

Strengthening Women's Economic Resilience through Market Linkage: A Case from Dang

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INTRODUCTION

Nepal's dairy sector contributes approximately 9% to the national economy and provides a livelihood for rural producers, with women as the majority of the workforce. Despite this, women dairy farmers face significant barriers in accessing markets, financial resources, and technical knowledge, limiting their ability to transition from subsistence to commercial dairy farming. Currently, only 14-16% of dairy farmers are engaged in commercial dairy farming, and a mere 25% of raw milk enters the formal sector for processing. Meanwhile, the demand for dairy products is growing at an annual rate of 8%, while production increases by only 4%, highlighting a demand-supply gap. Additionally, poor quality control, inconsistent pricing for farmers, and inadequate milk collection and processing infrastructure add to challenges in Nepal's dairy sector.

Funded by the UK's Foreign, Commonwealth and Development Office (FCDO) and implemented by Swisscontact and NIRAS in Nepal, the CASA Programme addresses these issues by unlocking investment for small and medium enterprises, building their capacity for inclusivity and enhancing market linkages for smallholder farmers, especially women. With Gender Equality and Social Inclusion (GESI) as a crosscutting theme, the programme aligns with the aspirations of Sustainable Development Goal 5 to create sustainable income for women in the dairy sector.

MAHILA SAMUDAYIK SEWA KENDRA (MSSK) – AN INITIATIVE BY WOMEN, FOR WOMEN

One of CASA's partners, MSSK, is a non-governmental, non-profit organisation based in Dang, Lumbini Province. MSSK was formed by a group of women to achieve gender equality by empowering women through market linkages, and access to financial and agricultural inputs. Dairy is one of its prioritised sectors.



Matribhumi Microfinance, Tulsipur, Dang

To support MSSK's plan to construct a dairy plant in Ghorahi, Dang, CASA provided technical assistance to design and set up the dairy plant, along with a small grant to procure essential equipment. This support included negotiating with suppliers to source the best-quality, energy-efficient equipment, design the factory layout, and train employees to operate and maintain the machinery. Recognising the need for gender-inclusive training, CASA ensured that women employees also received capacity-building support, equipping them with technical and managerial skills to actively participate in dairy processing and management.

MSSK needed to identify member dairy farmers who could supply milk regularly, which would then be processed into various dairy products. With CASA's support, the dairy expert conducted an area study to map out milk collection pockets in Provinces 5 and 6. This mapping also considered gender dynamics in dairy farming, ensuring that women farmers, who often face mobility and market access challenges, were prioritised in the collection network. CASA enabled Good Manufacturing Practice (GMP) trainings for 4,993 farmers in MSSK's dairy supply chain where women were 60% of participants. By implementing GMP, dairy farmers can improve milk quality, enhance food safety, reduce losses, and meet industry standards, making their products more competitive in the market.



Women dairy farmers and members of Hariyali Mahila Samuha, a savings and credit group under MSSK

Initially, MSSK focused on milk collection, but as revenue from the dairy plant grew, the organisation began offering technical and business advisory services to its members. By reinvesting revenue into women-centred business support, MSSK has been able to help women farmers scale their dairy businesses, access finance, and invest in productivity-enhancing services. MSSK, through its microfinance programme, reaches all-women farmers' groups to provide saving, credit and investment services. Matribhumi Microfinance is a part of one such effort, with women from various groups as members. Hariyali Mahila Samuha is one such group.

A STORY OF CHANGE: HARIYALI MAHILA SAMUHA

In many rural households in Dang, women are the primary caretakers of livestock. A typical workday for the women in Hariyali Mahila Samuha, in both male- and female-headed households, involves milking cattle, cleaning the shed, drying dung, collecting forage and feeding the cattle – all while balancing household responsibilities like cooking, childcare, and home management. With many men migrating abroad for work, women are increasingly taking full responsibility for both domestic duties and agricultural activities. Despite this, their participation in commercial dairy farming and access to market opportunities were historically limited due to time constraints, lack of mobility, and minimal exposure to competitive milk prices.

Recognizing these challenges, MSSK developed a business model that integrates women farmers' groups in its microfinance programme, enabling them to transition from subsistence dairy farming to commercial engagement. With 30 women members, the group not only gets financial access through Matribhumi but also acts as a platform for collective learning and bargaining power in the dairy sector. The women now have secure access to credit, enabling them to invest in improved cattle breeds, quality feed, and productivity-enhancing services.

With CASA's support, MSSK has established sustainable market linkages for these women, ensuring their milk is consistently collected, processed, and sold at fair prices. This has helped transform dairy farming from an unpredictable, low-margin activity into a reliable source of income and financial stability. This exemplifies how a micro-level effort can contribute to the larger dairy sector's productivity.

EARNING BY SELLING MILK

After identifying women members as potential milk suppliers, MSSK began collecting milk directly from their doorsteps daily. This regular milk pick-up service has strengthened the women's economic resilience by saving them time. "There is an employee on MSSK's payroll who collects milk from our house. The person is trained to handle and transport milk safely," shares an MSSK staff member. "I no longer must worry about where to sell the milk. A lot of milk used to go to waste because there was no market linkage," says a woman farmer.



