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AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT

Sponsored by the

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Assisting AID Missions and Developing Country Governments
to Improve Agricultural Marketing Systems

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Subcontractors: Postharvest Institute for Perishables, University of Idaho,
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AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT

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Research Implementation Plan

Agricultural Marketing of High Value Crops in the Hill Areas of Nepal:

Constraints, Opportunities, Issues and Policy/Programs Options

September 1988

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Research Implementation Plan

Agricultural Marketing of High Value Crops in the Hill Areas of Nepal: Constraints, Opportunities, Issues and Policy/Program Options

Collaborative Research Program Between

USAID/Nepal, No Frills Inc., and AMIS

(Agricultural Marketing Improvement Strategies Project)

John S. Holtzman

Ramesh B. Munankami

Rajendra P. Shrestha

Revised September 1988

I. Introduction: Towards an Agricultural Development Strategy[1]

The HMG and donor agencies have increasingly recognized that small farmers in Nepal, particularly in hill areas, need opportunities to grow crops, plant trees and raise livestock that generate cash income and employment. This has been explicitly stated in most important HMG planning documents during the past 15-20 years (see Fourth Five Year Plan). Much of USAID's development efforts in Nepal over the past 25 years have been directed at improving cereal crop production in the terai and then the hills (see USAID Project Impact Evaluation No. 33, 1982). Recently, USAID has become interested in exploiting comparative advantage of different geographical and agro-ecological zones in Nepal. This strategy was advanced by Mellor et al. (IFAD Mission, 1978), embellished by Yadav (IFRPI Research Report No. 62, 1987), and further articulated and strengthened by Thurston in USAID Nepal Action Plan (FY 1987-90), Annex B, "Agriculture Portfolio Highlights: Agriculture Growth Model and Strategy." The strategy calls for terai specialization in rice, wheat, oilseed and traditional cash crop (jute, sugarcane, tobacco) production, hill production of maize, fruits and vegetables, secondary crops, and tree crops, and mountain specialization in temperate tree crops (apples, walnuts) and livestock products.

The HMG and donor agencies will continue to fund cereals research, adaptation and extension, and to subsidize cereals distribution in remote, poorly accessible food-deficit zones. It is doubtful whether cereals production can expand sufficiently to satisfy the food requirements of the many deficit zones in the hills and mountains. Cereals production per capita and yields have trended downward since the 1960s. There is also evidence that land holdings have become smaller and more fragmented, and that land ownership is becoming increasingly concentrated in some areas. An important priority is for small farmers to increase their consumption of foodgrains in deficit zones. Consumption can be expanded through increased own production, which is problematic on smaller, decreasingly fertile holdings, or by increasing farmers' purchasing power.

Promoting cash crop production according to comparative advantage, agroecological niche and market access is one means of generating increased cash incomes and effective demand for food. At the same time, however, it is important to note that farmers need to be able to acquire foodgrains in desired times, places and forms and at reasonable prices. Promotion of cash crop production in the hills needs to be accompanied by expansion of cereals production, particularly in the terai, improved cereals marketing, and upgraded transport, storage and market infrastructure. In improving the cereals subsystem there are important roles for both the public and private sectors to play, although there appears to be a distinctly anti-middleman bias to many of the reports and policy statements issued by public agencies.

II. The AMIS Approach to Agricultural Marketing Research

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[1]The busy reader is advised to skip to section III for a discussion of the Nepal agricultural marketing research program approach or to section IV for a description of the program. The first two sections discuss agricultural development strategies for Nepal and the AMIS approach to agricultural marketing research and programs.

Much of the research on agricultural marketing in Nepal has been descriptive but lacking in analytical rigor and strong analysis of policy implications of research findings. Part of the reason for this is that research resources for in-depth studies, with which significant new knowledge could be generated, are lacking. Moreover, a lot of research is funded as part of feasibility studies, which have much more limited objectives and place lower priority on knowledge generation. Another reason may be that agricultural marketing tends to be viewed as a set of discrete physical functions or activities that take place after a commodity leaves the farm. While performance of these physical functions is clearly an important part of agricultural marketing systems, a broader systems approach encourages analysts to view marketing in a more active and dynamic context. An effectively functioning marketing system coordinates supply and demand for agricultural commodities. In this context agricultural production decisions are marketing decisions, in that farmers produce in response to market demand, which may often be internal to the farm household.

