

# 3<sup>RD</sup> GLOBAL FOOD SECURITY, FOOD SAFETY & SUSTAINABILITY CONFERENCE

May 21-22, 2018 | New York, USA

## **Profit efficiency of Nepalese vegetable farms: Policy implications for reducing poverty and improving food and nutrition security**

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Improving the profit efficiency in vegetable farm is a strategic pathway for increasing household income, improving livelihoods and nutrition security, and eventually reducing poverty for the smallholders, particularly in developing countries. This study measures the profit efficiency and explores factors affecting inefficiency in smallholder vegetable farms adopting Stochastic Tran slog Profit Function (STPF) with cross-section data collected in 2013. The results reveal that the higher level of inefficiency exist in vegetable farms resulting of the combined effects of technical, allocative and scale inefficiency. The profit efficiency differentials in vegetable farms is significantly explained by input variables accounted for labor, land, seeds, fertilizer, pesticides, and capital. We identified some major sources of profit inefficiency including types of seed varieties, farmers' information and extension services, agricultural credit to the farmers, distance of farms to the markets, and gender of farm manager in vegetable farming. The profitability and the profit efficiency can be improved by adopting improved high yielding and stress tolerance seed varieties, providing effective information dissemination and extension programs, increasing accessibility of credit facilities to the farmers, developing market infrastructures and marketing linkages between farms to markets, and empowering women farmers in vegetable farming. Enhancing the profit efficiency would encourage farmers for further expanding towards commercialization in vegetable farming, improve food and nutrition security, enhance household income and eventually reduce poverty.

### **Biography**

Rudra Bahadur Shrestha, PhD in Agricultural Economics has long experiences of 20 years in many organizations with different capacities. Currently, he serves as a Senior Agricultural Economist for the Government of Nepal and responsible to formulate policies; develop projects, cooperation and coordination with international donor communities (WB, ADB, EU, FAO, UNDP, IFPRI, USAID, JICA, SDC, Danida, etc.). He is a Visiting Professor in agricultural and development economics, business management in different universities. He has published dozens of papers related to agriculture production, marketing, food security and poverty in impact factor journals. He is engaged in different professional organizations as Secretary General for Nepalese Agricultural Economics Society; Advisor for Global Food Security Strategy-USAID and Peace Corps Volunteer Program-Nepal; and Member for National Project Steering Committees of different donor funded projects, etc. His research interest include productivity growth, technology change, efficiency analysis, commercialization and competitiveness, food and nutrition security, and poverty reduction.

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