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Revitalization of the Nepalese Agriculture Sector for Economic Prosperity: Gap Analysis between Agricultural GDP and Investment Trends

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Abstract

This study explores the paradox of the decreasing contribution of agriculture to GDP despite rising investments in the sector, conducting a gap analysis between agricultural GDP and investment trends. The anticipated outcome of increased agricultural investment is enhanced productivity and a corresponding rise in GDP share. However, this study identifies a significant mismatch between investment trends and agricultural output, revealing discrepancies that require attention. By analyzing relevant data, the research highlights the troubling trend of diminishing agricultural GDP contribution alongside increasing imports, emphasizing the urgent need for sectoral revitalization to foster economic prosperity. The paper argues that the current economic environment presents substantial challenges to agricultural revitalization and stresses the necessity of improved coordination and cooperation among stakeholders.

Keywords*: GDP, Agricultural Investment, Revitalization, Import Dependency, Sustainable Development*

1. Introduction

Revitalization of the agricultural sector for prosperity can be said to be an initialization and strategy for significant productivity and high profitability growth by improving the existing agriculture system through the adoption of efficient tools, techniques, and agriculture practices. Prof. Adam Smith, in seminal work, The Wealth of Nations, published in 1776, says, "The prosperity of agriculture is the enter of that spontaneous activity which, when extended to the entire field of human wants, results in what is known as 'prosperous times.' Thus, a series of bountiful harvests is the starting point of recovery from commercial depression." Revitalization of the Nepalese agriculture sector is related with issues related to reform in traditional farming practices, implementation of effective method, marketization, technology issue, sustainable production, agricultural investment issue, stakeholder's concern and policy related to agriculture.

Revitalizing the agricultural sector can drive industrialization, boost food security, and significantly lower poverty rates, with modern agricultural technology and methods complemented by contemporary agribusiness marketing, comprehensive information, and sustainable practices to protect the environment (Mokhtar & Abdullahi, 2015). That is why it can be said to be linked with economic prosperity for social welfare. A significant gap between agricultural GDP and investment trends in agriculture sector, as highlighted by famous Indian economist Amartya Sen, suggests that revitalization through increased investment and sustainable practices could be key to unclose economic prosperity and reducing poverty (Pressman, 2000).

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The agriculture sector is known as the productive and quick return sector. Well managed, deep research is essential in considering the dynamic nature of the GDP contribution and capital spending of agriculture to solve the prevailing agricultural issue (Norton, 2004). 67% of the population is engaged in the agriculture sector, but this sector fails to increase productivity (NSO-agriculture census, 2022). This complex situation may be a result of changing consumers' incomes, technological breakthroughs, a lack of coordination between the three tiers of government, rising corruption, dynamic global trade patterns, geopolitical issues and lack of efficient government policy. Nepal is still unable to implement adequate technology-driven solutions to increase productivity and efficiency. Another side of the demand for locally grown, fresh organic products using organic farming systems is higher. Nepal's diverse geography with various types of climates and soils, rich biodiversity, and traditional indigenous farming practices are already globally popular. Such practices produce high value, tasty, and nutritious products. But given the drop in the GDP share of agriculture, it indicates ineffective policy and shows a significant gap. It is crucial to observe and look for the effectiveness of investments and how they are being used in the sector (Jack, 2013). The main aim of this paper is to examine the various causes of the declining GDP share of agriculture and the need for adequate investment to raise productivity. It may be a remedy to revitalize this sector to bring sustainable prosperity. Reform and revitalizing of the agricultural sector will be possible through a comprehensive framework among governments, legislators and other stakeholders. According to the Foreign Trade H1 report for FY 2080–81, published by Custom Department, Nepal consumes agricultural products tremendously, which surpasses even the total customs export volume of Nepal. It shows the food crisis in Nepal and its dependence on other countries. The world is facing challenges related to food security, responsible resource usage, and economic resilience (FAO, 2023).

