

The Import of Eco Net Livestock Feeders from Canada to Nepal for Commercial Agriculture

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Section One: Product Information

Nepal is a very unique country, all of its communities and its entire economy are centered on the agricultural sector (Khanal, 2014). Nepal is a land lock country located between China and India (World Maps, 2014). Nepal has an area of 147181 square kilometers and a population of 29,331,000 people (World Maps, 2014). Of these approximate 29 million people, 15% are located in an urban environment, while 85% live in rural and agricultural based communities (Voyagers, 2014). Within Nepal's 147 thousand square kilometers, 17% of the land is arable, 15% is permanent pastures and 42% is covered by forests and woodlands, making it impossible to use for subsistence and commercial farming (Voyagers, 2014). Agriculture is the major contributor to Nepal's economy, it provides livelihoods to over 80% of the population and accounts for 40% of Nepal's GDP (World Maps, 2014). In addition to subsistence farming being the most common form of agriculture, Nepal is also known for its food crops, which include; barley; coconuts; coffee; maize; potatoes; rice; soybeans; sugar cane; and wheat, while the primary meat products that are raised include; buffalo; chicken; duck; lamb; and pork (Voyagers, 2014). Subsistence and commercial farms also raise cattle for diary products but rarely are the cattle raised for meat due to widespread Hinduism in Nepal (Voyagers, 2014). Most of the farms in Nepal are small farms that allow farmers to provided just enough food to support their own families, and a little bit extra product that the families will sell to buy what they cannot grow within their own land (Khanal, 2014).

The goal of this essay is to discuss the current research project being run to help subsistence farmers in Nepal. The project's goal is to promote the private sector of Nepal, and to promote bi-lateral trade between the nations of Canada and Nepal. University students will work on presenting Canadian made products that would be well suited for the agricultural sector of Nepal. The idea of this particular essay is to propose the export of livestock slow feeders from Canada, to increase the livestock industry and create jobs in both nations. The goal of importing livestock feeders into Nepal is that this product will allow the agri-food sector of Nepal to grow and empower subsistence and commercial Nepalese farmers.

Product description

Livestock feeders come in all shapes and sizes and work in a wide variety of ways. We most commonly see livestock feeders being used to feed hay to horses and cattle, but they can also be used to feed a wide variety of livestock animals extending to goats, sheep, lamas, alpacas, donkeys, and in some cases, chickens. Livestock feeders slow down the animal's consumption of the feed or hay while decreasing waste (Eco Nets, 2014). Hay livestock feeders do this by completely enclosing the hay being fed to the animals with a grate or net (Eco Nets, 2014). The animal then has the ability to access the hay through the grates (Eco Nets, 2014). This type of feeding slows down the animals rate of consumption and mimics a more natural way of eating by allowing the animals to consume their food at a lower rate, giving their bodies the chance to properly digest the food in their system, instead of gorging themselves on the food in front of them and overwhelming their digestive tract (Eco Nets, 2014). In addition, the animals consumes the hay at a

lower rate, and because very little of the hay is wasted by being pulled apart and spread on the ground, the hay given to the animals now lasts a longer amount of time than it previously had and the owner can now purchase less hay to feed the same size herd (Slowfeeder, 2014). Also due to the fact the herd takes more time consuming the hay, the owner now has to spend less time feeding the animals, as hay has to be given less frequently (Slowfeeder, 2014). Slow feeders for grain work in a similar fashion. Often the feeder will have a dish or container that the owner will fill with feed. In order to get to this dish, the animal has to place its head between two bars so that it can eat the available grain (Klenepipe, 2014). These bars limit the movement of the animal's head and ensure that very little grain is dropped onto the ground where it would otherwise be wasted (Klenepipe, 2014). One other type of grain livestock feeder requires the animal to lick the grain from a slot in the feeder. This, like the hay feeder, slows down the rate of consumption and this feeder is also equipped with a tray to reduce waste from falling grain (Advantage, 2014).

