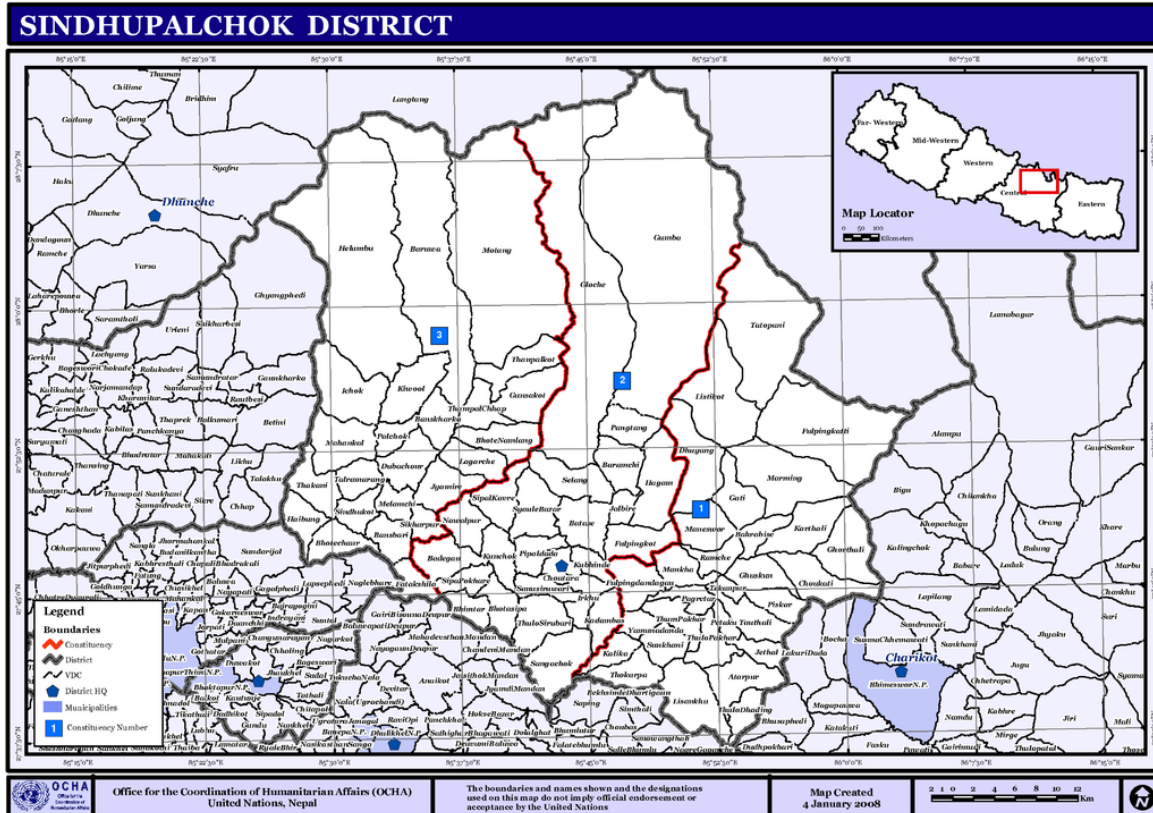


Market Assessment North-West Sindhupalchok



VDCs:

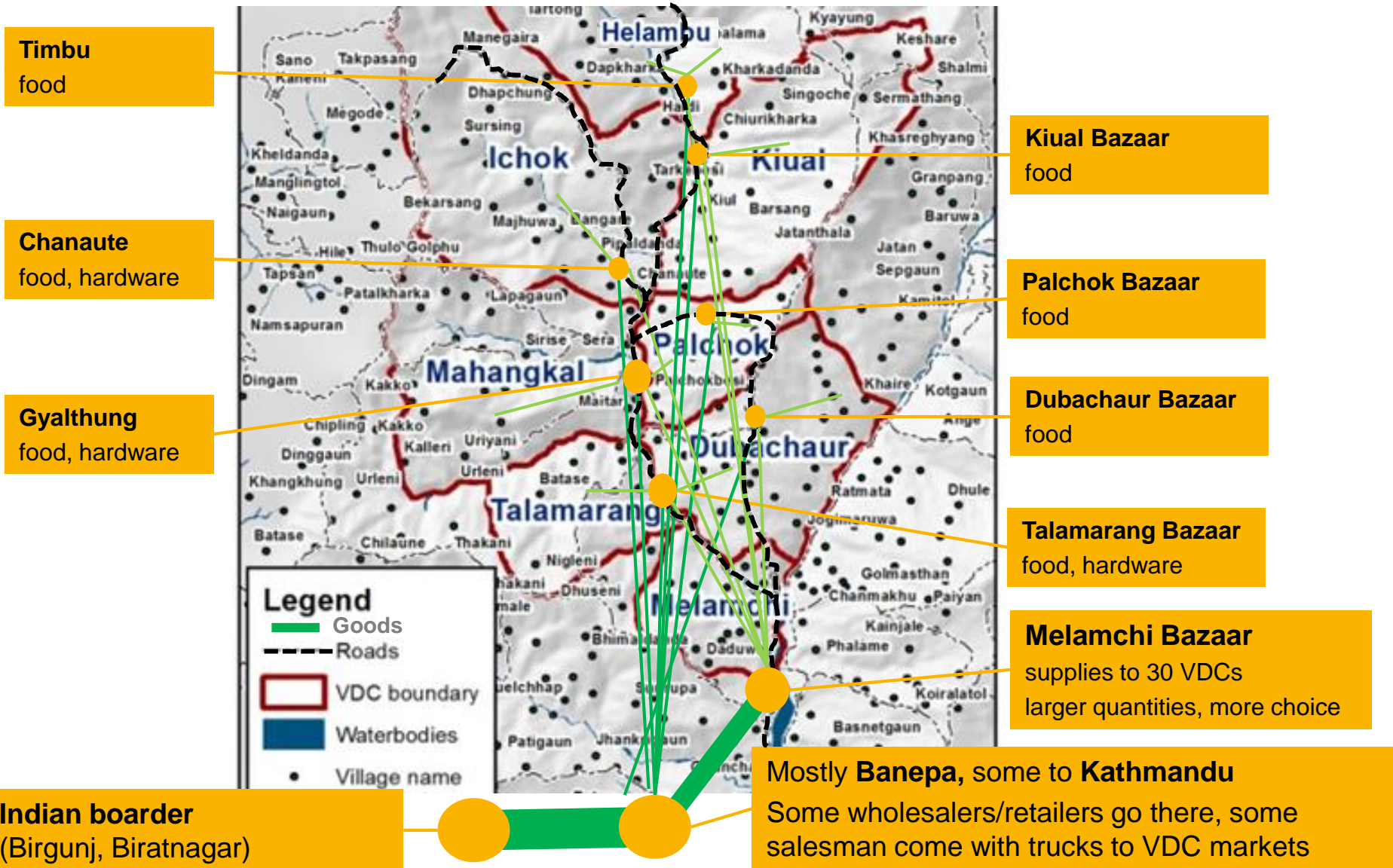
Helambu, Ichok, Kiwook,
Mahankal, Palchok, Dubachour,
Melamchi Municipality (former
Melamchi and Tamarang VDCs)

12./22./23./26.5.2015

Sushil Bhandari
Monitoring and
Information Officer

Michael Blaser
Programme Officer
Market System Development

Markets



Population Profiles



	People in lower fields of the valley (roadside, close to the river)	People in the hills of the VDCs
Population	More Brahmins and Chhetri	Tamang, Sherpas
Poverty	Still poor but better off than the people in the hills	Very poor. In Helambu VDC people living in higher lands are better off (tourist area)
Income	<ul style="list-style-type: none"> ▪ Remittances from 1 person per household on an average working in middle east/Malaysia/Europe/Australia/US ▪ Professional activities in Cities ▪ Business activities and selling agricultural and livestock products ▪ Milk collected at VDC and sold to Kathmandu 	<ul style="list-style-type: none"> ▪ Remittances from 2-3 person (incl. women) per household working in middle east/Malaysia ▪ Day labour on fields of people down in the valley
Agriculture	<ul style="list-style-type: none"> ▪ Wheat, rice. Largely self-sufficient, produce for own consumption, normally not commercial. Wheat is currently harvested, soon completed. Spring paddy be harvested in two months. ▪ buffalos and goats ▪ Offseason vegetables like tomatoes and cauliflower, sold to markets in Kathmandu. 	<ul style="list-style-type: none"> ▪ Maize, millet, small rice fields in lower fields for own consumption. ▪ Produce not enough, need to buy rice ▪ goat/sheep (?) rearing

Population Profiles



	People in lower fields of the valley (roadside, close to the river)	People in the hills of the VDCs
Impact of earthquake on assets and income	<ul style="list-style-type: none">▪ many lost buffalos and goats▪ lost seeds▪ lost some of the food stock	<ul style="list-style-type: none">▪ lost animals▪ lost seeds▪ lost 3 months of rice stock which they bought to cover the monsoon season
	<ul style="list-style-type: none">▪ lost houses▪ cracks in irrigation system▪ damaged water mills and fisheries▪ still have income from remittances	

Tourism

Tourism plays an important role, particularly in Helambu VDC.