The AMIS project takes a market-driven approach to agricultural commodity systems development and improvement, in contrast to the production bias common to many development projects and programs. In developing countries there are too many examples of projects that expanded production of commodities that resulted in market gluts, high levels of spoilage, low producer returns, and strong disincentives to participation in other production schemes and to production for the market. Often accompanying the production bias is a fascination for technology and infrastructure (e.g, processing plants, handling equipment and materials) which is too sophisticated for a developing country environment that lacks supporting infrastructure and services, such as fuel and spare parts distribution networks or reliable electricity, and the human capital to sustain the investment. Technological fixes generally create more problems than they solve, representing costly misallocation of scarce resources.

In addition to taking a market or demand driven approach, the AMIS project seeks to influence the design and evolution of marketing systems. This can be accomplished through four distinct sets of activities:

1. Policy Extension. Effective marketing research programs need to be applied and policy-relevant. Analysts need to interact periodically with sponsors of research programs, other policy-makers, and analysts who advise policy-makers if they want research results to influence development planning.

2. Monitoring and Evaluation. In addition, marketing research programs need to monitor and evaluate the effects of existing marketing investments and programs, as well as anticipate the likely impacts of planned interventions.

3. Prescription of Specific Interventions. Although wary of panacea-like partial measures to improve marketing system performance, effective marketing research programs seek to identify constraints to enhanced system productivity and opportunities to ameliorate marketing systems with relatively modest resources. There is no cookbook approach to doing this. Yet as understanding of marketing system organization and dynamics increases, analysts develop an

appreciation of system interactions and linkages and are able to identify policy, institutional and technological levers or entry points for improving system performance.

4. Human Capital Development and Emergence of a Critical Mass. Effective and sustainable marketing system research programs attempt to strengthen local capacity to diagnose marketing system problems, identify opportunities, monitor and evaluate policies, programs and projects, and flag ill-conceived investments so that significant resources are not misallocated. Human capital is developed most effectively through well-structured on-the-job training, not through two-week short term training courses. Skills are sharpened in the research process, in policy dialogue with representatives of government and donor agencies, and in intensive interactions with private businessmen.

In attempting to leverage the maximum advantage and local benefit out of limited research resources, AMIS abides by the following principles:

1. Use of local researchers, wherever possible, to carry out applied research programs. When expatriate consultants do the field research, valuable opportunities are lost to develop local capacity. Further, foreign advisors come and go and rarely have the credibility and local knowledge and insights to effectively inform the policy and planning process.

2. Judicious and sparing use of formal survey instruments, and search for the most cost effective means of generating new knowledge, diagnosing marketing system problems and identifying underexploited opportunities. Under time and resource constraints, rapid reconnaissance methods can generate information which is good enough for policy purposes. Rapid appraisal is also an excellent way to launch a longer term program of applied research, which may include formal surveys (see Holtzman, 1986). It can identify key issues for further in-depth investigation, which sharpens the focus of formal surveys. Formal surveys all too often cover too broad a range of topics and typically fail to obtain enough useful information for diagnosing system constraints and making policy prescriptions.

3. Flexible, adaptive research designs. As policies, institutions, the regulatory/legal environment change, and macroeconomic or international economic conditions change, research issues and opportunities also change. This invites modification of research agendas, an ability to identify emerging issues and themes, and a willingness to change emphasis or focus in mid-stream. Highly formal, narrowly hypothesis-driven research programs often lack this flexibility. As a result, they often become locked into in-depth investigation of issues that are no longer policy relevant or may be irrelevant.