The specific livestock feeder at hand is the Eco Nets horse feeder developed and tested in Millet, Alberta, Canada (Eco Nets, 2014). Although these feeders are made primarily for horses, they would also have the ability to work in the same fashion with other species such as; cattle, goats and sheep, as their function is similar to that of all species feeders. This feeder works by covering the hay, whether it be a square bale or round bale, with a net that has 1½ inch openings (Eco Nets, 2014). The netting slows down the animal's hay consumption causing them to take multiple nibbles rather than one large bite (Eco Nets, 2014). This increases the

animals chewing, slows their intake of the hay and decreases the stress on the animal's digestive track (Eco Nets, 2014). Using Eco Nets, the animal's consumption rate drops by 30% (Eco Nets, 2014). This allows for the hay provided to the animal to last a longer amount of time, and the hay that is dropped on the ground is cleaned up because the animals now drop smaller amounts instead of pulling the bale apart and spreading it around a field (Eco nets, 2014). These factors mean that the hay now lasts 50% longer than it previously did, making it so that the owner spends less time feeding the herd, along with feeding the herd significantly less amounts of hay, therefore saving money the farmer could use in other aspects of the farm (Eco nets, 2014).

Benefits

There are many benefits of these feeders for livestock farmers. The first important factor is the health benefits that accompany the livestock feeders, these benefits reduce a stock's illnesses. Livestock feeders that work on a slow feeding basis significantly reduce bronchial and inhalant allergies in the animals due to the fact that the animal no longer has its head down in the middle hay, breathing in the dust that collects in the hay when it sits for extended periods of time (Nag Bag, 2014). These slow feeders also address a common problem that farmers have when finishing stock; the fact that stock can over consume their food, and therefore suffer from acidosis, (Advantage, 2014), a condition in which there is too much acid in the animal's body fluids (Medline, 2014). All of these factors combined, mean that the farmer now has an overall healthier herd that will in turn save the farmer money by requiring less medication and medical attention, live longer, and have healthier

offspring. The benefits to the farmer and how the farm is run are also prevalent. This is because the hay now lasts 50% longer than it previously did, and the animals consume 30% less hay, the farmer has to go out into the field to replace the hay far less frequently, giving him more time to handle other task on the farm and in addition the farmer is saving money by having to purchase less hay overall (Eco Nets, 2014).

Canadian Processing

The Eco Net slow feeders are Canadian developed, tested and produced in Millet, Alberta (Eco Nets, 2014). The Eco Nets are made of a Twisted Knotted Nylon that is UV coated and bonded, as well as the seams being made using Industrial Strength webbing and UV coated thread (Eco Nets, 2014). The extra strength that is built into the netting is there to prevent tearing and damaging of the net when animals grab the netting with their teeth, or paw at the netting with their hooves (Nag Bag, 2014). The Eco Net slow feeders are also easy to repair or replace when an animal inevitably does damage the netting (Eco Nets, 2014).

A typical livestock slow feeder that would fit a standard square bale of hay costs 65 Canadian dollars to purchase, and 15 Canadian dollars to ship, making the total cost of the product 80 Canadian dollars (Eco Nets, 2014). Another feeder that would be ideal for livestock slow feeding would be the Eco Net round bale feeder that fits a round bale ranging from 1100 lbs to 1600 lbs (Eco Nets, 2014). This feeder cost 250 Canadian dollars to purchase, and 30 Canadian dollars to ship. This would make the product 280 dollars in total (Eco Nets, 2014).

