



## PROJECT DESCRIPTION: Sustainable production and distribution of coop sourced food in Nepal

Publication date: 24 March 2025

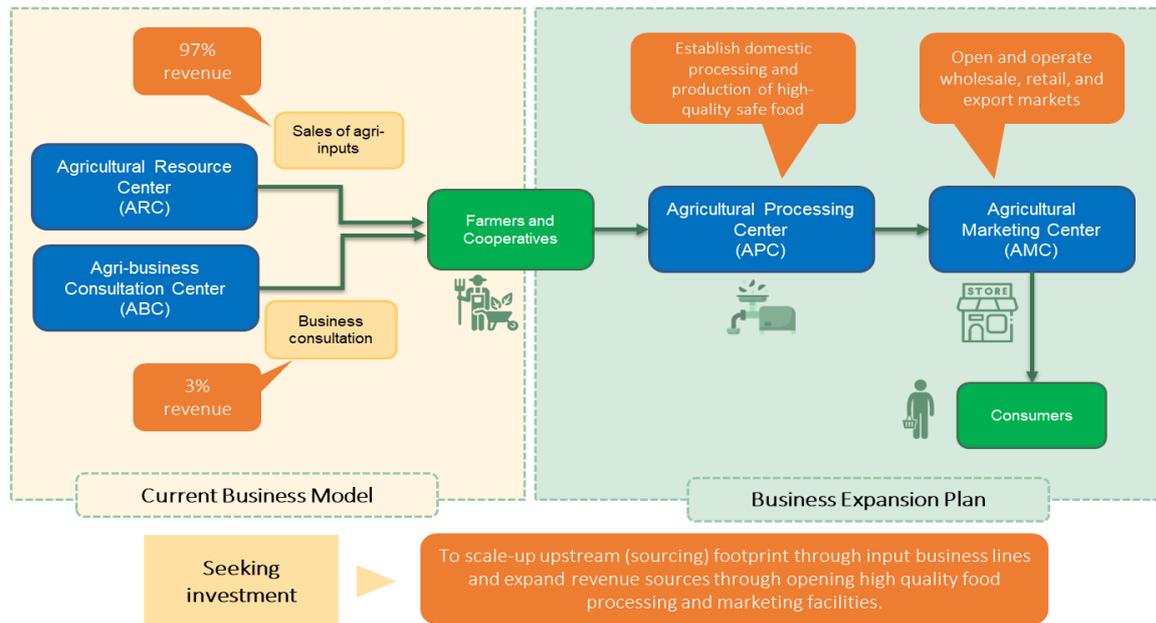
NAME OF CLIENT	MUKTINATH KRISHI COMPANY LTD.
WEBSITE CLIENT	<a href="https://www.muktinathkrishi.com/">https://www.muktinathkrishi.com/</a>
REGION	ASIA
COUNTRY	NEPAL
SECTOR	AGRICULTURE
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€376,125 FROM THE DFCD ORIGINATION FACILITY.
FUND	ORIGINATION FACILITY ("OF")

- **Who is our (prospective) client?**

Muktinath Krishi Company Ltd. (MKCL) is a publicly listed agribusiness firm in Nepal that provides inputs, advisory services, and marketing support to over 300,000 smallholder farmers. Established in 2018 as an associate of Muktinath Bikas Bank Ltd., the company operates a network of over 100 Agricultural Resource Centers (ARCs), which serve as one-stop hubs for farmers, supplying high-quality seeds, fertilizers, technical advice, and financial services.

MKCL's mission is to act as a steward of sustainable agricultural economies, working with both farmers and consumers in the ecosystem. The company's expansion strategy includes the development of Agricultural Processing Centers (APCs), an Agricultural Marketing Center (AMC), and Agribusiness Consulting Centers (ABCs) to improve value chain integration. The company has achieved significant growth in recent years, with an annual revenue increase averaging 89.9% over the past three years, and it aims to generate USD 11 million in revenue by 2027 through diversification and improved value chain efficiencies.

**Figure 1: MKCL’s existing business plan (left, yellow) and proposed downstream expansion (right, green). The investment and origination project will support both the existing and new business models.**



- **What is the intended funding objective (type of activity)?**

The DFCD grant will support MKCL in strengthening its supply chain, processing capabilities, and distribution networks to improve food security, climate resilience, and economic opportunities for Nepalese farmers. The grant will be used for the following:

1. Establishing the **infrastructure for distribution and marketing** through the ARCs and AMCs – strengthening cooperatives and training and building of cold storage.
2. Improving functionality of **existing mobile application** (including with respect to climate smart agriculture, and increase uptake by farmers.
3. **R&D** and product development of agri inputs.
4. **Market research and feasibility analysis** for new (downstream) customer products.
5. Developing an appropriate **Environmental and Social Management System (ESMS)** that is practical and proportional to the company’s activities, identified key risk areas, capacity and resources.
6. Developing a **Gender Equality and Social Inclusion (GESI)** action plan.

- **Why do we fund this project?**

Nepal’s agriculture sector faces increasing climate-related challenges, including droughts, unpredictable weather patterns, and soil degradation. MKCL’s integrated approach addresses these challenges by promoting climate-smart farming, strengthening farmer cooperatives, and building resilient supply chains. By investing in processing and distribution, the company will create more value for farmers and enhance Nepal’s food security.

This project aligns with DFCD’s objectives by:

- Supporting climate-resilient land use and food production systems.
- Enhancing climate-resilient food & nutrition security

- Supporting improved wellbeing, economic prospects, livelihoods and inclusion of marginalized groups.

- **Environmental and social rationale**

MKCL is committed to sustainability and inclusivity. The company will implement rigorous environmental and social safeguards aligned with IFC Performance Standards and best practices. Key initiatives include:

1. **Climate adaptation:** The project will support climate-smart agricultural practices such as efficient irrigation systems, organic fertilizers, and climate-resilient crop varieties to reduce vulnerability to extreme weather conditions.
2. **Community resilience:** Through its ARCs and advisory services, MKCL will provide technical training and financial support to farmers, improving livelihoods and ensuring equitable benefit-sharing.
3. **Gender and social inclusion:** The company will integrate a Gender Equality and Social Inclusion (GESI) framework to empower women and marginalized groups, ensuring equal participation in agricultural value chains.

Without DFCD support, MKCL's transition to a vertically integrated, climate-resilient agribusiness model would face financial and operational constraints. The grant will enable the company to de-risk its expansion strategy, paving the way for scalable investment in Nepal's agricultural sector.

***For more information and if you want to share any confidential information you may have regarding the intended project or company, please contact: [dfcd@snv.org](mailto:dfcd@snv.org).***