

Israeli Ambassador Attends small farmer's program in Ilam and Jhapa Districts



June, 2012



Sana Kisan Bikas Bank Ltd.

Subidhanagar, Kathmandu, Nepal



Israeli Ambassador Attends Small Farmer's Program in Ilam and Jhapa Districts.

Diplomatic relation between Nepal and Israel was established on 1 June, 1960. Since the establishment of ties, Nepal has supported Israel internationally. Israel opened her Embassy in Kathmandu in March 1961. Israel and Nepal have progressing economic ties. Israel has been helping Nepal in fields of technical specialties and Nepal has been supplying manpower to Israel. The chamber of commerce of both nations has trade links as well. Israel has been providing Nepal with short-term scholarships in various subjects particularly in the areas of agriculture, education, rural development, water resources, tourism, etc. Similarly, the Israeli experts in Nepal on farm management, artificial insemination, irrigation, childhood education, workers, and cooperative biotechnology and farm machinery conducted seven on-the-spot courses. A number of Nepalese citizens work in Israel and there is demand for more manpower from Nepal. Israel has been providing assistance unabated for the development of agriculture in Nepal.

There are potentialities that Nepal can be benefited from the achievements attained by Israel in agricultural sector. In this regard, Sana Kisan Bikas Bank Ltd. (SKBBL) had arranged an observation tour of Israeli Ambassador to Nepal His Excellency Mr. Hanan Goder in Jhapa and Ilam districts. Mr. Keshav Shrestha from Israeli embassy, Mr. Khem Bahadur Pathak, Mr. Jalan Kumar Sharma, Mr. Jhalendra Bhattarai and Mr. Ganesh Bhattarai from SKBBL also participated in the visit.

His Excellency met the assistant Chief District Officer of Jhapa, Mr. Yogendra Prasad Dulal, on June 5, 2012 and inquired about geographical, economic, and educational among others aspects in the district.





An interaction at Small Farmers Cooperative Ltd. in Shriantu, Ilam



The visiting team attended Small Farmers Interaction Program organized by Small Farmer Cooperative Ltd, Shriantu, at 3 pm. Manager of the cooperative Mr. Ichchharam Pokharel talked about the various activities of the institution and its future plans in the program, in which a huge number of small farmers attended. The 585 households of small farmers at Shriantu VDC are the member of the cooperative. The members who have planted tea in 15,500 ropanies (about 788 hectares) of land produce more than 5,500 metric ton green tea annually. Mr. Pokharel said that the cooperative has a plan to set up Cooperative Tea Processing Industry with the investment of Rs 30 million. He informed that the local small farmers will collect Rs 15 million and the cooperative has urged the government and the donor agencies to support for the remaining 15 million rupees for the same.



Mr. Ichchharam Pokharel, Manager, SFCL Shriantu



His Excellency, Ambassador's remarks in SFCL Shriantu

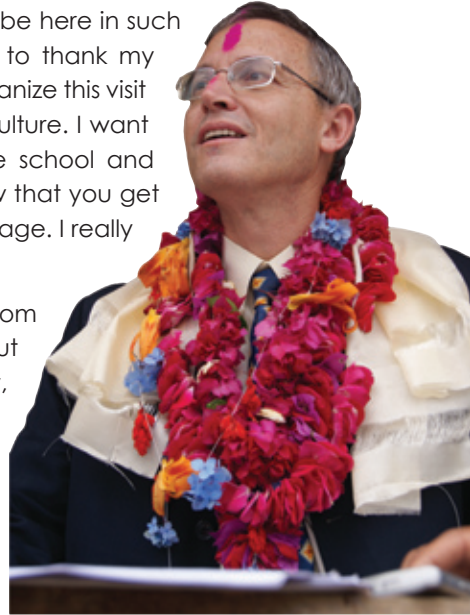
Namaste,

It's a great pleasure and a great honor to be here in such a lively and a united community. I want to thank my friends from the bank that managed to organize this visit to this community that is so active in agriculture. I want to thank to the director, manager of the school and community for hosting this program. I know that you get education and do other activities in the village. I really feel privileged to be here on this occasion.

