwanpur, other disadvantaged communities are also demanding support for engaging themselves in contract farming. Ward No. 5 chairperson Amar Lal Yadav talked about how the Bhagwanpur success story is spreading out to other Wards. When people from other Wards come to visit their relatives or for other purpose at Ward No. 1 Bhagwanpur, they get to see and feel the change – the way the women there are cultivating leased lands, growing paddy and vegetables and making income by selling the surplus grains and vegetables in the twice a week fairs in Bhagwanpur, and the change in their way of life. “Inspired by this, the people in my Ward are requesting my support for them to follow suit,” he said adding, “If organizations like CARE and NFGF came to our support, it would be really great. But even if it did not become possible, I will try my best to support the landless and marginalized groups in my Ward to replicate the contract farming practice.”

All five Ward chairpersons and the RM chairperson of Bhagwanpur RM were unanimous in the need for preserving land resources and promote their productive use. They appreciated the significant contribution of CARE, NFGF and Li-Bird for supporting the *Musahars* to have the concept of contract farming materialized successfully in Bhagwanpur. Inspired by the tangible results of the piloting the elected representatives of the rural municipality have expressed their commitment to giving continuity to the practice. They have realized that they need to formulate necessary policy to make sure no cultivable land remains barren and no landless and marginalized community is denied access to land for commercial farming. At the same time, the elected representatives feel constrained by a lack of clear policy direction from the Federal and Provincial levels about formulation of land related policy and law. “However”, the RM Chair said, “when we are in a position to formulate such policy and law, we will make the policy and planning process inclusive and contract farming will be one of the key policy issues we will take into account, and

that three Wards (Wards No. 1, 3 and 5) have already allocated NPR 150,000 each in their budgets for supporting contract farming practice in the Wards is the evidence of our commitment.” This is indicative of growing realization among the RM officials about the importance of contract farming in lifting the marginalized landless families out of poverty through utilization of land left fallow and paving the way for socio-economic progress.

The effort of CARE and its partners including NFGF to have a government policy on contract farming in place dates back to 2012/2013. As an outcome of their tireless advocacy and lobbying MoLRM and MoAD came up with two separate working policies on land lease. MoLRM’s 2014/2015 working policy provides for leasing out government land to landless and land-poor farmers’ groups, cooperatives and companies, for farming for five to 30 years. As provisioned by MoALD’s working policy 2015/2016 marginalized landless community groups interested in commercial farming can access land on lease with the government paying 100 per cent of the lease amount,

AS AN OUTCOME OF TIRELESS ADVOCACY AND LOBBYING BY CARE AND PARTNERS TO HAVE A GOVERNMENT POLICY ON CONTRACT FARMING; MoLRM AND MoAD CAME UP WITH TWO SEPARATE WORKING POLICIES ON LAND LEASE.

providing free of cost technical support and bearing 50 per cent (not exceeding NPR 100,000) of the agricultural input cost. The objective of this working policy is to encourage marginalized landless and land-poor groups including Dalits, freed Kamaiya (bonded labour), Haliya and landless squatters to access land on lease for commercial farming and support them to rid themselves of poverty through income generation. Unfortunately, however, these working policies remain unimplemented. The working policies were meant to be implemented first in the eastern hill districts. As NFGF recalls, the

DADOs in the districts, which were the responsible government line agencies for 'test-implementation' of these policies, were not sure whether this scheme would continue or not as new schemes of this kind face high degree of uncertainty, more so when the country witnesses frequent change of government. Therefore, the new scheme was not publicized widely, hence needy groups lacked adequate information about it. And the eastern districts were not the working areas of organizations like NFGF; hence NFGF also could not do much. Given the successful Bhagwanpur model of

contract farming one can conclude that had the working policies been implemented, they would significantly contribute to landless and land-poor families' access to land and discourage absentee land owners from leaving their land fallow as these working policies assure landowners' full right over their land if they are leased out.



Members of Dalit Women Farmers Group having group discussion

2.2.3 Coordination, collaboration and leverage

CARE and NFGF's commitment to multi-stakeholder approach to the contract farming intervention and the vision and values they aspire for to help create lasting solutions to the denial of landless farmers groups' right to land and food security through policy intervention holds the edifice of leverage. Coordination and collaboration is at the heart of everything they are doing. This has created two-way flows of tangible benefits such as funding or material support as well as intangible flows such as knowledge, credibility and influence through two-way engagement between rights holders and duty bearers.