4. Successful applied marketing research is an ongoing, iterative and interactive process which improves analysts' ability to ask the right questions rather than striving for definitive answers. Social and economic systems are constantly changing in response to endogenous and exogenous forces. Improved understanding of marketing systems arrives through successive approximations, particularly through learning by doing applied research in a team context and in continual interaction with other analysts and policy-makers. AMIS hopes to

help local analysts to improve their ability to ask the right sets of questions so as to most effectively inform policy-making.

III. A Recommended Approach to Strengthening Agricultural Marketing Research and Development Programs in Nepal

As a collaborative effort, USAID/Nepal, No Frills Inc. and AMIS intend to foster an applied research process which monitors ongoing and planned research programs, marketing projects and policies, improves insights into the organization, functioning and performance of marketing systems, and promotes information sharing and dialogue among analysts and policy-makers. The resources allocated to the marketing research program over the next 19 months are modest. The applied research team will not attempt to develop a master plan for high value crops or even a set of fundable projects. Rather, it will promote the concept and understanding of integrated agricultural production-marketing systems, improve local capacity to diagnose system constraints, distill significant lessons from past and present marketing projects, programs and policies, and instill a greater appreciation of the dynamic nature of marketing systems, as well as the lack of amenability of marketing problems to partial, ideological or quick-fix technical solutions.

The research program will hopefully act as a catalyst. Getting local analysts, policy-makers and donor agency representatives to think about marketing systems in broader, more dynamic terms is a high priority. Fostering a more critical appreciation of the difficulty of improving marketing systems and a skepticism of simplistic solutions to complex problems is another objective of the program. A last important objective is to encourage interventionist, action-oriented research, which seeks to improve understanding of marketing systems through observation of ongoing projects, prescription of policy changes, promotion of selected organizational, institutional or technical innovations, and monitoring of the impacts of these innovations.

IV. Outline of an Agricultural Marketing Research Program

The program of agricultural marketing research outlined below will concentrate on production and marketing opportunities for cash crops in the hill regions of Nepal. Cash crops will initially be defined to include fresh, dried and processed fruits and vegetables, vegetable seed, nuts (walnuts, almonds), spices, and perhaps selected herbs, medicinal crops, seed potatoes, pulses, oilseeds and secondary grains. The commodity focus will likely narrow as the study goes along. Initially, the research team will take a broad view of cash crop marketing opportunities. During the first phase of research, extending from August through December 1988, the team will:

1. Review the extensive but diffuse and poorly synthesized literature on cash crops,

2. Identify important knowledge gaps, constraints to improving marketing systems, and seemingly untapped opportunities, and

3. Prepare a state of the art paper that summarizes and distills important marketing research findings to date and poses unanswered questions for further data collection and analysis.

During the second phase, which will cover the January 1989-March 1990 period, the research team will elaborate and carry out a more focused and in-depth research program. This program could take one of two likely directions. One approach would be to examine broadly the agricultural marketing system, with particular attention to high-value commodities, but also investigating interdependencies and linkages between high-value commodities and foodgrains. This approach would attempt to articulate marketing system consequences of specific commodity system interventions, broad policy changes, commodity-specific regulatory reform, and changes in macroeconomic and international conditions. A second approach would be to examine a limited number of commodity subsystems in considerable depth, to be identified by the of the first phase.

The Phase II research program will likely concentrate field work in a limited number of zones. Given past and current USAID investment in the Rapti Zone, the hill areas of Rapti are one probable research target area. Commodity-specific studies would examine production patterns in hill zones, marketing channels and arrangements, price behavior over time and space, and domestic and international market flows, trends and opportunities. Given limited project resources, the research team will rely heavily on structured informal interviews with key informants and knowledgeable observers of marketing systems, and selected in-depth case studies of system participants. These participants could include farmers, first handlers (collectors), wholesale traders, processors, retail outlets, institutional buyers, and importers/exporters. Formal surveys, which employ random sampling methods, are clearly beyond the means and scope of the research program.