The government allocated a budget for agriculture and livestock development for FY 2080/81, exceeding the previous year by 3.9 billion rupees. However, this year, the government reduced the agriculture budget by 1.69 billion rupees, bringing it to 57.29 billion rupees. The decline in the contribution of agriculture to GDP indicates a gradual decline in the growth rate of agricultural production and an increase in imports of essential goods (Felipe et al., 2014). Nepal is trying to strengthen its economic sector, but the diminishing role of agriculture in the national product, raises concerns about its impact on the overall economy of Nepal. Looking at the import status of the country from the data of the customs department of Nepal, it shows that the import of agricultural products is greater than the amount which is possible to produce within the country. It is a failure of our whole system.

Reports by the central bank, Nepal Rasta Bank at different times show that agriculture sector has witnessed substantial investments from both public and private entities over the past decade. However, this fund has not succeeded in achieving the expected positive growth. Research in this paper is prioritized to unravel the reasons for this paradox, explore challenges faced by Nepal's agricultural sector, and recommend strategies to reinvigorate its contribution to the national economy. Sustainable economic development, food security, and resource utilization are some factors that are targeted as pragmatic strategies for revitalization. These factors are completely related to the

agriculture of Nepal, which may show the strength of the Nepalese economy. It is always a burning issue in Nepal in terms of economic transformation from the existing agricultural system. Since the starting development plan formulated by the National Planning Commission of Nepal in 1956 AD, agriculture has been prioritized in almost all plans up to the current fifteenth plan (2019AD-2024AD). The second development plan (1962-1965) recognized agriculture as a means of production for livelihood security and adjustment to the higher population growth rate. The eighth development plan (1992-1997) had objectives of sustainable economic growth, which are continued through the thirteenth plan to the current fifteen development plans. But we failed to meet the objectives set by the plan. That's why economic prosperity can't cover the country. Similarly, Goal 12 of SDG out of seventeen goals set by UNO in 2015 AD is sustainable consumption and production, which can be, in the case of Nepal, achieved only through the revitalization of agriculture. This study aims at finding ways to achieve rapid agricultural reformation in order to prevent the agriculture sector's contribution to GDP from dropping. It is historically proven that Nepal's livelihood depended upon agriculture (Avis, 2018). This paper outlines the study's goal by thoroughly analyzing these complexities and offering effective strategies for revitalizing the agricultural sector's role in the national economy.

2. Literature Review

2.1 Theoretical Review

This research provides a structured framework for understanding and addressing the challenges faced by Nepal's agriculture sector in achieving economic prosperity, despite substantial investments. The study integrates several theoretical perspectives to analyze the complex factors influencing the sector's performance. Key theoretical frameworks employed include Investment Theory (Sternberg & Lubart, 1991), which explores the role of investment in economic growth; the Political Economy Perspective (Mause, 2019), which examines the interplay between economic policies and political factors; and Institutional Economics (Spithoven & Berg, 2010), which investigates the impact of both formal and informal institutions on agricultural development.

Human Capital Theory (Wuttaphan, 2017) is utilized to assess the role of education and skill development in revitalizing the agricultural workforce, while Structural-functionalism provides insights into the interconnection of technology, institutions, infrastructure, and policies in the sector's performance. The Sustainable Development Framework (Acharya, 2022) is employed to explore modern farming practices that promote sustainable agricultural growth. Additionally, Theories of Economic Growth (Lewis, 2003) are applied to understand the broader economic implications of agricultural investment. Modern agricultural practices, such as precision farming, agro-technology, and advanced irrigation systems, are identified as crucial elements for enhancing yield and productivity (ILO, 2019; Linly Ku & Isabel Serna, 2023). This theoretical review underscores the multifaceted nature of agricultural revitalization and highlights the need for a holistic approach to addressing the sector's challenges.