I come from Israel. Israel is a far place from here, may be 8 or 9 hours not on the bus but on the airplane. Israel is a very small country, even smaller than Nepal. But when the country was established we knew the first step for progress is through agriculture. When there is no agriculture, there is no progress, there is no food and there is no life. So we are taking agriculture as a major part of what we are doing. But one important thing to do is the agriculture and the other is to do business. Let me tell

you something clear- agriculture and business is one thing. Because if you don't make profit, if you don't give production, if you don't sell your goods, what you are producing if it is rice, if it is tea, if it is oranges, you cannot move forward. I think my friends from the bank are very much involved in this aspect, because agriculture is not only agriculture, it is agriculture and business.

The modern life is involved with moving forward. We must move forward all the time. I see how many of you are looking at me through your mobile phones and the cameras. Ten years ago nobody had it but now we are moving forward all the time. I want to use the opportunity to thank to the director again because the most important investment that is happening has been through the school, through education for the next generation.



**His Excellency Ambassador
Mr. Hanan Goder**



The second important investment is on your agriculture. You have to invest in agriculture to move forward. To move forward, is to be more productive, is to do all the things that you are doing together with your friends here. This is the lesson that I can bring from the Israeli agriculture, which we managed to move forward. You take a loan, you put it in the ground, you put it in the agriculture and after one year you get the product. I am very happy to see the community. I am very happy to see so many people involved in this co-operative. This is the same process that we have done in my country.

This is a very small flower and in my other hand this is the bunch of flowers. A single flower is a family and a bunch of flower is co-operative. One flower, nobody can see because it is too small. But the bunch of flowers can be seen, can be used to decorate, it has power.



I want to thank you very much for the opportunity and I wish you all the success. The future of this country, the future of Ilam district and the future of Shriantu VDC is in agriculture and I wish you all the best and thank you to all my good friends. **Thank You**



Mr. Khem Bahadur Pathak
Chairman, SKBBL

*On the occasion SKBBL Chairman **Mr. Khem Bahadur Pathak** urged to take initiatives in a new and even more organized way for the prosperity and development of the small farmers by learning the difficulties and hardships they faced in the past. He said that small farmer cooperative established by the collective effort of the local small farmers is the organization of their own. Giving similar instances, Mr Pathak asserted that big projects for the benefits of local farmers can be accomplished by such cooperatives.*



An interaction at Small Farmers Cooperative Ltd. in Prithvinagar, Jhapa

The visiting team with His Excellency Ambassador took part in an interaction program organized by Small Farmer Cooperative Ltd. Prithvinagar on June 6, 2012. A huge number of small farmers attended the program which was organized on the premises of under-construction Cooperative Tea Factory of the cooperative; which heartily welcomed the team.



Mr. Shiva Kumar Rajbhandari

Co-ordinator, AC Committee, SFCL Prithvinagar

Account Coordinator of the cooperative Mr. Shiva Kumar Rajbhandari reminisced the past and said that the small farmers in the area, who were about to be displaced with the expansion of other tea factories, transformed traditional farming into tea farming for their existence. "If Small Farmer Cooperative did not launch tea program targeting the small

farmers here some 16/17 years ago, we small farmer would have been already displaced from the area. We would have been working as wage workers in the local tea factories now," he said. Mr. Rajbhandari added that Small Farmer Cooperative saved the locals from being landless again, from the settlement which the government had arranged for the landless people in the past under its resettlement program. He said that the locals have emotional attachment with Israel as the settlement was then arranged in the area as per the plan of Israel.

The households of 205 members of small farmer and 200 other non-members planted tea and produce 5,000,000 kg green tea annually. Chairman of the cooperative Mr. Devi Prasad Koirala said that cooperative tea processing factory is under construction with the targeted investment of Rs. 55.9 million to cope with the problems that local farmers face to process their products. He said that the factory will resume its operation by the end of mid-November this year and process 25,000 kg green tea and produce 5,000 readymade tea daily. He further informed that the government has approved the grant of Rs 26 million and local small farmers managed the remaining amount for its construction.