Depending upon research priorities established during the first phase and available resources, the team may carry out selected reconnaissance trips to India and other regional markets, such as Bangladesh, Pakistan, and Sri Lanka. Alternatively, the team could identify local analysts in these countries to prepare reports. They would be hired to assemble and analyze available data and examine past, current and projected import levels and sources, constraints to expanding imports of Nepalese agricultural products, and underexploited opportunities for Nepal. In addition, AMIS is discussing with USAID/Sri Lanka the possibility of undertaking similar marketing studies of high-value cash crops in Sri Lanka. If AMIS conducts research in Sri Lanka, the study findings should be informative for Nepal.

Another possible activity during the second phase would be innovations of a technical, organizational or institutional nature designed to improve productivity in a specific commodity subsector. USAID/Nepal could consider funding or encourage other donors to fund modest innovations that the research team would carefully monitor. The team would prepare an in-depth assessment of the innovation as part of the second phase research program. A stated priority of the AMIS project is to monitor the progress of pilot innovations. This action orientation is a means of learning by doing and develops local human capital in attempting to improve marketing systems. It goes beyond passive

knowledge generation and preparation of written material that may not be widely available or used.

Related to this pitfall of many research programs in developing countries, AMIS and the research team believe that it is critically important to disseminate study findings through informal technical seminars and interim written outputs. In this way, the team will seek and ensure more systematic and effective feedback in ongoing research design and implementation, and concerning the usefulness and policy relevance of research results. The opportunities for collaborative research and discussion among several agencies in Nepal, including APROSC, DFAMS, TPC, ICIMOD, ADB and USAID, are auspicious at this time.

V. The Research Team

USAID/ADO of Nepal, under the direction of Robert Thurston, will lead and manage the research effort. No-Frills Inc., a Nepali firm with strong experience, particularly in the Rapti Zone, has been contracted to carry out the research over a twenty month period (August 1988-March 1989). No-Frills has hired Dr. Ramesh Munankami, an agricultural marketing economist, and Rajendra Shrestha, an agriculturalist, consultant to several agencies, and private vegetable seed and agricultural inputs dealer, to conduct the research. AMIS will provide technical support in research planning and design, data analysis, and presentation of research findings in written and oral (seminar) form. Dr. John Holtzman plans to return to Nepal periodically to monitor study progress and assist in data analysis and report preparation during peak periods.

In addition to taking a broad first cut or overview of cash crop marketing research and opportunities in Nepal during the first phase, the research team plans to examine vegetable seed production and marketing in considerable depth. Michael Chilton, a private industry seed producer and exporter based in Oregon, will spend 2-3 weeks in Nepal in late October-mid November in order to examine current vegetable seed production and marketing practices and procedures, and to identify possible technical, institutional or organizational changes which could enhance subsector performance. Based on Chilton's findings, one or more of these innovations could be funded by USAID/Nepal.

AMIS also proposes to use the services of Samir Zaman, an Abt Associates economist, to examine vegetable seed imports into Bangladesh from Nepal, India, Bhutan and other countries, as well as potential for expanding imports of Nepalese vegetable seed (see attached terms of reference). Zaman will be on TDY in Bangladesh during the fall of 1988 and could extend his stay to examine import opportunities at low marginal cost. Zaman will also likely return to Bangladesh during 1989 and could do additional work on cash crop marketing in Bangladesh.

During the second phase of the research program, the research team could hire other consultants and specialists to:

1. Assist in the analysis of export market opportunities in India, Pakistan, Sri Lanka, Bangladesh, and perhaps Tibet,

2. Examine various technical aspects of cash crop production, post-harvest handling and marketing, and

3. Conduct rapid appraisals of specific commodity subsectors that the research team is not able to examine, given resource limitations.

Local analysts in importing countries would most likely be hired to carry out task #1. AMIS consultants, particularly PIP (University of Idaho, Post-Harvest Institute for Perishables) analysts, would help accomplish task #2. Local Nepali, AMIS and other consultants would assist in task #3. An in-depth feasibility study of apple and other fruit marketing could be funded as an example of task #3.