In Melamchi, several hotel owners have left (temporarily?) to relatives in India as they don't think that tourism will pick up again soon

Agricultural Calendar – need for seeds

Cropping pattern: Khet Land

Crop	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food grains												
Spring Rice												
Maize												
Main season rice												
Soyabean, blackgram												
Wheat												
Peas, lentil												
Oil crops												
Vegetables												
Summer												
Rainy												
Winter including potato												

Cropping pattern: Bari Land

Crop	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food grains												
Maize												
Millet												
Soyabean, blackgram												
Barley, buckwheat												
Potato												
Oil crops												
Vegetables												
Summer												
Rainy												
Winter												

urgent

soon

Assessment Findings – Market places



General observation of market places

Market	General damage observation of market place	Number of open vs. closed shops
Melamchi Bazaar, Melamchi Municipality	between 33--66% physical damage visible	Less than half of normal shops open
Timbu, Helambu VDC	> 66% physical damage visible	More than half of normal shops open
Chanaute, Ichok VDC	> 66% physical damage visible	Less than half of normal shops open
Gyalthung, Mahankal VDC	between 33--66% physical damage visible	Less than half of normal shops open
Kiul Bazaar, Kiul VDC	between 33--66% physical damage visible	Less than half of normal shops open
Palchok Bazaar, Palchok VDC	> 66% physical damage visible	Less than half of normal shops open
Talamarang, Melamchi Municipality	< 33% physical damage visible	More than half of normal shops open
Dubachor Bazaar, Dubachor VDC	> 66% physical damage visible	Less than half of normal shops open

Assessment Findings – Market places



Demand

- **Generally demand is low** because:
 - Relief material distributed, people don't have money, people are busy with their own house, no tourists
- **No demand for food** because of:
 - Relief material distributed (main reason)
 - For 1-3 months they don't need to buy food (relief material, will have some harvest, some have recovered stock)
 - According to agricultural assessment: 2-3 weeks no need to buy food.
- **High demand for CGI-sheets and nails**
- **High demand for seeds, but people don't have money**
 - Paddy plantation is already late
- **Very low demand of animal medicine** as many animals died
- **Increased demand for alcohol and cigarettes**
- **Other items in demand are lentils, noodles, biscuits, toothbrush, soap (wash and body), matches, oil, animal fodder**

Assessment Findings – Market places



Supply

- **Supply chains / network among market actors seem intact**
- **Less than 50 percent of shops are open**
 - Shops and storage has been damaged
 - Stock is low, traders have not replenished their stock
 - Some traders are not in the mood to re-open, have lost family members
- **No problem to supply food and seeds**
 - Because of lack of demand, traders have not ordered since the earthquake
 - If demand is back, traders can supply.
 - Only (big) concern of retailers is the availability of cash to source supply as everything needs to be paid in cash now. (see next slide)
 - Seed wholesaler in Banepa (mainly selling to Melamchi) ordered 1 ton of seeds
- **Problem to supply CGI-sheets and nails**
 - Traders queue in Banepa for sheets and might still not get what they need

Assessment Findings – Financial Market



Private Credits

- **Credits for animals unlikely to be repaid**
 - A large number of HH has taken group loans for animals with savings- and credit cooperative. Many animals have died and it is unclear, if farmers will be able to pay back the loan. (assessed in Ichok only)

Credits within the value chain

- **No more supplies on credit**
 - Before the earthquake, a lot of the trade was done on credit. Customers and retailers would get the next supply on credit after paying the outstanding amount.
 - There is still a demand for products on credit by customers as wage labourers (mainly construction workers) and daily labourers in agriculture have to wait for payment/work
 - Big traders and retailers don't accept credit payment anymore. Some retailers/wholesalers think they will be able to find the finances to source somehow, others are not sure.
 - Cash only system might persist for longer period