His Excellency Ambassador's remarks in SFCL Prithvinagar

Namaste,

It is a great honor and pleasure for me to be here with this community. I would like to thank my good friends from the SKBBL for introducing me to this lovely community. It is very special for me to come here and to see the Israel planning and to understand that you have a positive background and good memories regarding the planning and you are satisfied with the plan.



I come from Israel. It's a small country, very far from here. 8 to 9 hours with an airplane. A country can manage to move forward only through investment. Investment for the future-investment for progress. I think most of you are involved in agriculture. Every year you put one seed on the

ground, and then you get something which is more precious. You put one seed of rice, you get the rice, and you put one plant of tea and get kilograms and kilograms of tea. It is excellent to see how this community manages to get organized and to move forward to invest in a tea factory. This is going to be a center to produce your own production in order to move forward. Only through this factory you are going to be the master of your own future. You are going to control what you are producing and not be dependent on middlemen. They take the process and the profits from your hands.

There are two reasons why you are going to succeed. Because you made an investment and because you are a community. When I just came in I got beautiful flowers, lovely flowers with excellent smell. Each flower is one family but together all the flowers is a community. So it has been a great pleasure for me to talk to this community. That's all.

Thank you.



SKBBL Chairman Mr. Khem Bahadur Pathak said he felt sad upon knowing that the government approved Rs 26 million though he heard that the government had earlier managed to provide Rs 30 million. He said he would urge the government to reconsider its decision keeping in view the enthusiasm among the small farmers at Prithvinagar.

On the occasion Mr. Jalan Kumar Sharma, CEO, SKBBL said that it has been an example among all the small farmers in Nepal for the local small farmers at Prithvinagar owns a factory with the investment of more than Rs 60 million. He asked the small farmer for its sustainable management so that it will be like a hen that keeps on laying golden egg.



His Excellency inspected the tea plantation site of the small farmers at Prithvinagar. Besides this, he also inspected the commercial cow farming of Mr.

Mr. Jalan Kumar Sharma
CEO, SKBBL

Jagannath Giri at Prithvinagar-5. Mr. Giri took a loan of Rs 300,000 from Small Farmer Cooperative and initiated the farming with the total investment of Rs 800,000. Now he owns eight lactating cows and a bull. He said that he has not faced the problem in selling milk as it has good demand in the local market. Mr. Giri said that he earns a net profit of about Rs 300,000 each year from his occupation.

Mr. Jagannath Giri, explaining
about his cow farm





His Excellency Ambassador participates in other programs



His Excellency Ambassador held discussion with the representatives of Jhapa Chamber of Commerce and Industries (JCCI) and business community. His views expressed in the interaction and question-answer is given below.

Shalom everybody,

Shalom is the Israeli salutation which means "the wish of Peace". This is what I would like to wish all of us here.

I want to thank you all for the opportunity to have this interaction today. This is a very important occasion and an opportunity because the private sector is the soul of the country in terms of economy. Without private sector there is no economy. There is no progress hence there is no development of the economy and this (progress) is something that every country needs to have. I also want to use this opportunity to thank my good friends from SKBBL, Mr. Sharma (CEO of SKBBL). Thanks you for the lovely arrangement and thank you very much for all the coordination. I think it is a great opportunity to address this audience.

Israel is a small country. It takes approximately 8 to 9 hours by airplane from here. Nepal and Israel established relation more than 50 years ago, in 1960. This is a rare example, here in this part of the world. This will never be forgotten by us (Israelis). We both share something that is very similar in our identity. We are both small nations in a challenging world, in a challenging situation with big nations. But we both keep our identity, our tradition and our development for ourselves. A few words about Israel, it is almost half of the size of Bhutan. It is located in west Asia on the bank of the Mediterranean Sea. Egypt is in the south, in the east is Jordan, in the North is Lebanon, in the North-East is Syria as our neighbor. Red Sea is on the southern side. The population of Israel is 8 million, literacy rate is 99% and life expectancy is 82 years. The Per Capita Income in Israel is \$30,000 per year. As I said Israel and Nepal are very much similar in many aspects. But in some aspects we are opposite. In Nepal the majority of the populations live in rural areas. In Israel more than 80 percent live in cities and metropolitans. The southern part of Israel is desert, empty area. 95 percent of the populations live on the half of the country in the northern part. We