VI. Detailed Outline of Research Program

Attached as appendix one is a detailed outline of research activities envisioned under the first and second phases of the agricultural marketing research program. This is a preliminary outline which will be the subject of further discussion and refinement. At this point the phase one activities are more clearly defined than those of phase two. This is to be expected and desirable, as the research program will become increasingly focused and issues for further research will be more clearly identified during the course of implementation. A certain degree of flexibility and openness of research design is desirable and useful, allowing the team to exploit unanticipated opportunities and to better formulate researchable issues for in-depth examination as more information becomes available.

Appendix I : Detailed Research Implementation Plan

I. Phase I August-December 1988

1. Review of literature on agricultural marketing in Nepal, with an emphasis on marketing of fruits, vegetables and cash crops (FVC). Preparation of a bibliographic listing by category. Selected annotations of especially important documents and studies. Anticipated completion - December 1988.

2. Review of ongoing and planned development projects (or subprojects) and research programs in agricultural marketing. Preparation of a report that includes brief discussion of project and research activities and progress to date, planned future activities, source and level of funding, listing of key documentation, and name, address and telephone number of contact project or research managers. Anticipated completion - December 1988.

3. Consulting mission of vegetable seed specialist (Michael Chilton) - late October through mid-November 1988.

   a) Review studies, project reports and available data on vegetable seed production and marketing in Nepal.

   b) Selected site visits to seed production farms or cooperatives and interviews with farm managers, producers, traders, knowledgeable entrepreneurs (processors, exporters), and researchers.

   c) No-Frills (Rajendra Shrestha) will assist in pulling together useful information, identifying contacts/informants. and accompanying the consultant on field trips and interviews.

   d) Preparation of consulting report that identifies promising vegetable crops for expanded seed production, marketing opportunities in Nepal and other countries, further research needs, and possible improvements or production/marketing innovations that might be funded by USAID as pilot experiments.

4. Brief TDY to Bangladesh to collect available government trade and price statistics and to identify and interview a subset of vegetable seed importers and traders of high-value cash crops (Samir Zaman) - Jan. 1989.

5. Preparation and presentation of a state of the art paper on agricultural marketing of hill-produced FVC in Nepal. This paper would:

   a) Summarize current knowledge on FVC marketing.

   b) Discuss constraints to expanding production and improving marketing of FVC products.

   c) Identify untapped opportunities for FVC marketing.

   d) Identify knowledge gaps and opportunities for further data collection and analysis.

e) Identify possible pilot innovations of a technical, institutional or organizational nature for the vegetable seed subsector. (This would draw upon the findings of M. Chilton).

The study team would present key findings of this exercise at an informal USAID sponsored seminar for interested Nepalese private traders and investors, government analysts and representatives of international organizations (ICIMOD, ADB, FAO) and donor agencies in December 1988.

II. Phase II January 1989 - March 1990

1. In-depth surveys of selected promising FVC commodities.

2. Essential elements of in-depth surveys:

a) Analysis of price seasonality and variation over space using available secondary data. Examination of gross marketing margins using available secondary data and price/cost data collected during informal interviews and field visits. Comparative analysis of prices of alternative sources of supply in Nepalese markets (e.g., Indian produce) and prices in export markets.

b) Estimated commodity flows from selected producing areas to major markets. Note seasonality and trend (based on retrospective assessments of earlier flows).

c) Selective informal farm surveys in important producing areas to examine farmer production, handling and processing practices, constraints, and perceptions of profitability and market opportunities for expansion.

d) Periodic informal interviews with selected marketing agents (collectors, wholesale traders, processors). Identify current resources (transport, storage, finance, communications) and business practices, constraints to expansion of volume or throughput, perceived opportunities in Nepal and export markets, knowledge of alternative sources of supply (especially import competing), and plans for expansion/decline. Note innovative institutional arrangements, such as contracts, farmer marketing organizations or joint ventures, and assess their effectiveness in promoting production and marketing of FVC commodities.

