

MUNAA Agriculture Market: Connecting Home to Abroad

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ABSTRACT

Nepalese diaspora has globalized Nepal's culture, tradition, value, festival, celebration, food, and goods. The Nepalese people have special liking of inherent tastes, flavor, ingredients, cuisine specificities, and indigenous commodities of Nepal. The Non-Resident Nepalese Association (NRNA) and its vast memberships abroad seek such commodities in places where they live. An organization under the Joint Cooperation of Agriculture Promotion Committee of NRNA, Mutual Understanding between NRNA and Agriculture Authority (MUNAA) Agriculture Limited, a company registered with the Bagmati Province with a mandate to work in all provinces of Nepal and abroad, has a mission to connect Nepalese people at home and abroad with the Nepalese agricultural products. MUNAA trades hygienic, safe, fresh, and processed Nepalese food products with the 'safe food, safe life' slogan under the 'MUNAA' brand. The government of Nepal has adopted favorable agricultural policies that aim to increase production sustainably, substitute imports, and expand export to minimize trade deficits. In addition to following government policies, MUNAA has plans to import technologies for value addition that will benefit both the producers and consumers as per the expectation of the government and Nepalese people at home and abroad.

Keywords: Farm products, Local markets, Trade promotion, Nepalese food products, Safe food

1. INTRODUCTION

Members of the Non-Resident Nepalese Association (NRNA) who had returned to Nepal came together in 2017 AD to exchange their innovative ideas, find ways to invest their earnings, experiences, and network, give an impetus on social welfare, capitalize on the sentiment, and experience of Nepalese diaspora and establish a bridge between NRN abroad and their brethren home. Based on the discussion, they conceptualized and implemented partnership-based enterprise.

Under the umbrella of the NRNA Agriculture Promotion Committee (NRNA-APC), and in collaboration with the Government of Nepal, they established an agriculture-based market with the name “Mutual Understanding between NRNs and Agriculture Authority (MUNAA)” in 2017. The term “MUNAA” carries Nepalese sentiment as an emerging bud. The word is easy to pronounce. MUNAA is a registered company under the Company Act of Nepal, hence named “MUNAA Agriculture Limited.” The objectives of MUNAA are to be part of the Nepal government’s policy of modernization, commercialization, export promotion, income generation, and employment opportunities in agriculture. There were exchanges and signing of the memorandum of understandings between MUNAA and three levels of government- Central, provincial, and local levels and Kathmandu Metropolitan.

MUNAA Agriculture Limited is supported by the Joint Cooperative Agriculture Promotion Committee (JCAPC), Ministry of Agriculture and livestock development (MoALD), Nepal, and NRN-Agriculture Promotion Team.

The focus of MUNAA Agriculture Limited is on the marketing of clean, quality, safe certified products produced through a participatory guaranteed system and good agriculture practice. It works under the

general principle of the public-private partnership (PPP) model.

MUNAA is based on an application of multiple disciplines, namely agriculture, dairy, meat, poultry, economics, sociology, engineering, health, marketing, trade, information technology, diplomacy, and international relationships.

2. MATERIALS AND METHODS

The materials included in this article were obtained from desk review, a panel discussion during the 2nd NRN Global Knowledge Convention organized from 09 to 11 October 2020 (knowledge.nrna.org). The panel discussion was video recorded, transcribed, and paraphrased to suit the format. Seven people were in the panel discussion that was attended by several participants (knowledge.nrna.org, 2020 Page 34). Primary information was obtained from the corporate office of MUNAA Agriculture Limited (MUNAA KRISHI) and its field areas (<https://munaabazar.com/>). Secondary data were obtained from NRNA (2nd NRN Global knowledge Convention, 2020) and MUNAA publications, national publications, such as newspapers, and journals. The data were obtained from the Central Bureau of Statistics (CBS 2020) and the Ministry of Agriculture and Livestock Development (Government of Nepal 2000), Kathmandu Nepal.