Because of the lightweight and compactable quality of the netting, not only

are the Eco Nets easy and efficient to ship, they are also simple for a farmer to fill with hay. For a round bale, the farmer simply has to set the bale on its end in the field wherever he desires (Eco Nets, 2014). The netting is then stretched out so that the draw cord is all the way open (Eco Nets, 2014). The netting is thrown on top of the bale so that it falls down the sides and the bale is pushed over onto its side so that the draw cord can be access and pulled tight (Eco Nets, 2014). The excess draw cord is tied off and tucked inside of the netting so that the animal cannot get tangled in it (Eco Nets, 2014). For a square bale, the netting is simply set up by being stretched out on the ground and the bale is set on top of it (Eco Nets, 2014). The netting is then pulled around the bale and the draw cord is pulled shut (Eco Nets, 2014). This type of netting also has metal rings in it so that it may be hung on a fence line or indoors for the livestock to use either when being tied during a break from working in a field, or when being housed indoors due to weather or ease of access (Eco Nets, 2014).

Section Two: Export Potential

Nepalese farmers primarily raise cows, buffalo, goats, sheep and chicken as their livestock animals (Khanal, 2014). These farmers have small, family run farms with very little extra money to spare (Khanal, 2014). Importing slow feeding systems from Canada to Nepal could positively assist in the needs of these by Nepalese livestock farmers. Livestock slow feeders are 93% efficient in limiting the waste of feed and can save a farmer up to \$1680.00 US dollars per year (Klenepipe, 2014). This extra money could be used by the famer to purchase more animals for his herd, purchase new technology to further increase the efficiency of the farm,

purchase better quality seeds, purchase seeds of more expensive crops, or to purchase food and goods that the farmer himself cannot grow or produce on his own land (Khanal, 2014).

Marketing

Nepal's government is currently in the process of attempting to implement an increased commercial agriculture plan, with the goal of increase employment and value chains in all parts of the country (Agri-food Consulting, 2003). This agricultural plan or "Tenth Plan" strategy is to establish self-employment among farmers, as well as increased employment in rural areas by increasing income by moving the agriculture sector from subsistence farming to commercial farming (Agri-food Consulting, 2003). This project aims to strengthen existing services and to facilitate the development of commercial agriculture in Nepal (Agri-food Consulting, 2003). The government will be playing a large role in the movement of agriculture through promoting cooperative and contractual farming, devolving local agricultural programs to educate subsistence farmers, and strengthening agriculture stations as resource centers to ensure that high quality products are available to all farmers (Agri-food Consulting, 2003). This five-year plan is made with the intention of improving the value chains connecting the farmers to market places within their communities, increase the farmers awareness of technological advancements available to him for use on his farm to aid in efficiency, and therefore increasing a farmers income (Agri-food Consulting, 2003). If this project succeeds and the commercial sector in Nepal's agriculture increases, there will be a higher demand for faster functioning technological advances, and more products like the

Eco Net livestock slow feeders will become increasingly necessary. The necessity of this Eco Net will be due to the fact this much commercialized agriculture will lead to increases in herd size and over grazing of the current pastures, therefore increasing the need to supply livestock with supplementary feed such as hay or grain. The current supplementary feed given to a herd is costly to farmers, these cost will however rise with the increase in the number of animals a farmer keeps. The fact is that when livestock is no longer turned out to graze on grasslands, the farmer must invest more money to provide them with the right nutrition. If the Eco Net slow feeder could be implemented into this promotion plan it would allow for commercial farmers to access to the product through the new and improved marketing strategies and value chains, thus resulting in farmers saving a great deal of money on supplementary livestock feeding.

Transportation logistics

In order for this product to reach Nepalese farmers, an export plan with an existing Canadian business would have to be formed (CBSA, 2014). With an existing company a Business Number will not have to be obtained, and therefore the first step of the exporting process has already be completed (CBSA, 2014). Secondly the good in questions, livestock slow feeders developed and distributed by Eco Nets, will be required to have a description compiled so that it can be determined if it is allowed to be import by the Nepalese government (CBSA, 2014). This step is already underway as can be seen in 'Section One: Product Information' of this essay. This description will be submitted to Nepal's government for review in order for the product to be imported into the nation (CBSA, 2014). Once this is completed, the

export documentation for Canada, and the import documentation for Nepal will have to be completed either by the company itself or by a Licensed Customs Broker that is familiar with each of the countries policies and restrictions on trade (CBSA, 2014). Through further research it was determined that there is no special paper work or labeling required to import a product such as the Eco Nets, which would mean that the process of importing the Eco Nets would be completed faster than other products before it (OTEXA, 2012). The final step involves determining how the product will be shipped from Millet, Alberta to Kathmandu, Nepal, and if there are any additional costs that will be added onto the product upon its entry into Nepal (CBSA, 2014).