e) Examine HMG policy and regulatory environment and specific policies and regulations that affect FVC production and marketing (with special attention to intensively studied commodities). The policy and regulatory environment has an important effect on the willingness and ability of private entrepreneurs to make investments, take risks and innovate. Specific policies and regulations might include price, trade and exchange rate policies, licensing practices, credit and banking policies and regulations, and other business regulations (taxes, reporting

requirements, etc.). Evaluate if policies and regulations discriminate against local production and marketing of Nepalese produce.

f) For selected commodities, examine international market trends, patterns and opportunities, with special emphasis on SAARC regional markets. Where possible, assemble and analyze data on prices, production, and exports of alternative suppliers, as well as imports of countries that are current or potential importers of Nepali commodities. Conduct field trips to selected importing countries in order to identify potential importers and assess market prospects. Alternatively, hire local consultants to examine the market situation and opportunities. Based on secondary sources, assess how government policies, regulations and investment programs/projects in importing countries affect production, exports and imports.

3. Expected Outputs

a) Synthesis report on marketing of high-value crops produced in the hill areas of Nepal. Possibly one or more commodity subsector studies. Anticipated completion - by end or project.

b) Review of international marketing prospects, particularly in the SAARC region. Anticipated completion - by end of project.

c) Seminar presentation and discussion of principal findings, to be held at USAID in March 1990. HMG analysts, selected private entrepreneurs, and representatives of donor agencies would be invited to participate.

III. Agro-Enterprise Study Component

1. Selective inventory of current and planned agro-enterprises that process and add value to FVC crops. Identify current resources and activities, scale of operation and rates of capacity utilization, sources and costs of supplies, key market outlets and prices of processed products, major competitors and the cost of their products in Nepalese markets and, where appropriate, export markets, and use of innovative institutional arrangements, such as contracts or joint ventures.

2. Depending upon commodities selected for in-depth study in the FVC marketing survey and assessments of potential for expansion of specific agro-enterprises, select a subsample of agro-enterprises for in-depth study. At the level of individual firms, examine processing technology, costs of production, supply procurement arrangements, marketing and pricing practices and strategies, firms' sources and uses of market information, plans for expansion and further investment, sources and uses of formal/informal credit, and managers' perceptions of constraints and opportunities. Identify government policies or regulations, if any, that adversely affect the profitability and scale of the selected agro-enterprises.

3. Expected outputs:

a) Selective inventory of agro-enterprises in Nepal, including brief descriptions, names, addresses and telephone numbers of managers. Anticipated completion - December 1988.

b) Report that examines in-depth selected agro-enterprises and industries that add value to FVC commodities. These enterprises will be examined in coordination with in-depth commodity studies. Anticipated completion - February 1990.

c) Agribusiness seminar, at which inventory and in-depth study findings would be presented to USAID, interested HMG analysts, selected private entrepreneurs, and representatives of donor agencies and international organizations. Proposed date - February 1990.

IV. Staffing and AMIS Participation

1. No Frills

a) Agro-enterprise Specialist (Rajenda Shrestha) - 12 months. Half-time - August-September 1988. Full time - October-December 1988. March-May 1989. Five additional months after May 1989.

b) Agricultural Marketing Specialist (Ramesh Munukami) - 18 months. Full-time beginning September 1988. One month off during 1989 or work half-time during two months of 1989.

c) Agricultural Marketing or Trade Consultants (to be identified) - 4-8 months, beginning in 1989, as needs and opportunities arise. Consultants would work in collaboration with and under the direction of Dr. Munukami.

d) Computer Operator and Data-Base Management - part-time over life of project. Greatest need likely to be in 1989-1990, including data-entry, preliminary data processing. Report typing during 1988. This individual will need periodic technical support from AMIS and a local computer consultant.

2. AMIS

a) Agricultural Marketing Economist (John Holtzman)

1) Project and research planning (August 1988).

2) Review activities of Phase I and assist in presenting findings to USAID. Planning of Phase II (December 1988).