2.2 Empirical Review

The empirical evidence concerning the revitalization of Nepal's agriculture sector highlights several key issues and gaps in the relationship between agricultural GDP and investment trends. Despite substantial investments in agriculture, the sector's performance remains suboptimal, as evidenced by various empirical studies and reports. According to Joshi, Conroy, and Witcombe (2019), the majority of Nepalese farmers continue to rely on traditional farming methods, such as turn-by-turn cultivation and the use of outdated seeds and livestock waste as manure. These practices, though cost-effective, are less productive compared to modern techniques. This reliance on conventional methods has failed to attract a significant portion of the unemployed population to agriculture, resulting in a sector that has not evolved in line with investment inflows. Historical data reveals that until 1980, agriculture was a predominant livelihood for over 90% of Nepal's population, contributing approximately 60% of GDP and 75% of exports. However, the implementation of the Fifth Five-Year Plan (1975-80) emphasized increasing productivity and diversifying agricultural inputs for industrial use. Despite these efforts, the 2022 Agriculture Census by the National Statistics Office (NSO) reveals that 25% of agricultural land remains uncultivated, potentially due to factors such as outdated techniques, insufficient government support, and other related issues. Furthermore, only 25% of farmers engage in both consuming and selling their products, with many viewings' agriculture as a last resort rather than a viable economic activity.

The Agriculture Development Strategy (ADS 2015-2035) and the Prime Minister Agriculture Modernization Project (PM AMP), launched in 2015, aimed to modernize the sector and enhance its competitiveness and sustainability. However, the anticipated outcomes have not been met due to implementation challenges, raising questions about the effectiveness of these initiatives. Empirical data also shows a troubling trend: despite an increase in population, only 1% of farmers are involved in selling their entire production. The quality of agricultural participation remains low, contributing to a decline in GDP from agriculture. Additionally, agricultural land in the hilly areas has decreased by 12%, while the number of farming families has increased by 7.7%. In the Terai region, agricultural land has decreased by 11%, with a 9.4% rise in farming families. This paradox-where the number of dependent families on agriculture increases while land availability decreases-underscores the inefficiency in land use. According to the Agricultural Census 2022 of the NSO, Government of Nepal, the number of farming families in the country has reached 41 lakh 30 thousand 789. This number was 38 lakh, 31 thousand, or 93 before 10 years ago. This data further shows that, 3999,000 families are engaged in farming and 132,000 are rearing livestock which is higher than the corresponding census 2012 agriculture census. Data further reveals the fact that only 1% of the farmers are able to maintain their standard of living from agriculture by selling it into the market, 68.8% of farmers' products are used for household use only. The number of farming families has increased, but farming land has decreased. 25, 25,639 hectares of 2012 cultivated land are limited

to 22 lakh 18 thousand 410 hectares in 2022, which shows a wider gap and problems.

Investment in agricultural research and development has been shown to drive growth by improving crop and livestock yields through new technologies and increased diffusion (Perez & Rosegrant, 2015). Investments in modern tools, quality seeds, and fertilizer, alongside access to agricultural expertise, are crucial for enhancing productivity. Investments also generate employment opportunities and improve farmer incomes, thereby reducing poverty and addressing food shortages (Woodhouse, 2013). Furthermore, large-scale investments can transform agriculture into a corporate-level industry, supporting sustainable consumption and production (Borsari & Kunnas, 2020). Nepal needs to adopt prominent systems to address food security, economic growth, and environmental protection, with a focus on agriculture. An integrated approach is essential to tackle challenges related to climate, biodiversity, livestock, crops, and human factors within diverse agro-ecological contexts (Chomba et al., 2019). Cooperation among Nepal's three tiers of government is crucial for a holistic approach to increase agricultural productivity and ensure sustainable consumption and production. However, the current system has failed to achieve this, resulting in significant concerns about the plight of farmers, despite agriculture being a key economic sector (Qadri, 2018). Nepal lacks an agriculture marketing policy and agriculture market act, while neighboring countries have developed effective marketization strategies (Kumar & Bisen, 2018). Agriculture is a pillar of sustainable development (Feher & Beke, 2013), but its potential is undermined by inadequate investment policies. The National Planning Commission's (NPC) report (December 2022) suggests that while foreign investment in agriculture should be limited, it could be beneficial for storage, processing, and marketing of agricultural products. Nepal's internal agricultural production is insufficient to meet market demand due to these policy shortcomings (Paudel, 2016).