The products will have to be shipped to Kathmandu by air, this is because neither Kathmandu nor Millet have access to waterways or shipping ports as they are both land lock states. In terms of additional costs that are required to ship Eco Nets into Nepal, the price of shipping the product by air was included in the price of 80 Canadian dollars and 280 Canadian dollars stated above. But customs and duties are a principle source of domestic revenue for the Nepalese government; therefore additional import tariffs will have to be applied to the product (Nations Encyclopedia, 2014). Import tariffs have duties ranging from 0% to 140% (Nations Encyclopedia, 2014). Most primary products, including live animals and fish, enter duty-free (Nations Encyclopedia, 2014). In 2003, duties on agricultural imports were fixed at 10% (Nations Encyclopedia, 2014). Nepal has more recently implemented an additional tariff called a "security fee" (Nations Encyclopedia, 2014). For goods with charged duties up to 5%, the surcharge is an additional 1%,

and for all products with duties above 5%, the surcharge is an additional 3% on top of the existing tariff (Nations Encyclopedia, 2014). Using this information, it is determined that the Eco Net slow feeder will require an additional 13% to be applied to the existing cost of 80 Canadian dollars and 280 Canadian dollars. This is for two reasons. First, the product's primary use is to supply supplementary hay to livestock, therefore the product's primary use is agriculture and it is applied with a 10% import tariff due to its nature. Second, the product is being applied with a duty upwards of 5%, this means an additional 3% will be applied to the product's tariff for security measures.

Competition

Through Alibaba.com it can be seen that there are some similar products that are currently being sold across India and China. Although these products work off of the same basic idea of a net enclosing the hay so that the livestock cannot gorge themselves on the feed and take longer to consume the supplementary feed, none of the feeders that I found, worked for large-scale supplementary feeding schedules. All of the net slow feeders on Alibaba.com are intended to be hung on a fence line or in a shelter for only one or two animals to use, with only a few flakes of hay being fed at one time. The difference in the Eco Net slow feeders is that they can be used for greater amounts of hay and a much larger herd, allowing the farmer to place an entire round bale inside the netting and putting it out into the pasture for the entire herd to use. This would be much more beneficial to the farmer due to the fact that he would have to spend significantly less time replenishing the supplementary hay in the netting, and the farmer would not have to purchase multiple netting units just

to feed one herd, making it unaffordable to a farmer with little money to spare. The Eco Net feeder would be a one time purchase of one unit that could be used for the entire herd (Eco Nets, 2014).

Conclusion

Importing slow feeding systems from Canada to Nepal could positively assist in the needs for aid on the farm by Nepalese livestock farmers. Eco Net slow hay feeders, although slightly expensive for the typical subsistence farmer in Nepal, would be beneficial to more commercial based Nepalese farmers with a larger herd that requires supplementary feeding. Since commercial farming has been increasing The Eco Net slow feeder would allow the farmers to spend less time feeding their herd and therefore allow more time for other tasks around the farm or in the household. The Eco Net slow feeder would make it so that the famers spend less money on supplementary feeding. This would allow farmers to afford a larger herd size. This could also allow farmers to purchase items he could not grown before due to the price and expenses needed to grow them. This extra money could not only be used in creating a bigger farm or herding more animals. Farmers could also use this money to buy necessity's for their family's and therefore eventually increase the economic statues of Nepal. Eco Net slow livestock feeders is a technological advancement that could change the way in which Nepalese farmers not only live but also work. (3268)

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