3) Follow-up missions to monitor study progress, assist in data analysis, and assist in report preparation and seminars (July or August 1989, mid-February to mid-March 1990).

agricultural marketing workshops. Level of effort - 20 days in U.S. during FY 1989.

b) Vegetable Seed Specialist (Michael Chilton)

1) See scope of activities under Phase I. 2-3 weeks in late October-early November 1988.

2) Possible return trips depending on identified needs and opportunities. If pilot innovations are funded, plan at least one return trip to assess progress and evaluate performance and impact.

3) Review reports, or sections of reports, on vegetable seed marketing and exports prepared by No-Frills consultants. Level of effort - 1-2 days per report; maximum of 5-6 days.

c) Economist/Data Base Management Specialist (Samir Zaman)

1) Provide training to No-Frills staff in use of microcomputer software. IBM-PC software used by project would be LOTUS 1-2-3, Chart-Master and Word Perfect. One week TDY in 1989.

2) Assemble available secondary data on Bangladesh's imports of vegetable seed (quantities, prices), interview knowledgeable researchers and government analysts, and identify and interview selected importers of vegetable seed. One week TDY in Bangladesh in late 1988 or early 1989.

d) AMIS Project Manager (Gerard Martin)

1) Provide conceptual guidance, research management, and research coordination.

2) Review research program progress, assist in preparation of training materials and project outputs, and identify suitable consultants to assist research team in carrying out selected commodity subsector studies or in examining technical aspects of cash crop production, post-harvest handling, storage and marketing.

3) Help prepare and participate in the end-of-project workshops on agricultural marketing and agro-enterprise - February-March 1990.

e) AMIS Project Data Analyst (Cheri Rassas)

1) Assist research team in assembling, tabulating, analyzing and preparing graphs and figures for use in workshops and reports.

2) Help prepare materials for training and marketing workshops.

f) Additional Consultants - PIP, others

1) As needs and opportunities arise during Phase II, particularly as specific commodity subsystem studies are being conducted or when data are being analyzed for presentation to USAID and HMG. Local consultants could be hired on a short-term basis to assist the team (4-5 months).

2) PIP could provide expertise in vegetable and fruit production, marketing and processing as needs arise. Predicted level of effort - 2 months in 1989-1990.

3) Marketing specialists in countries in the SAARC region could be paid an honorarium to review literature, assemble and analyze secondary data, and interview selected importers and government officials in their country. They would write reports that would analyze Nepal's prospects for expanding exports of high value agricultural commodities to their countries, as well as factors contributing to development of successful high-value crop marketing systems in their countries.

V. **Research Task Calendar** : Attached are research task calendars for Phase I and both Phases I and II, which show when different project activities will be carried out, including AMIS consultancies and planned workshops. The task calendars should be regarded as a preliminary planning guides. The exact timing of individual activities may vary in practice.

Phase I of Agricultural Marketing Research Program

Activity	Activity Leadership	1988: Sept. 1-15	Sept. 16-30	Oct. 1-15	Oct. 16-31	Nov. 1-15	Nov. 16-30	Dec. 1-15	Dec. 16-31
Lit. Review	Dangol	XXXXXXXXXXXXXXXXXXXXXX							
	R Shrestha	XXXXXX	XXXXXX	XXXXXXXXXXXX					
	Munankami	XXXXXXXXXXXXXXXXXXXXXX							
Translation	Dangol	XXXXXXXXXXXXXXXXXXXXXX							
Secondary Data Compilation	O Shrestha								
	AIC	XXXXXXXXXXXX							
	Herbs		XXXXXX	XXXXXX					
	DFAMS			XXXXXXXXXXXXXXXXXX					
	Others					XXXXXXXXXXXX			
Secondary Data Analysis	Holtzman			XXXXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXX			
Selected Field Work	R Shrestha				XXXXXX	XXXXXX			
	Munankami				XXXXXX	XXXXXX			
Agro-Enterprise Inventory	R Shrestha	XXXXXX	XXXXXX	XXXXXXXXXXXXXXXXX					
Vegetable Seed Reconnaissance	Chilton				XXXXXX	XXXXXXXXXXXX			
	R Shrestha				XXXXXX	XXXXXXXXXXXX			
Bangladesh TDY	Zaman				XXX				
State of the Art Paper	Munankami						XXXXXXXXXXXXXXXXXX	XXXXXX	
	Shrestha						XXXXXXXXXXXX	XXXXXX	
	Holtzman							XXXXXX	
USAID Seminar	Team								XXXXXX
Research Design for Phase II	Team							XXXXXXXXXXXXXXXXXXXXXX	