Buffaloes give milk in larger quantity, and they are relatively lower maintenance than cows. Hence, the households prefer buying buffaloes in Dang.

The women are paid 70 NPR (0.50 USD) per litre, which is slightly lower than the 80 NPR (0.57 USD) they receive when selling directly to individual households in the community. However, they prefer selling commercially because MSSK's dairy plant ensures a consistent and reliable market. The women noted that other collection centres often had payment delays in the past, but this has not been an issue with MSSK.

On average, women sell up to 8 litres of milk per day, with higher sales in the summer due to the availability of nutritious green grass. The women in Hariyali Mahila Samuha earn up to 12,000 NPR (85.95 USD) per month from milk sales. "There is better savings now. I have saved up to 300,000 NPR (approximately 2,150 USD) over the past two years from selling milk," shares one woman. While savings vary across households, those who have managed to save have reinvested their earnings into purchasing additional livestock.

ENHANCED FINANCIAL LITERACY

MSSK facilitates the process of opening bank accounts for each of its savings and credit groups' members. The women in Hariyali Mahila Samuha have their own bank accounts, where the money goes directly every month. "Even our husband cannot receive money on our behalf because the bank needs our signature", a woman laughs.

The money is usually spent on household expenses, childcare and livestock rearing, with women seldom having sole decision-making power over their expenditures. However, they collectively agree that they have become more financially literate as they now visit the bank and withdraw money independently. They are also increasingly adept at mobile banking. "I did not know how to use a mobile phone before. Now, I can check when and how much money has been deposited. I can plan my finances ahead by simply checking my phone and tracking my account balance," another woman shares.

BOOSTED CONFIDENCE

Dressed in pink saree uniforms, the women hold monthly meetings to discuss their savings and credit status. Another important agenda is to discuss milk rates, production and milk quality. The intra-community interactions in a semi-formal setting have helped them to articulate their concerns clearly and confidently. "We are speaking now with utmost confidence because of how this market linkage boosted our confidence. Before, we could not even introduce ourselves properly", a woman shares.

They now confidently inquire about milk rates and consult experts regarding livestock health and milk quality maintenance. "I don't think any of us would have articulated our needs, demands, and negotiations so confidently if we didn't have market avenues available to us", another woman adds.

BENEFITS FROM TRAINING, FEEDBACK AND CONSULTATIONS

MSSK provides orientations and advisory services funded by revenue generated from its milk products. CASA supports these technical assistance programmes, where women receive guidance on available insurance policies and livestock health care services. MSSK staff help address livestock health-related concerns and connect the women with nearby veterinarians. They also assist in navigating the insurance claims process. "I claimed and received 72,000 NPR (515.72 USD) after a buffalo died", a woman shares.

The business advisory services also include continuous feedback from MSSK staff on maintaining milk quality. Women now know that they can get better rates for milk with higher fat content. Since milk is a high-maintenance commodity, it is difficult to maintain its quality, especially in terms of storage and distribution. CASA's partnership with MSSK provided feedback and training to women on keeping milk cool and clean until the point of sale as part of the GMP training.

Dairy experts are hired to provide orientations to mixed groups of dairy farmers, with at least 60% of participants being women. Those who participate in the training report an increased understanding of proper milk hygiene, milk storage, and quality control measures, helping them produce and sell better-quality milk.



MSSK staff interact with women farmers. Advisory services are a mix of formal training combined with informal follow-ups and field visits.

PERSISTENCE AND DETERMINATION

Livestock rearing for commercial purposes requires time and patience. “Buffaloes get sick, and they must be cleaned regularly. Their feed and medicines are expensive. But the income from selling milk not only compensates the loss but adds to the savings”, says a woman. The improved market linkages have given women hope for sustainably pursuing dairy farming. “When I talk to my friends and relatives who are labouring abroad, I realise that I earn more than them from my farm and livestock,” says another woman.

The women want to encourage future generations to engage in dairy farming and take pride in securing income through their hard work. Their income has built economic resilience through savings, MSSK’s Hariyali Mahila Samuha’s intra-community network, and CASA’s catalytic support.



Women dairy farmers engaged with Hariyali Mahila Samuha gather for a meeting

CHALLENGES AND LESSONS LEARNED

Despite the efforts, barriers exist for women in the dairy sector. There is not enough technical training on improved dairy farming practices, livestock health management and value addition. Due to resource constraints and lack of technical guidance, gender-inclusive policies in agricultural cooperatives and financial institutions are weakly enforced. By working with an all-women farmers’ group, MSSK addresses this gap.

There is a lack of insurance to compensate for loss. CASA’s inputs for advisory services help reduce this gap but it needs to be followed up with individual farmers. Additionally, women are expected to bear the burden of every household task, limiting their ability to devote time to commercial farming. In such a situation, CASA’s inputs in expanding market access have helped shift priorities from subsistence to commercial farming for women. However, the women collectively voiced that there is a need for women-targeted training on livestock health management and orientations on available insurance policies and procedures.

When trainings are conducted in mixed groups men often dominate in terms of participation and priority-setting. As women are the most active and predominant dairy farmers, exclusive training programmes tailored to women are essential to optimize their technical expertise and leadership skills, ultimately enabling them to thrive in commercial dairy farming on a larger scale.



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