Despite the rise in investment, Nepal continues to import a significant volume of agricultural products to meet demand, indicating a mismatch between productivity and investment. The slow growth of the manufacturing sector exacerbates dependency on foreign goods and services (Helper et al., 2012). Contrary to typical development patterns, where GDP composition shifts from agriculture to industry and services, Nepal’s agriculture sector shows a declining absolute value of production without corresponding growth in industry and services. This imbalance and gap highlight the need for a strategic overhaul to align investment with productivity and sectoral growth to achieve economic prosperity. So, addressing these issues requires a comprehensive strategy that aligns investment with modern practices, technological advancements, and the effective implementation of agricultural policies.

3. Research Methodology

For gap analysis between agriculture GDP and investment trends, this study employs both qualitative and quantitative research design. The analysis of the data is based on th field visits, statistical

analysis, and study of relevant past research works and books. Secondary data are collected from Economic Survey published by Ministry of Finanace, Governmetn of Nepal.

Primary data were collected by using face to face interview method and telephone call. For this two places of Sindhupalchok district Mude (Lisankhupakhar Rural Municipality) and Sildunga, (Sunkoshi Rural Municipality Antarpu) were selected. These areas were picked because they represent various agro-ecological zones in Nepal and are important for agricultural output. A purposive sampling technique was used to select a diverse group of participants, including local farmers from various regions, agriculture experts, and individuals with varying degrees of engagement with government programs. This selection aimed to capture a broad range of perspectives and experiences. To get the objectives', semi-structured interviews were conducted with farmers and agriculture experts using a predefined set of questions. The questions addressed aspects such as satisfaction with agricultural earnings, receipt of government support, obstacles in marketing products, and expectations from government support. The findings were compiled into a comprehensive report, including an analysis of the gaps between agricultural GDP and investment trends. SPSS and Microsoft Excel software were used to analyze secondary data. software was

4. Results and Discussion

4.1 Government Budget on Agriculture and its GDP Contribution

Table 1: Government Budget Allocation and GDP

Fiscal Year (2013-2023)	Budget allocation by government (Rs. in billion)	GDP (Rs. In billion)	Agriculture share of GDP (%)	Agriculture share of GDP (Rs. Billion)
FY 2070/71	21.4	2880.8	30.31	873.17048
FY 2071/72	23.28	2954.9	29.4	868.7406
FY 2072/73	21.51	3166.8	28.4	899.3712
FY 2073/74	27.43	3187.6	26.8	854.116
FY 2074/75	24.26	3766.1	25.6	964.1216
FY 2075/76	29.94	4304.3	24.92	1072.5568
FY 2076/77	34.83	4444.7	25.2	1120.0644
FY 2077/78	37.4	4345.9	25.8	1121.2422
FY 2078/79	45.05	4799.6	24.7	1185.5012
FY 2079/80	55.89	5307.9	24.1	1279.2039
FY 2080/81	58.98	5441.03	23.95	1303.126685
Total	379.97	44599.63	25.87	11541.21507

Source: Economics Survey, 2023

Table 1 illustrates that while the budget allocation for agriculture has increased, its percentage contribution to the overall GDP has decreased. This widening gap between the percentage of GDP contribution and budget allocation indicates a growing disconnect and inefficiency in the alignment between the two metrics.

Figure 1: Simple Scatter of Investment from Government by Agriculture GDP Contribution Amount