have two lakes named Sea of Galilee with the fresh water and another one which is very significant between Israel and Nepal is the Dead Sea. The Dead Sea is so called because it is dead; it is the saltiest water body of the world. The sea is very rich with minerals like salt but you cannot drink the water. You can float on the water because the water is so heavy you will not sink. This is the strongest hand cheque between people from the country with the highest place on the earth; the Everest and us Israelis, on the lowest place on the earth; which is the Dead Sea. The Dead Sea is 423 meters below the sea level. I know the lowest place in Nepal is here in Jhapa district which is 71 meters above sea level. Just think the Dead Sea is 71 meters low, plus 423 meters even lower.

We were talking about the relation between Israel and Nepal and as I said during the past 50 years the relationship has been very good. People from Nepal are going to Israel and people from Israel are coming to Nepal. We are sending Nepalese professionals to Israel for scholarship. In this regard hundreds and even thousands have already been to Israel. We are bringing experts to share know-how from Israel over here on matters related to health, education, agriculture, NGOs, gender issues and various professional issues. Israeli experts are coming and giving professional workshops in Nepal.

You have a beautiful country and 8 thousand Israelis are coming every year just to explore various parts of Nepal as tourists. Parallel to this, there are 8 thousand Nepalese that went to Israel for work. They are doing very good professional work in Israel. This is a short introduction about the bilateral relations and things that are going on between Israel and Nepal. But with your permission I would like to say a little bit about the economy. As I mentioned before Israel is considered today a developed country, a member country of OECD with a high level of GDP. It has an effect on every aspect of lives in Israel. By the way it also affects the Nepalese going to Israel, because the minimum wage in Israel is US \$1200 per month. We can't pay less, if you pay 1 cent less than the rate, then immediately you will be taken to the court and it will be a big problem. This means the higher cost of the people that are involved in the business sector is the salaries, the cost of the labor that they pay to the workers.



Mr. Kalicharan Basnet, General Secretary JCCI, Welcoming the guests.

If you are not efficient and if you hire 10 people instead of 8, you will have a big



problem. Because if you hire more people, these 2 extra workers per year yield is only US \$25,000. Your sales will increase, for example if minimum wage is \$1200, per year it is \$14,800, for two members it is \$30,000 yearly, if you are inefficient. Most important word that I mentioned is how to be efficient, how to move forward all the time because if you are not moving forward, if you are not cutting the cost, if you are not finding new markets, if you are not finding new methods to improve yourself, you are left behind and you lose. With your permission I would like to give a few examples of things that were invented in Israel. I don't know if you are aware of the things that are made in Israel. I know all of you have mobile phones. The number of the mobile phones in this room may be more than all of us inside the room. In each one of the mobile telephones that you have is software and this software is made in Israel. Now, in a nation (Israel) of 8 million people, if we make a software and sell it for US \$5 or \$10, the profit is not much. But in a world with a population of around 7 billion people, if we sell the software, then the profit is huge. Think what it means to a small market like Israel.)

Most of you have a pendrive (flashdrive) today. It wasn't in production 5 years or 10 years ago. The idea again is an Israeli company, which made it, whoever doesn't know (about the flashdrive), you can put it (flashdrive) in your computer,



take the information, go to new computer and this is it. I believe everybody knows what it (flashdrive) is. It is another example of the invention from Israel.

A small capsule type camera, doctors will say you to swallow it. After 10 or 20 seconds your doctor can get photos inside

of you on his computer. That helps him to diagnose your problem. How efficient and easy tools for endoscopy. It is another latest invention from Israel.

You are looking at a pipe(which is used in drip irrigation) in my hand. So you tell me what is the pipe for and what are its main features? It was invented in Israel for irrigation because we don't have water. We have to use every single drop of water that we have. If you make hole in a normal pipe and pass water from it, the hole nearest to the water tank flows more water than the last one. But this newly invented drip irrigation pipe gives equal drops of water from each hole. It was invented to save the water which is scarce in Israel. But as a byproduct of this system is that it increases production by 4 times than traditional products. I repeat it again- 4 times more production. Think each one of you what it means for business, what it means

for the production, what it means for the entire economy, if we can all multiply our productivity by four times more. I am not a farmer, I am an Ambassador though, I have something to tell you. I have good friends in Kathmandu who are farmers and they are using this (drip irrigation) technology. From the Nepalese traditional tomato bush they were getting 3-5 kg tomatoes per bush. Using this technology they are getting 4 times or more tomatoes.