NFGF itself and the impact group members have demonstrated the ability to influence situations or people so that they can control what happens. The CARE project has established an effective collaboration and coordination mechanism among those directly involved in the project and government and non-government agencies. NFGF has linked the DWFG to various relevant government agencies and NGOs to leverage service and resources, and lobby for legislative arrangements to institutionalize, replicate and scale up contract farming practice.

In the meeting held in connection with this study, the municipal office bearers rightly pointed out that 'leverage' is the most critical sustainability imperatives that the project has achieved. CARE and NFGF have built an atmosphere of working with others and collaboration among the impact group, and government and non-government stakeholders. Right from the beginning they played a connecting role. They briefed the government officials

concerned in the previous regime as well as the office bearers elected under the federal structure about the concept of contract farming and its potential for all-round development of the most marginalized and landless *Musahar* community. The government officials today sound convinced about the contribution contract farming can make in optimum utilization of land resources, employment generation and the country's socio-economic development in the long run.

The project seems to be gaining leverage through convening, introduction of new model, awareness raising and capacity building, advocacy, Ward-to-Ward adoption and replication. As mentioned above, the project's multi-stakeholder approach is self-explaining that CARE and NFGF are able to bring a wide range of actors together to work collaboratively. This has contributed to making contract farming in Bhagwanpur, cost effective, replicable and scalable. Increased awareness among the impact group members as well as the duty bearers has led to change in their attitude and behavior. DWFG members are invited to official meetings of various government and public agencies, where they put across their views and are listened to. The impact group members are challenging the status quo; one of them even stood for municipal level election, for example. They have been provided tailored capacity building support through training, exposure and exchange visits. SAMARTHYA also aims to support the elected representatives at local government level to effectively deliver on the areas of access to land and other support for the landless communities living in poverty, optimum utilization of land resources, and formulation and enforcement of policies and laws. At

the same time they together with the impact group are advocating for duty bearers' accountability in terms of providing services, and formulating and implementing necessary policy and laws regarding contract farming at all levels of government. With the good practice and achievements of Bhagwanpur initiative spreading out, all Wards in the RM are pressing for their elected Ward officials to support for replication of the model. There has been some initial success as Wards No. 3 and 5 have already allocated budget for supporting contract farming initiatives replicating the Bhagwanpur model. Landless farmers in the Bhadaiya, Ganeshpur and Golpur areas have started replicating the initiative.

The project is laying ground for the local government to take ownership of the contract farming intervention. As a pointer to this, the local government and other government agencies have committed their support for the continuation of the successful venture in future. The government agencies have recognized the existence of the rights groups, responded to the rights issues and are meeting the genuine demands of the needy.

Coordination and collaboration with various government and public agencies and non-government stakeholders has paid off well. After Li-Bird installed the solar system, DWFG started using solar power to pump out water for irrigation. This helped them stop paying the tariff of electricity used for irrigation purpose. They are currently using electricity only for household purpose.



Solar Irrigation installed in Bhagwanpur with technical support from LIBIRD

Fiscal Year	Collaborating organizations	Additional resources and inputs leveraged	Cost in NPR
2071-2072 BS	CARE Nepal	Preparation of the land for cultivation, compost fertilizers, pump set for irrigation, electricity wire, plastic pipes etc.	118,460
		Land lease amount.	151,429
	District Agricultural Development Office, Siraha	Summer vegetable seeds.	5,500
	Li-Bird VDC Office, Bhagwanpur, Siraha	Winter vegetable seeds. Five sets of sprayer.	4,600 11,000
2072-2073	District Agricultural Development Office, Siraha	Deep tube well and one pump set for irrigation purpose.	59,000
		Funding for groups support programme.	58,000
		Subsidized power tiller	100,000
	Dalit women Farmers' Group	Cost sharing for the power tiller.	13,000
	Nepal Electricity Authority	Four electricity poles and equipment for extending 2-phase power line to the <i>Musahar</i> settlement and the land cultivated by DWFG for pumping water from the deep tube well for irrigation.	15,000
CARE Nepal	Land lease amount	113,000	
2073-2074	Nepal Electricity Authority	Installation of 40 electricity meters in the houses of each DWFG members free of cost.	14,000
	CARE Nepal	Land lease amount	151,000
2074-2075	Li-Bird	Installation of solar system for pumping out water for irrigation purpose.	300,000
	CARE Nepal	Land lease amount	113,571.75