3. RESULTS AND DISCUSSION

3.1 Working Mechanism

MUNAA works on multiple fields and fronts and has the corporate office at Sanepa, Lalitpur (<https://munaa.com.np/sanepa/>). MUNAA has outlets called ‘MUNAA Bazars’ at different locations in Nepal and abroad. It has an integrated working mechanism that brings in the expertise of people of different disciplines and areas (Fig. 1).

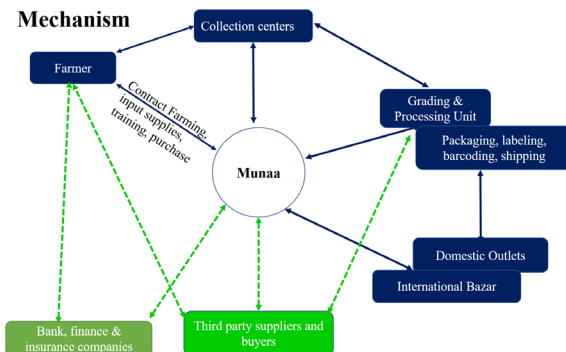


Fig. 1. Flow diagram showing the mechanism of MUNAA’s works

The corporate office located at Sanepa, Lalitpur has cold storage facility, an outlet, a liaison office, and collection, cleaning, processing, packaging, and labeling centers. It meets the need of consumers in Kathmandu Valley through an online marketing website “Munabazar.com”. Based on the online demand the products are home-delivered. MUNAA has established commercial links with companies abroad run by the Nepalese Diaspora namely Mayur in Nagoya and Deurali Trading in Tokyo of Japan, Five-Star Supermarket in Belgium, Danfe Supermarket in London, Nepal Market in Canada, etc. There are efforts to connect with business people and traders in Hongkong, the USA and the Middle East for the extension of the trade. They have agreed to sell MUNAA products from their outlets.

Now, the online system is functional, and it provides house-to-house delivery service to clients in Kathmandu Valley is especially useful to people whose movement is limited to their houses either due to old age, disability, diseases, or busy schedules. The plan is to extend the online selling within Nepal and around the MUNAA outlets abroad.

3.2 Contract Farming

MUNAA has started contract farming—a preharvest agreement between MUNAA and farmers, where farmers agree to produce the commodity in an agreed amount and quality and MUNAA buys their products from their farms at a price they would get at the market or above. The contract assures a regular supply of farm products to MUNAA, and farmers need not worry about market failure, unhealthy competition in markets, and low prices. Such contracts are considered important methods to overcome market failures and to minimize the risks faced by smallholder farmers (Bellemare & Bloem 2018). The government of Nepal has promoted contract or contractual farming as one of the ways to profitable commercialization (MOAD 2014). Although some forms of contract farming existed in Nepal for a long time, the rapid modernization of agricultural value chains and the globalization of agricultural trade have generated renewed interest in the system and the need for formalization of the process. The contracts adopted by MUNAA are long-term contracts so that the farmers can plan well for the future with the confidence of the market. It provides support in several forms

including in their initial investment, loans, and advance payments. The farmers need not worry about losing in competitive market prices as MUNAA buys their products at fair market prices that too from their farms. It provides training on quality, safety, insurance to farmers and their hired workers. Along with the major products, the farmers are taught to utilize the byproducts. The farmers’ products enter the global network of food trade.

MUNAA works with third-party producers and suppliers who are not bound within a contract to diversify its products. It also helps to connect farmers and banks, by supporting farmers to receive bank services and to make cash-less transactions through banks.

3.3 Quality Aspect of Munna Foods

MUNAA collects fresh foods and products from farmers, cleans, processes, grades, and packs them. It trades all healthy and edible food items found in Nepal including but not limited to Lapsi (*Choerospondias axillaris*), Marshidhan (*Oryza sativa*), Timur (*Zanthoxylum armatum*), Yarshagumba (*Ophiocordyceps sinensis*), Panchaunle (*Dactylorhiza hatagirea*), Jimbu (*Allium hypsistum* & *Allium przewalskianum*), Gundruk, Sakkar, Khudo, curry powder, dried meat, etc. Most Nepalese products fail to attract consumers due mainly to their unappealing packaging and packaging systems. Therefore, MUNAA has developed a system for hygienic processing and packaging of the products with truthful labels. Both indigenous and modern technologies are promoted to ensure the quality and genuineness of the products. In a long run, it helps in the conservation of traditional, indigenous, as well as quality varieties and breeds. High-quality moisture-proof packaging and truthful labeling are central to MUNAA markets.