I will leave time for some questions. Let me conclude one thing- the modern business, and you who are coming from the private sector, you know if you don't invest you don't get the fruits, if you don't put the money you don't get the money back, money is not growing, is not falling from the moon or from the rain. Its hard labor and it's an investment.

Again thank you for my good friends from the bank that are very much involved in investing and increasing the production, I think you do it mainly in the agriculture sector. But I know that you are doing your best in order to move forward all the time to be competitive. If there is any way of co-operation that Israel can be sharing with you, we will be happy to do it. Again thank you very, very much.

The question-answer session

Q. What are the major agriculture products of Israel?

Ans. We are very proud of our agriculture and our achievement. But agriculture has only 3% share in GDP. So, it is not the major part of the industry. We are growing flowers, fruits, vegetables, milk etc. The Israeli cow gives the highest amount of milk per year in the world; it gives up to 11,000 liters of milk per year. So, again efficiency is most important thing.

Q. According to the laws of Israel for how many hours people have to work in a day?

Ans. 8.5 hours daily and five days in a week they have to work. The workers in Israel, they work more than the 42.5 hours and they get more money as over time. The workers from the Nepal that we have have a very, very good feedback.

Q. How we will be benefitted by your achievement, if there is any co-operation in this regard?

Ans. This is the reason why we bring the professionals and experts here to share the knowledge and know-how. Because as I mentioned before we have earned knowledge towards the efficiency and hi-tech is applied in agriculture as well.

Q.a. I am producing the tea. 40% of the Nepalese tea is consumed in Nepal and 60% is exported to India. We have to compete with Indian markets. We don't have sufficient power(electricity), we don't have chemical fertilizers, we don't have auction market



of tea and even a small bolt (for machinery maintenance) has to be brought from India. It increases our cost and pushes the production cost higher than India, where we have to sell the final product.

Q.b. Could I know if the drip irrigation system is appropriate in tea bush? And other one is that, whether Israel could be the destination for our tea products?

Ans. We have to work in our environment, but technology may change the scenario. It provides you the way to move forward. It can be checked for the drip irrigation in tea bush. But we don't grow tea in Israel. If you try this system here in a small size of tea plantation area, we could get an answer. Israelis are fan of tea. The market opportunity depends on your product quality, delivery system, marketing approach and your competitiveness.

Q. The female workers in Israel are suffering and facing very terrible life. Why is it happening?

Ans. Nepal government doesn't allow Nepalese women to go to work in those countries where the female workers are not safe. Israel is in the Nepal Government's list where they send female workers. The reason is that the women are treated well in Israel. You know, if a woman is not treated well, there is a law and it is enforced. Plus there is very active Nepalese embassy there. Anyone can approach it. Sometimes if a woman doesn't like the employer she can move to another employer. The problem is not in Israel. The problems are in other countries.

Q. Is Israel importing drinking water from other country?

Ans. Ohhhhh..... You don't know how much Nepal is rich? You have so much water. We don't have water but we use one hundred percent of water. We are bringing water from 300 km afar. We supply the water from North to South through big pipes. But it is not enough. We purify the water from sea for irrigation. Israel is the number one in the world; we take the water from the ocean, we have a mechanism/system and you get water for drinking as mineral water. We don't import water.

Q. We have plenty of products in mountain, hills and terai as well. But we do not have a proper storing facility. Can Israel help us to establish the storage facilities? Second, how can we participate in the agriculture products trade fare in Israel?

Ans. The trade fares are open and you are most welcome to go whenever you need. Regarding the storage facility, we have a very efficient storage system for fresh, dry and all different kinds of products. This is a part of being efficient. If you produce oranges for only six months, you must have to try to produce them in off-seasons for better price.

Mr. Goldberger called a press meet at Birtamod, Jhapa that evening and responded to the queries of the reporters. The visiting team returned to Kathmandu on June 7, 2012.





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