2.2.4 Return on investment

The return on investment analysis of the contract farming is calculated using the cost-benefit ratio (CBR) method. It is a technique designed to determine whether an intervention should be continued or do the benefits outweigh the cost incurred in executing the intervention. If the cost outweighs the benefits, the project does not deliver value for money under the assumed conditions. The CBR has two elements: the cost and benefits of an intervention. The CBR is calculated by dividing the discounted value of the benefits by the discounted value of the costs:

$CBR = \frac{\text{Discounted value of benefits}}{\text{Discounted value of costs}}$

A CBR equal to one suggests a cost-neutral project, whereas a CBR greater than one is a positive return and the business should consider moving forward with this intervention.

In the case of contract farming in Siraha district, the benefit is the income from the sale of agriculture products including vegetable and other cereal crops. It is assumed that there will be a 10% annual increase in the revenue from sale of the produce. The costs of contract farming include three main components: (a) land

lease cost; (b) cost of agriculture input including preparation of land for cultivation, compost fertilizers, pump set for irrigation, electricity wire, plastic pipes, sprayer, vegetable and cereal seeds, etc.; and (c) operation and maintenance costs (electricity, diesel etc).

It is assumed that a household has practiced contract farming in 2 katthas (0.2 ha) of land leased for 10 years. It is also assumed that the discount rate or the inflation rate is 8% for 2017 (Source: World Bank Group, 2018). From the desk review and field interaction, the revenue generated and the costs incurred in the contract farming per household are given below:

Items	Amount (NPR)	Remarks
Benefits		
Revenue from the sale of vegetables and cereal crops	22,423.00	Source: Model Contract Farming for Policy Intervention: a successful practice, NFGF
Costs		
Land lease cost	4,400.00	NPR 2,200 per kattha (0.03ha).
		Assumption: the farmers will be supported with this cost. The farmers have to pay: nothing for the first year, only 10% in the second year, 35% in the third year, 75% in the fourth year, 95% in the fifth year and 100% in the sixth year and onwards. (Source: Exit Plan of Contract Farming Practice in Bhagwanpur-I, Siraha, NFGF)
Cost of agricultural inputs	3489.00	Assumed to be increased by 10% each year
Maintenance cost	1,000.00	Assumed to be the same for the leased period of 10 years

Table: Calculation of present value of benefits and costs of contract farming

Year	Benefit (NPR)		Cost (NPR)					Present Value of Costs
	Benefit or Revenue from sale of produce	Present Value of Benefit	Land lease	Land lease (with subsidy)	Agricultural Input	Maintenance cost	Total Cost	
1	22423	20762	4400	0	3489	1000	4489	4156
2	24665	21147	4400	132	3838	1000	4970	4261
3	27132	21538	4400	1540	4222	1000	6762	5368
4	29845	21937	4400	3300	4644	1000	8944	6574
5	32830	22343	4400	3300	5108	1000	9408	6403
6	36112	22757	4400	4400	5619	1000	11019	6944
7	39724	23178	4400	4400	6181	1000	11581	6757
8	43696	23608	4400	4400	6799	1000	12199	6591
9	48066	24045	4400	4400	7479	1000	12879	6443
10	52872	24490	4400	4400	8227	1000	13627	6312
Total		225805						59809



THE RETURN ON INVESTMENT ANALYSIS OF THE CONTRACT FARMING PUTS THE COST-BENEFIT RATIO AT 3.77; MEANING THAT EXECUTING CONTRACT FARMING WOULD RETURN NPR 3.77 IN BENEFITS FOR EACH RUPEE SPENT.