M.S. Holtzman, PHASE1.WKS, 8/31/88

Agricultural Marketing Research Program Implementation Calendar

Activity	Leadership	1988 Aug.	Sept.	Oct.	Nov.	Dec.	1989 Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1990 Jan.	Feb.	March
PHASE I																					
Research Planning	Team	XXXXXX																			
Lit. Review	Team	XXXXXXXXXXXXXXXXXXXXXX																			
Secondary Data Compilation	O Shrestha, Munankani, R Shrestha		XXXXXXXXXXXXXXXXXXXXXX																		
Selected Field Work	R Shrestha, Munankani	XX		XXXXXXXXXXXX																	
Vegetable Seed Reconnaissance	Chilton, R Shrestha			XXXX																	
Bangladesh TDY	Zaman			XX																	
Agro-Enterprise Inventory	R Shrestha		XXXXXXXXXXXXXXXXXXXXXX																		
State of the Art Marketing Paper	Munankani			XXXXXXXXXXXX																	
USAID Seminar	Team					XX															
PHASE II																					
Research Design	Team					XXXXXX	XXXXXX														
Commodity Studies	Munankani							XXXXXXXXXXXXXXXXXXXX

Appendix 1 Terms of Reference for Samir Zaman Bangladesh Consultancy

1. Ask USAID/Bangladesh ADO for information about Bangladesh imports of vegetable seed, and for names and addresses/telephone numbers of Bangladesh importers.

2. Contact selected Bangladesh importers of vegetable seed. Conduct informal interviews and ask the following questions:

a) Do they import from Nepal? If so, from whom? Record any information on quantities imported, timing of imports (seasonality) and prices paid over the past 1-3 years.

b) What is their opinion of the quality of Nepalese vegetable seed? Are there any specific defects or problems? How does Nepalese vegetable seed compare with other sources of supply? If they do not import from Nepal, why have they not considered doing so?

c) What are their other sources of supply? Record any information on quantities imported, timing of imports and prices paid over the past 1-3 years. Obtain names, addresses, telephone and telex numbers of important suppliers (and any specific information on volume imported and prices paid).

d) Are there are any advantages or disadvantages to doing business with Nepal (relative to other exporters)? Ask the question in an open-ended way, but if they are not able to answer, ask them:

1) Are communications with Nepal relatively easy?
2) Can they procure supplies from Nepal quickly and on a timely basis?
3) Is obtaining foreign exchange for Nepalese imports relatively straightforward?
4) Do import rules and regulations in Bangladesh, or export regulations in Nepal, prevent them from doing more business with Nepal?
5) Does Nepalese vegetable seed arrive in satisfactory condition?

f) Ask them for any additional comments or observations.

3. Contact Bengali government agencies that collect and assemble statistics on imports of vegetable seed.

4. Try to obtain current and historical (past three years) price data for key high value commodities imported from Nepal and other suppliers (e.g., India). Most likely, retail price series are available, but wholesale prices should also be obtained if they exist. If collected, these data should be available from the Ministry of Agriculture or the National Statistical service. Obtain Dhaka CPI and deflator so real price trends can be examined.

5. Ask USAID ADO staff if USAID, other donors or the GOB are financing vegetable production projects. If any such projects exist, contact the relevant agency for information about current and planned production, processing and marketing outlets and strategies. Procure any useful and relevant documentation as appropriate.