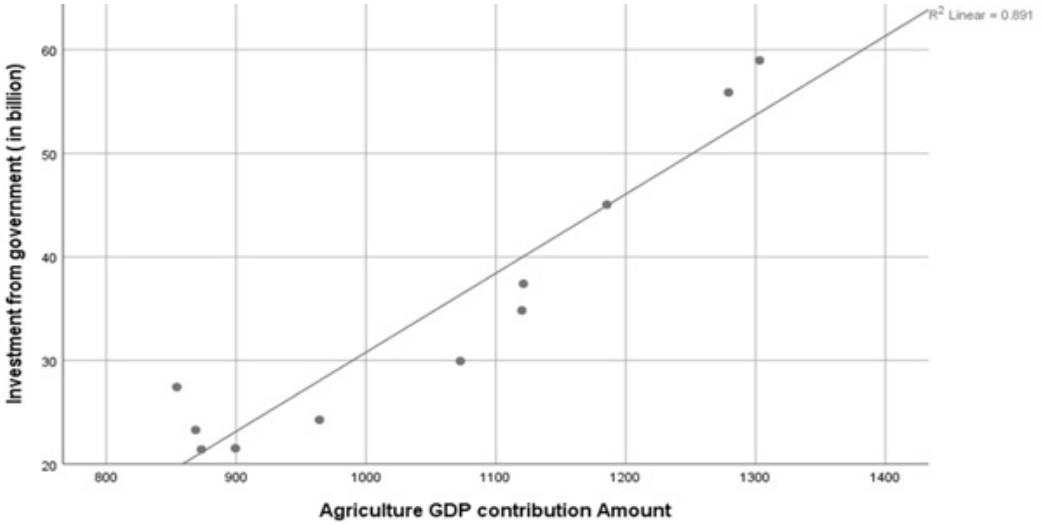


Figure 1 demonstrates that both government agricultural investment and agricultural GDP contribution are trending positively. The Pearson correlation coefficient of r = 0.944 indicates a very strong relationship between government investment and agricultural GDP contribution. The R-squared value of 0.891 suggests that 89.1% of the variation in agricultural GDP contribution can be explained by changes in government investment.

The unstandardized coefficient (Table 3) for agricultural GDP contribution is 0.076, implying that for each unit increase in GDP contribution, there is an expected increase of 0.076 billion rupees in government investment. It shows 1 billion rupees increase in GDP contribution necessitates an additional 76 million rupees in government investment.

ANOVA analysis (Table 2) reveals a p-value of 0.000, which allows us to reject the null hypothesis of no relationship between the variables, validating the model's significance. The histogram displays the distribution of residuals from the regression model, indicating a good fit between the variables. However, the coefficient table (Table 3) shows a constant value of -45.800. The constant value of -45.800 in the coefficient table likely indicates that, without any investment or improvement efforts, the agricultural sector's economic output might be negatively affected. This suggests that the sector could be struggling or showing poor performance due to a lack of substantial investment. The negative value highlights a significant gap between the current output and the potential growth

that could be achieved with proper investment and revitalization efforts. The negative constant value shows that the agricultural sector's growth is being held back by a lack of investment or other issues. This indicates a big difference between the current agricultural output and the higher level that could be reached with the right investments. It highlights the need for more focused investment to improve the sector's performance and boost economic prosperity despite the coefficient for Agriculture GDP contribution Amount (0.76) shows a positive relationship.

Table 2: Model Output

Model	Variables Entered	Variables Removed	Method
1	Agriculture GDP contribution Amount[b]	.	Enter

a. Dependent Variable: Investment from government (in billion)

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.944[a]	.891	.879	4.686	1.419

a. Predictors: (Constant), Agriculture GDP contribution Amount

b. Dependent Variable: Investment from government (in billion)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1620.878	1	1620.878	73.825	.000[b]
	Residual	197.600	9	21.956		
	Total	1818.478	10			

a. Dependent Variable: Investment from government (in billion)

b. Predictors: (Constant), Agriculture GDP contribution Amount

Table 3: Coefficients

Model		Unstandardized Coefficients		Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	-45.580	9.432		-4.833	.001	-66.916	-24.245
	Agriculture GDP contribution Amount	.076	.009	.944	8.592	.000	.056	.096

a. Dependent Variable: Investment from government (in billion)

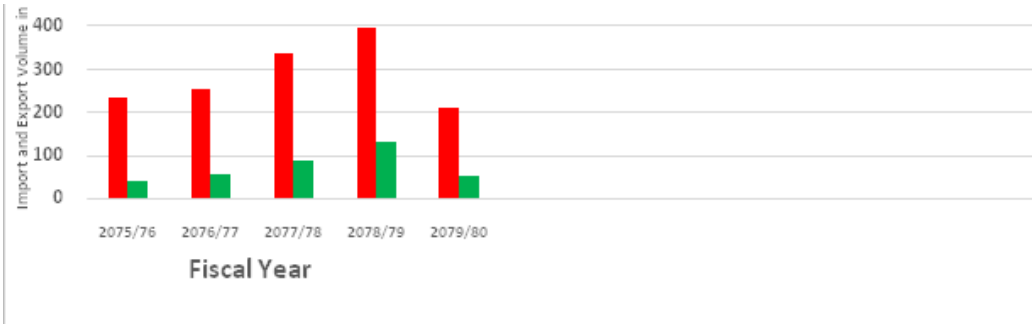
Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	19.66	53.93	34.54	12.731	11
Residual	-6.390	7.774	.000	4.445	11
Std. Predicted Value	-1.169	1.523	.000	1.000	11
Std. Residual	-1.364	1.659	.000	.949	11

a. Dependent Variable: Investment from government (in billion)