From the Table above, the cost-benefit ratio is 3.77, which means that the benefits of contract farming under the assumed conditions significantly outweigh its costs; i.e., executing contract farming would return NPR 3.77 in benefits for each rupee spent. Intensifying agricultural production per kattha of land would further increase the profitability of the contract farming. Thus, contract farming is not only facilitating change in the women's individual, social and political lives, it is equally suitable for the economic development of the poor landless farmers.

3. SUSTAINABILITY

Financial sustainability: The project is currently providing the lease amount for 4 bighas (2.6 ha) of land for the ongoing contract farming practice at Bhagwanpur, Siraha. However, there is a strategy to gradually cut down on project's support for the land rental and

enabling the farmers to pay the cost on their own completely from 2019. The focus is on building human and social capital and using advocacy as a tool, DWFG members are expected to access government services and resources. Some of the Wards in Bhagwanpur RM have already allocated budget for this purpose, while other municipalities and Wards in Siraha are expressing their interest and initial commitment to replicate the Bhagwanpur model. Should it happen, these government resources/services will remain in place after the project. The project seems to be orienting the DFWG to working for market-based contract farming. However, if contract farming expanded through massive replication, traditional local fairs would not be sufficient as a market for the increased production. Stronger and reliable market linkages and related advocacy efforts for this become all the more critical.

Institutional sustainability: The strategy of investing in social capital like the formation of DWFG comprising 40 *Musahar* women, effective coordination and collaboration with government and non-government agencies which helped the contract farming intervention achieve leverage and DWFG's association with NFGF, which has strong networks from the local to federal level, will promote institutional sustainability. All key government and non-government stakeholders are fully involved at every stage of implementation of the contract farming model so that local ownership of project interventions is firmly established. As the intervention has been designed based on the needs and expectation of the *Musahar* women, they have a strong sense of ownership. The social respect, self-esteem, and a strong sense of dignity that they have experienced today have served as a shot in the arm for them to continue their good work. Today, the women are taking decisions at family and community levels, having their say in decisions at Ward and Municipality levels, and are accessing, controlling and managing resources including the income they are making from contract farming. In addition the tangible benefits realized from the contract farming is likely to strongly encourage sustainability of knowledge, processes and the institution.

²The World Bank Group, 2018. Available from: <https://data.worldbank.org/indicator/NY.GDP.DEFL.KD.ZG>



Policy level sustainability: The contract farming intervention has applied an evidence-based advocacy model using a multi-stakeholder approach to policy intervention. As two working policies on land lease and utilization of fallow land are in place at federal level, not in implementation, though, and elected representatives in Bhagwanpur RM are expressing commitment to taking policy initiatives for promotion of contract farming by replicating the Bhagwanpur model, there is strong ground for being optimistic about formulation of favourable policy regarding contract farming in the RM. The local government officials, who are fully aware of the results of the Bhagwanpur model of contract farming are expected to be further enthused by the favourable return on investment as shown by the analysis in this report. The empowerment of the impact group, the increased space created for advocacy, positive remarks of elected representatives, and the strong support of networks like NFGF all combined create a solid ground for successful policy intervention.

4. KEY LEARNING

Interventions reflecting the real needs and interest of appropriate impact groups help bring the expected results: Contract farming was conceptualized to benefit the most marginalized landless groups. The *Musahar* community, therefore accepted

and owned the concept, committed themselves to making it a vehicle for lifting themselves out of poverty as well as for their entry into public arena. Today, they have been able to bring out impressive results at individual, social, economic and political levels.

Short-term achievements are the key to sustaining efforts for long-term objectives:

Although policy intervention was the long-term target of contract farming, CARE and NFGF chose what is most important now, and it was to support the most marginalized *Musahar* community women to have access to land on lease, grow vegetables and other crops, make income and improve their livelihood. If they had, for example, directly jumped into the women's engagement in local governance, it would most probably not work. The evidence is: the women initially seemed to be slacking off on their work even after having access to land. It was

only after their first harvest (short-term gain) that they got motivated to transform into fertility and greenery the 4 bighas (2.6 ha) of land. After the second harvest they were inspired to take more land on lease on their own, engage with RM and Ward level officials as well as other relevant government agencies such as DADO, DLSO etc. inquiring about and demanding their services. Now they are looking at access to land and food, and improvement of their livelihoods more from rights points of view rather than only need and at the same time creating pressure on local government to formulate and implement policies on promoting contract farming practice.