The initial practice is to buy and collect raw Nepalese agricultural products. They collect, clean, process grade, and pack, brand with the MUNAA logo, slogan, and trademark, ship across the world as per the demand of the Nepalese diaspora. During the lockdown due to the coronavirus pandemic, MUNAA delivered food items door to door without a profit. Since its formation, MUNAA has been striving for sustainable commercial values and corporate social responsibilities.

The government of Nepal and the ministry of agriculture and livestock development are devoted to safe food production through modernization, mechanization, and commercialization of agriculture. The recent policies guide the stockholders on how to promote agriculture and connect three tiers of markets- producer, intermediary, and consumer and establish inter-relationships to tie up Nepalese products with domestic and international markets. As there are no large surplus products in Nepal and the collection of niche products adds up to export quantities, the challenge is to ensure the proper production practices that are internationally accepted. The focus continues to aware the farmers of international requirements and motivates them to strictly adopt Good Agricultural Practices, Integrated Pest Management, etc. All the stakeholders involved along with the food supply chain must practice a food safety management system.

3.4 Government Policies

Several policies have been enacted and several plans have been implemented. Twenty-year Agriculture perspective plan from 1985-2014 (APP 1995), Agriculture Development Strategies a 20-year master plan (MOAD 2014), National Agriculture Policy 2061 (MOAD 2004). Agriculture Business Promotion Policy 2063 (MOAD 2006), and many laws, acts and policies guide agriculture and promote private sector engagements.

All emerging agriculture-based enterprises need government support on modernization, mechanization, commercialization, and marketing. The government's focus has been to increase production, substitute import, increase export, and reduce the gap of trade deficit. The immediate targets are to increase the production of rice, wheat, maize, barley, dairy, meat, and poultry products; and to increase the export of high-value products like tea, coffee, ginger, turmeric, etc. There is potential to export perishable fruits and vegetables to neighboring China, India, and Middle East countries. Nepal's coffee, orthodox tea, ginger, turmeric, have high demand and importance in the international markets. The newly introduced crops such as kiwi and dragon fruits are seen to substitute imports.

At present, the government is exercising multi-prong strategies to manage, upgrade, and

empower it's about 1800 markets across the country. Small markets are regulated by local governments, 19 medium markets are with the provincial government and 9 large markets are under the central government. The regulation of the market is to ensure that the produces receive an optimum price for their products and consumers have access to safe and quality products.

The government has focused on five priority themes to uplift agriculture, namely, farmers have easy and timely access to low-cost production inputs; easy access to agriculture credits; insurance to the crop; availability of skilled human resources and technicians; and a minimum support price of agricultural products (Khanal 2020).

The government is working to ensure that the domestic customers have access to quality food and food products on time and at a reasonable cost, an intermediary makes a decent livelihood, and the producers receive maximum prices of their products. The government has the responsibility of quality control and price regulation.

MUNAA has been one of the examples of the promotion of agriculture by three sectors, namely the government sector, private sector, and cooperatives.

3.5 International Requirements

It is a big challenge for a new company to compete in domestic and international markets. Together with the marketing, MUNAA has the responsibility to establish its brand, logo, and slogan at an international level. All products traded by MUNAA carry Nepal's recognition, pride, and prestige. On top of that, it must pass several international guidelines, regulations, and procedures. The World Trade Organization and its several instruments regulate food supplies. In addition to international requirements, individual countries have additional and country-specific requirements to adhere to.

To export abroad, all parties must fulfill WTO requirements which are complicated. The production systems in Nepal often do not match the international requirements. Compliance with WTO regulations and criteria will enable Nepalese traders to meet the international standard and quality and eases export.

All food products must have appropriate labels specifying the contents and warnings of allergens. The presence of potential allergens containing foods like oil, nuts, fish, eggs, gluten wheat (Gluten) must be mentioned clearly.