Figures 2 and 3 illustrate that the proportion of imported agricultural goods is large, the GDP contribution from the primary sector (including agriculture) is decreasing, and there is a lack of harmony between government and financial institution investments in the agricultural sector. These observations reflect a significant disparity between investment levels and agricultural outcomes, coupled with substantial gaps in policy formulation and weak implementation.

Figure 2: Agricultural Import/Export Volume (in billion)



Source: Economics Survey 2023

Figure 3: Contribution of Primary, Secondary and Service Sector in GDP (in %)

Source: Economics Survey 2023

5.2 Factors Causing Decline in the GDP Contribution

During the research period, the study identified factors contributing to the gap and those negatively impacting the decline in GDP contribution as mentioned in the table below.

Table 2: Factors Causing Decline in GDP Contribution

Factors	Description
Fiscal and Monetary Policy Issues	Ineffective fiscal and monetary policies may hinder economic growth and agricultural productivity.
External Debt Burden	High levels of external debt can strain the economy and limit funds available for investment in agriculture.
Corruption and Governance Issues	Corruption and poor governance can lead to inefficient use of resources and hinder effective policy implementation.

Factors	Description
Liberalization Policies (1990s)	Policies led to the entry of multinational companies and global market competition, negatively impacting local farmers.
Fragmented Land Practices	Small, fragmented landholdings make it challenging to implement modern and collective farming techniques.
Lack of Modern Agricultural Practices	Insufficient adoption of modern techniques due to inadequate knowledge, technological advancements, and mechanization.
Insufficient Infrastructure	Lack of proper storage, transportation facilities, and irrigation infrastructure hampers productivity and post-harvest preservation.
Climate Change Effects	Erratic weather patterns, droughts, floods, and other climate-related issues negatively affect crop yields and productivity.
Lack of Government-Farmer Cooperation	Poor communication and cooperation between the government and farmers, leading to ineffective support and policies.
Limited Market Access	Difficulty accessing markets due to infrastructure issues and competition from foreign products.
Political Instability	Frequent political instability disrupts policy formulation and implementation, creating an uncertain business environment.
Unavailability of Concessional Loans	Difficulty in accessing concessional loans for real farmers due to issues in the banking system.
Collateral-Based Credit System	Credit systems in banks are not farmer-friendly, creating barriers to accessing finance for agriculture.
Nepotism and Unfair Political Practices	Nepotism and unfair practices lead to inefficiencies and barriers to agricultural development.

Source: Field Visit Report

This report presents findings from field visits aimed at understanding the practical challenges and opportunities within the Nepalese agricultural sector. The focus of the investigation was to analyze the gap between agricultural GDP and investment trends, with particular emphasis on the real-world experiences of farmers and their interactions with government programs. This research is part of a broader study on the revitalization of the Nepalese agriculture sector for economic prosperity. Field visits were conducted with a selection of local farmers and agriculture experts to gather qualitative data on their experiences and perceptions regarding government support, agricultural practices, and economic outcomes. The participants included successful farmers, individuals with varying degrees of interaction with government programs, and experts in the field.