Multi-stakeholder approach, if adopted and implemented strategically, helps achieve leverage:

This approach of contract farming practice has strengthened the collective action needed to shift structural, attitude and resource barriers to ridding the marginalized landless communities (*Musahars*) of poverty and injustice. The CARE project has adopted this approach strategically thereby linking the impact group to multiple government and non-government actors. They have, in recognition of the good practice and its high potentials, supported the intervention with additional input and resources, which is indicative of their ownership of contract farming practice. With positively changed attitude and behavior, Bhagwanpur RM and Ward Chairpersons, some of whom have already allocated budget for supporting

BHAGWANPUR RURAL MUNICIPALITY (RM) AND WARD CHAIRPERSONS HAVE ALREADY ALLOCATED BUDGET FOR SUPPORTING CONTRACT FARMING AND HAVE PLEDGED TO TAKE POLICY INITIATIVE FOR REPLICATION AND SCALING UP THE GOOD PRACTICE.

contract farming, have pledged to take policy initiative for replication and scaling up the good practice.

Evidence-based advocacy and lobbying leads to successful policy influencing:

Throughout the RtF project period CARE and its partners including NFGF generated and used empirical evidences to bring about a number of policy responses including the working policies on land lease. Following the same practice, they piloted contract farming in Bhagwanpur, Siraha to improve the livelihoods of the *Musahar* community and promote the practice among wider community of marginalized landless farmers in general and to generate evidences and press for the local government to make policy arrangements to own, support and scale up contract farming practice in particular. Three wards have already allocated NPR 150,000 each for this purpose and the Bhagwanpur RM has expressed commitment to making policy provision for promoting this practice.

Existence of policy provisions may not mean implementation of these policies:

Although the government formulated working policies on leasing land for commercial farming with promising provisions such as the government paying for such lease and bearing 50 % of basic agricultural inputs and even factored in budget for this purpose in FY (2015/2016), it was never spent. As per government policy should such budget remain unspent for two years, it lapses. The budget in question shared the same fate. The government first introduced this policy in eastern districts where NFGF did not exist. However, the DADOs there held back, purportedly, to avoid the risk of discontinuity as such new government schemes more often than not are fraught with uncertainties. However, thanks to NFGF and impact group's effective advocacy Bhagwanpur RM and several Wards under it are allocating budget for supporting contract farming.

5. CONCLUSION

At a time when 'community farming' was too new a concept due to the absence of adequate existing knowledge base and practical experience and learning in this area, CARE and its partner NFGF took a calculated risk and piloted it in Bhagwanpur-1, Siraha. This proved to be the right decision. The choice of the most needy community of *Musahars* as the impact group, which helped secure the community's buy-in for of the concept, effective collaboration with multiple government and non-government stakeholders, which leveraged additional inputs and resources from all quarters concerned, and effective advocacy for policy initiative at local government level are showing promising results. Livelihoods of the impact group is improving, the positive changes the model contract farming practice is bringing about in individual, social, economic and political lives of the DWFG members is inspiring for wider community of marginalized land poor and landless farmers to emulate them. Some key factors that contributed to the significant changes are summarized as follows:

5.1 Favourable political and policy environment: The country has completed the process of establishing local governments under the federal structure. They have the powers to, among others, formulate their own policies, develop data base of landless and land-poor people, properly utilize fallow land, regulate land plotting for commercial purposes and so on. However, majority of the elected office bearers do not have adequate knowledge of critical land and food rights issues which are particularly affecting the most marginalized land poor and landless communities. The Land Use Policy-2015 provides good opportunity for the local, provincial and federal governments the authority to develop and implement land use plans ensuring optimum use and protection of arable lands, discourage non-agricultural use of

cultivable land and keeping lands fallow. The new constitution 2015 guarantees each farmer's right to have access to land for agricultural work. The local governments are supposed to identify and keep record of landless groups and manage their settlement and livelihoods, and keep record of land under private, government and public ownership. It is also the authority to lease out land lying fallow or used minimally to landless and land-poor farmers for agricultural activities for long periods. Working policies on land-lease are in place awaiting effective implementation. If they are implemented, marginalized landless groups such as Dalits, Haruwa-Charuwa including *Musahars* and freed kamaiyas can access land with the government paying for such lease and bearing 50 % of basic agricultural inputs. Well aware of this context, SAMARTHA project or CARE, NFGF and the impact group in Siraha are effectively engaging with the local government citing all these policy provisions and advocating for policy provisions at local government level for scaling up contract farming practice. Initial success in influencing the local government has manifested in Bhagwanpur RM pledging to emphasize contract farming practice when they initiate policy making, and three Wards already allocating budget for supporting contract farming.