Certain dairy products must be accompanied by hazard analysis and risk assessment (HARA) certificates. The principle of HARA helps to identify all potential hazards and to categorize them according to their severity, probability, and controllability. The HARA considers vehicle-level hazards, such as unintended application of brakes at highway speed that have “human” impact and are largely implementation-independent (Pi-Innovo 2020).

The labels must include information on fortified or organic products. There is a need to simplify and popularize the organic certification process in Nepal.

3.6 Opportunities

MUNAA follows primary processing in which there is a minimum change in the products. MUNAA also sells fresh products within Nepal. There is no surplus production of any one commodity in Nepal. Thus, the collection must be extensive, and niche based. It helps the small-holder farmers to sell their small production. High-value crops such as cardamom, ginger, turmeric, tea, or coffee fetch high prices.

There is no limitation to markets for Nepalese products. The number of high-income families is increasing in Nepal who wants quality products and most of them want the products at their doors or want to buy from hygienic shops. MUNAA is availing an opportunity to those high-income families.

3.7 Welfare-Schemes

In Nepal, poverty is endemic among small-holder farmers in rural areas. Farmers need support during the time preceding their harvest. During this time, small-holder farmers face an economic crisis to such an extent that they resort to contract farming that may be unfavorable. MUNAA's approach to a pre-harvest contract agreement with farmers is to ensure that they have secure buyers. The contract scheme is available throughout Nepal through several outlets and representatives of MUNAA. MUNAA strives to ensure that the contract farmers receive

better incomes than without such contracts. Such assurances motivate farmers to hire more laborers, increase production, stimulate employment, and leave spillover effects at the community level.

Several pro-farmer schemes provide direct economic benefits to the farmers. The sale of Nepalese products abroad will bring hard currencies into the country that help in the reduction in the trade deficit, increase in production of quality products at the farm level, and reduction in imports. The Nepalese diaspora shall have easy access to fresh, safe, and quality native products of their tastes and likes. It will globalize Nepalese products, Nepalese brands, and identities.

MUNAA keeps consumers' health as its priority, promotes indigenous technology used products, and conserves indigenous technology.

3.8 International Examples

Several countries have used their diaspora for ‘diaspora diplomacy’ and reconnection with citizens at home. Philippines has been a notable example of public diplomacy, a cultural bridge that connect the economic gap between homeland and the resettled countries (Gonzalez 2011). South Korean, Indian, Filipino diaspora have polylateral as well as multi-directional success in diaspora diplomacy (Ho & McConnell 2017). Nepalese Diaspora have many lessons to learn from other diasporas. The Filipino diaspora has taken baseball and balut with them (Gonzalez 2011) and the Indians have spread and popularized spices (Abdul 2017).

3.9 Way Forward

The government of Nepal, NRNA, and MUNAA representatives must brief and request the Nepalese missions, NRNA offices, NRN-owned shopping centers abroad to maintain desks or information display boards to oversee the advertisement and promotion of Nepalese products at the international level.

MUNAA can bank on Geographical Indicator products, such as Gandaki's wild honey, Illam's cheese, Jumla's Marsi rice, etc. They add value to the products and give international recognition to such places.

MUNAA must focus on branding, high-quality packaging with appealing packages. System

of truthful labeling with mention of the origin of products, ingredients, and information of allergenicity, toxicities, or other warnings in the labels. It is necessary to mention if the products are vegetarian; halal or non-halal if the products are non-vegetarian; the names of color or flavor if used.

Nepal has suitable conditions with the potential to produce all types of flora and fauna found in any part of the world. These potentials capitalize the process of crop and animal diversification.

4. CONCLUSION

There are several markets run by private sectors in Nepal. MUNAA Agriculture Limited is an emerging agricultural market that has plans to collect safe food from all over Nepal and sell in Nepal and abroad where there are Nepalese people. It is an example of a public-private partnership, an example of cooperation between the government of Nepal and NRNA, and a new venture that works with the different tiers of the government and farmers in Nepal. Its success will inspire many entrepreneurs to follow the MUNAA model and help the farmers find profitable markets for their products in a sustainable way.

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