Assessment Findings – Financial Market



Credits from Banks

- **Retailers/wholsalers usually have no bank credit**
 - Small retailers/wholsalers in the VDCs don't have bank credits
 - They have, however, a bank account.
 - Nepal Bank Ltd. said it would provide credit if collaterals are available.
 - Some traders would take a credit if they can, others not.
 - Larger traders in Banepa are likely to get credit

- **Banking system not fully working**
 - All banks are in Melamchi
 - Only 1 Bank (Nepal Bank Ltd.) of 6 in Melamchi is working
 - Others have destroyed buildings or have problems with network
 - No new credits given by bank since earthquake
 - Collaterals (houses or stock) have been destroyed
 - Less normal transactions, more remittances (new and existing clients)
 - People can access remittances as NBL works with several providers.
 - Remittances in Nepal have gone up by 30% since the earthquake and are mainly used for shelter

Assessment Findings – Prices



General consumables/Food items

- **Stable at local level, risen at large supplier level (Banepa) – likely to rise at local level too**
 - Prices at local market level have increased only slightly
 - Prices in Banepa have increased (generally + 10%, rice + 5-10%, lentils +30%) as a result of increased prices at boarder to India. Prices are expected to stay there.
 - Increase of prices in Banepa has not yet translated into price increase at local level as local traders have not replenished their stock
 - Prices at boarder to India went up as aid agencies have bought supplies and traders there probably try to take advantage of the situation
 - Governmental price monitoring takes place at local level only, not at boarder towns

CGI sheets

- **Prices have increased locally and at large supplier level**
 - CGI sheets are short in supply. Raw material is short, too
 - Prices at local market level have increased as suppliers have raised prices, too

Assessment Conclusions



- **Relief** distribution has already **negatively influenced the market's capacity to recover**. After the food market is now without demand for 1-3 months, it is likely that the distribution of hygiene kits and seeds will further weaken the market system.
- **Markets seem able to supply** if demand is back. The smaller number of shops, however, would have to increase the turnover and increase storage facilities.
- **Financing of supplies is the critical issue** as now there is **cash-only** for almost all actors.
- If possible, **relief should be done through existing market system, with cash or vouchers**. Vouchers allow to ensure that (a range of) specific products will be bought.
- If **relief material** is to be bought by organisations, it should be **purchased as locally as possible**. Melamchi bazaar seems to be able to supply everything, smaller markets also to some extend.
- The **capacity** of supplying the necessary quantity **depends** also **on the availability** of the respective **commodity** in the market as well as on **financing capacities**. **Small traders need support** from organisations (supply chain, credit)
- **Prices are going to increase at local level** when shops replenish their stock by **10-30%**

Possible strategies for needs of people



Need	When	Measure	Comment
Food, hygiene articles locally available	Within a month	Vouchers to needy population Work with financial institutes on pre-financing mechanisms	Now food is available for at least a month
Food, hygiene articles locally not available (e.g. sanitary towel)	If urgent: If not urgent:	Buy as locally as possible and distribute If recurring need is there, link wholesalers and retailers with suppliers and provide vouchers	More work, someone will have to do that

Possible strategies for needs of people



Need	When	Measure	Comment
Shelter material (CGI-sheets, nails etc.)	asap	Buy as locally as possible and distribute	Local dealers are struggling to get supplies as aid organisations are purchasing in Banepa/Kathmandu. Would need support.
Shelter Tools	asap	Buy in Melamchi and distribute	
Re-scheduling of Instalments of Credits	asap	Discuss with banks Re-scheduling of instalments for private and business clients	Some banks have already announced such re-scheduling

Possible strategies for restoring livelihoods



Need	When	Measure	Comment
Agricultural tools	asap	Buy as locally as possible and distribute	.
Urgently needed seeds	asap	Buy as locally as possible and distribute via cooperatives (rice) or agro-vets (other seeds)	Rice seeds are normally bought from cooperatives while others from agro-vets
Other seeds	Within two months	Link agro-vet in Melamchi with retailers in VDC markets and distribute vouchers	Opportunity to improve distribution system and use of improved, nutrition rich varieties
Seed and food storage of population	asap	? find out what other organisations are doing	
Husbandry	?	?	Many people lost their animals
Tourism	?	?	Main seasons in spring and autumn