5.2 Rights based approach: The strength of the contract farming practice, which is an integral part of SAMARTHA project, lies in its human rights approach emphasizing non-discrimination, empowerment, participation in local governance process and accountability. CARE and NFGF are working closely with the most marginalized landless *Musahar* community empowering them to engage with local government authorities and other key local actors, claim their rights and entitlements including access to land resource and public services, and hold the duty bearers to account.

5.3 Multi-stakeholder approach: By adopting the multi-stakeholder approach to promoting contract farming practice as a means of addressing the denial of the *Musahar* community's right to land and food security through policy intervention, SAMARTHYA project has been able to leverage additional funding and technical support and enhanced the impact group's credibility and influencing ability through increased two-way engagement between the rights holders and the duty bearers. CARE and NFGF have been able to bring a wide range of actors together to work collaboratively. NFGF has effectively facilitated linkage between the DWFG members and various government agencies concerned and NGOs, and lobbying together with the impact group for legislative arrangements to institutionalize, replicate and scale up contract farming practice. The project seems to be gaining leverage through convening, introduction of new model, awareness raising and capacity building, advocacy, Ward-to-Ward adoption and replication. The municipal office bearers recognize that 'leverage' is the most critical sustainability imperatives that the project has gained. The government officials today sound convinced about the contribution contract farming can make in optimum utilization of land resources, employment generation and the country's socio-economic development in the long run.

5.4 Evidence-based advocacy: One of the most effective strategies of the CARE project is advocacy and lobbying based on evidence. There are clear examples of CARE and its partners including NFGF contributing to formulation of various policies including the working policies on land lease. The purpose of piloting model contract farming practice at Bhagwanpur-1, Siraha is also to create a replicable and scalable model and generate empirical evidence for effective advocacy and lobbying for policy initiatives that ensures local government's ownership of

the model and its support for replication of the practice at scale benefitting the marginalized landless communities throughout the district. *Musahars* in Bhagwanpur, who used to be derided by people in power, are today earning their respect and appreciation for their effort for change. Change in perception, attitude and practice among the people in positions of power at the municipal level is quite obvious. Three Wards have already allocated some budget each for this purpose and the Bhagwanpur RM has expressed commitment to making policy provision for promoting this practice.

As an advocacy tactic, NFGF invited senior representatives of the Ministry of Agriculture and Ministry of Economic Affairs of province 2, which also covers Siraha district, to celebrate this year's "Rice Day". The government officials together with the DWFG members and NFGF representatives planted rice on the land being cultivated by DWFG members. They also interacted with the *Musahar* women inquiring about what process they followed to access the land, how they are feeling about the progress they have made so far and so on. NFGF has already started lobbying the provincial government for policy provisions for promoting contract farming in the province. According to NFGF, initial response of the officials at this level is quite positive. It has planned to strengthen NFGF structure at provincial level and add vigour to its advocacy and lobbying at the level.

5.5 Capacity building support to impact group: After identification and formation of the impact group, CARE and NFGF equipped the group members with technical skills of cash crop production and crop selection. Other capacity building supports including training, exposure and observation visits enhanced the members' leadership and advocacy skills. They are successfully mobilizing the group and managing group savings. Most importantly, the impact group members have gained 'power within' or sense of self-worth, self-knowledge and self-confidence. They have gained the capacity to decide and act so as to shape their lives. This has further empowered them to take collective action based on mutual support, solidarity and collaboration. The women, who would never talk to anyone, are today confidently interacting with formal and informal power structures on issues affecting them as well as the society at large. Now they have a say in public decision making and are recognized for their active citizenship.