Person A, a prominent example of a successful farmer, returned to Nepal after a three-year stint in Malaysia with no financial gains. Opting to follow his family's traditional farming practices, he initially faced significant challenges in establishing himself in the industry. Despite the lack of knowledge about government programs and external support, Person A's perseverance led to success. He is

now running an agricultural cooperative, assisting other farmers with distribution, marketing, and technical support. His experience underscores the limitations of current government interventions, as the benefits of subsidies and concessional loans are not reaching all potential beneficiaries. Farmers such as Person B, Person C, Person D, and Person F reported similar challenges to those faced by Person A. Person F highlighted a shift from selling products through middlemen to having direct market access, resulting in increased income. This suggests a potential area for policy improvement to facilitate direct market access for other farmers. Person C's attempt to secure a concessional loan was unsuccessful due to a rejection from the bank. Similarly, Person E encountered difficulties with the complex documentation required for government grants. These experiences illustrate systemic issues in the accessibility and efficacy of government support mechanisms. A prevalent issue among the farmers is the lack of availability of fertilizers, quality seeds, and adequate irrigation facilities. This inadequacy is compounded by the dominant role of middlemen in price determination, further exacerbating financial strain on farmers. Farmers expressed skepticism towards government support, attributing their dissatisfaction and application processes for concessional loans and subsidies deterred many from seeking assistance. There were significant concerns about the management of agricultural inputs and market infrastructure. Farmers requested improvements in seed distribution, fertilizer availability, irrigation facilities, and a reduction in the influence of middlemen. They expressed the wildlife issues like damage caused by monkeys and wild pigs was cited as one of the major hindrances to agricultural productivity.

The Agriculture Census 2022 highlights troubling trends: increasing barren land, a growing agricultural workforce, and declining productivity. Although 67% of the population is involved in agriculture, productivity issues suggest a disconnect between labor and output. Expert Person G cites ineffective policies and a lack of diverse export options as key challenges. The sector struggles with attracting youth and depends heavily on imports for essential products. Data from 2012 shows only 12% of farmers took loans, with 7% receiving subsidies, indicating a need for better support and awareness. Nepal's reliance on imports over exports reflects severe production shortfalls. In response, the Nepal Rastra Bank introduced a policy in 2022 to require banks to allocate 15% of their loans to agriculture by mid-July 2025, aiming to boost agriculture sector’s investment.

5. Conclusion

Adequate investments in tools, machinery, storage, and transportation are essential for reducing post-harvest losses and ensuring effective distribution of agricultural products. Consolidating land can address fragmentation, enable mechanization, and improve farming efficiency. Effective agricultural policies and good governance are crucial for establishing workable rules, protecting agricultural rights, and ensuring market returns. Modernizing farming through research and technology is vital for increasing yields and professionalizing agriculture. The government should control middlemen to ensure fair market access and pricing. Funding training programs will equip farmers with the skills needed for modern practices. Supportive policies can transform agriculture from a necessity to an attractive profession, facilitating investment through easy credit and concessional loans. Implementing Public-Private Partnerships (PPP) could drive significant productivity gains and

innovation. The research report's data, including line charts, correlation coefficients, and interviews, provide a foundation for identifying issues in Nepal's agricultural industry. Intensive research into specific subsectors could significantly boost productivity. Findings indicate a communication and coordination gap between farmers and the government, resulting in delayed support and information. Addressing these gaps is crucial for promoting equitable and sustainable growth in agriculture.

The standardized coefficient Beta = 0.944 underscores the significant influence of Agricultural GDP on government investment trends in Nepal. This strong positive relationship indicates that fluctuations in Agricultural GDP have a considerable effect on government investment decisions. The high Beta value reveals that changes in Agricultural GDP account for a substantial portion of the variance in government investment, highlighting the critical role that investment plays in the sector's economic performance. This finding justifies the research focus on revitalizing the Nepalese agriculture sector by analyzing the gap between Agricultural GDP and investment trends, as it emphasizes the need for aligning investment strategies with the sector's economic contributions to achieve greater prosperity. The gap in agricultural GDP contribution despite increased budget allocation indicates a need for more strategic and effective strengthening of the agriculture industry, as there is a mismatch between its objectives and outcomes. Strengthening agriculture to transition into a corporate business with mass production and effective market management is essential for Nepal's overall economic growth. Many economic challenges can be addressed through substantial promotion and empowerment of the agricultural sector. Policymakers must develop strategic plans to revitalize the agricultural industry to achieve economic prosperity. This involves addressing the identified gaps between agricultural GDP and investment trends, ensuring that targeted interventions are effectively implemented to enhance productivity and sustainability within the sector.

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