5.6 Encouraging return on investment: With the return on investment analysis showing a favourable cost-benefit ratio (3.77) or clearly indicating that the benefits of contract farming under the assumed conditions significantly outweigh its costs, it is economically viable, replicable and scalable for economic empowerment of landless and land poor farmers' groups.

CONTRACT FARMING PRACTICE OPENED UP CRUCIAL OPPORTUNITIES FOR THE DALIT MUSAHAR WOMEN'S INDIVIDUAL EMPOWERMENT, IMPROVEMENT IN THEIR LIVELIHOODS, AND THEIR INCREASED ENGAGEMENT IN THE PUBLIC SPHERE.

6. WAY FORWARD

Contract farming practice opened up crucial opportunities for the Musahar women's individual empowerment, improvement in their livelihoods, and their increased engagement in the public sphere. Such engagement has led to the women having a say in decision making, experiencing positive change in the attitude and behavior among the people in power, and enjoying effective collaboration with multiple actors. Meanwhile, it also points to a way forward.

- For women's participation and leadership to be effective with regard to achieving the objectives of the contract farming practice (from individual, economic, social to political levels), more effort is required to increase their knowledge of relevant legislative and institutional arrangements that are existing and yet to be advocated for, and further enhance the level of their confidence and influencing capacities.
- It is but natural that DWFG members do not have equal level of required knowledge, capacity and confidence. But a scatter gun approach of targeting all members to bring them all on par will lead nowhere. Therefore, it is advisable to identify a couple of highly potential members and make long-term support plan for them to be effective as leaders, change agents and role models, and for sustainable benefits.
- The CARE project has the ambition to have contract farming practice widely replicated and scaled up. The Local Government seems to be buying this idea. DWFG members have already started accessing more land and landless communities in other areas of the district are eagerly looking for support for them to engage in contract farming practice. While this is an encouraging progress, it entails some risk. If the contract farming practice is scaled up as per the ambition, the traditional local haatbazaar or fairs

would not suffice as the market for the hugely increased produces. Therefore it is imperative:

- on the part of the local government to plan out appropriate infrastructure related to production including market, agriculture development strategic plan and declaration of pocket areas for special produce through contract farming, buy the products for a year or two until such infrastructure is in place and establish market linkage,
 - on the part of CARE and NFGF to immediately initiate discussions with the local government on this highly crucial issue and support the government to develop integrated plan reflecting the SAMARTHYA concept in the plan, and
 - on the part of CARE and NFGF, it is equally important to prioritize and promote food diversity by supporting the impact group to diversify their products, and to lobby local government to design agriculture development plan accordingly for food and nutrition security in future.
- The return on investment analysis indicates a return of NPR 3.77 on each rupee spent. Intensifying agricultural production per kattha of land would further increase the profitability of contract farming. It is advisable to use this evidence as a tool for advocacy and lobbying at government level for replication and scaling up of this model of contract farming.
 - That the Bhagwanpur RM chairperson has expressed commitment to make planning and policy processes inclusive, and has, meanwhile felt constrained by a lack of clear policy direction from the federal and provincial levels about formulation of land related policy and law, provides CARE and NFGF's the opportunity to lobby the federal and provincial governments for facilitating the policy and planning process at local government level.
- As the working policies related to utilization of fallow land and grant provision for contract farming are still in place, it is imperative on the part of NFGF and other CARE partners to advocate and lobby at the federal, provincial and local government levels for implementation of the working policies. There is also good opportunity to advocate for preparation and implementation of lease hold farming working policies by using the existing working policies as reference at provincial and local levels as these two tiers of government hold significant executive power in the federal structure.
 - It is advisable for CARE, NFGF and the impact groups to make sure that women's voices are an integral part of the process of making policies, plans and decisions at local and provincial government level, if these policies and plans are to be truly effective.
 - There is also an opportunity for CARE and NFGF to build the capacity of newly formed local governments on these issues thereby enabling them to formulate such legal and policy frameworks, and include scaling up of contract farming practice in their annual plan and budget.
 - It is advisable to implement the NFGF exit plan for a smooth exit and sustainability of contract farming practice, which stipulates that with a view to making the impact group self-dependent, NFGF will cut down on the lease amount that it is paying to land owners on behalf of the impact by 25 % thereby enabling the group to bear the cost from 2019.



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