

Photo Credit: Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

In India, tribal communities collect NTFPs worth approximately Rs. 2 trillion annually (Source: TRIFED); however, they often lack an organized system to maximize their value. Systemic efforts focus on establishing minimum support prices (MSP), creating market linkages, and developing cooperative models to enhance the management and economic potential of NTFPs, ensuring fair returns and improved livelihoods for tribal communities. The roundtable held on 25 October invited stakeholder to discuss on barriers in building an inclusive and sustainable NTFP value chain such as need for processing infrastructure, access to capital and need for groundbreaking innovations and processes for sustained and generative scale.

## How Centralized Systems within NTFP Value Chains behave



- ❗ Focus on Yield = Production/ Income increase
- ❗ Leading to exploitation, deforestation, conflict
- ❗ And centralised systems of value creation

## Decentralised Value Chains Democratise and Disrupt Ecosystems



Decentralised systems of Value creation and regeneration

Photo Credit: Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

**Key takeaways from the event that effectively respond to the needs of Particularly Vulnerable Tribal Groups**



**Sabai Grass Rope Making**  
Mayurbanj with Tarini Enterprise

**Sal leaf plate making**  
Tech Partners: Bhaskar machinery  
Implementation Partner: NIF

**Non-heat based honey dehydrator**  
Design & Concept: Mr. Sridhar  
Tech Partners: Alto Precision.  
Implementation Partner: Manuvikasa

**Developing Climate Smart Innovations**

“

We need to identify common fundamental processes across value chains and innovate on that. Products having high demand and accessible by the collecting groups can be prioritized.

**Sridhar Lakshmanan, Ecologin**

”

## INNOVATION & TECHNOLOGY

- Key issues included **inefficient machinery (specifications do not match the input and output requirement and capacity)** like **pulp extraction and drying**, despite its high market demand. Pulverising for commodities was also underdeveloped for high value potential products like bamboo shoot powder and custard apple powder.
- Additional issues highlighted were **high electricity costs associated with cold storage** and the widespread **lack of drying machines** for products like jamun and custard apple pulp, impacting the scalability and quality of output.
- For commodities like Lac, **gathering, collection and storage have a dearth of technologies** that are suited for all gatherers i.e need for lightweight and portable solutions



Photo Credit: Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

## Key takeaways from the event that effectively respond to the needs of Particularly Vulnerable Tribal Groups

**Case Study: 50+ Solar powered Lac Pruners** (User friendly & portable design –suitable for all genders) in Khunti, Jharkhand generating income of ₹33,000 in 6 months. Traditional methods (sickle & axe) made it difficult to reach tall trees and often damaged trees.

Building collaborative partnerships – **Nav Bharat Jagriti Kendra & CINI**

Financed under: **JOHAR, JSLPS** (Jharkhand Opportunities for Harnessing Rural Growth) program reaching 43 PGs (860 farmers)



## CREDIT & FINANCE

- Credit linkages need to be tailored specifically for NTFPs, taking into account the unique characteristics of the products (seasonal and cyclical) and the external factors like climate change affecting both quality and quantity of products.
- A vital component is ensuring a stable market for NTFPs, as **financial institutions are unlikely to offer credit without guaranteed market access**. Without clear estimates of market share, there are no tailored credit designs available.
- The initiative with Tussar silk, demonstrates how **dedicated support can empower communities by facilitating access to credit over a two-year period, promoting long-term sustainability** – presenting a case of what role CSO/NGO can play.
- The dominance of middlemen in the market, coupled with the absence of minimum support prices (MSP) and government interventions, makes financial institutions hesitant to provide credit.
- Gram sabhas, VDVK Kendras, Van Samithis are building blocks of the sector and existing systems for financing – banks, state livelihood missions need more awareness.



Photo Credit- Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

## Key takeaways from the event that effectively respond to the needs of Particularly Vulnerable Tribal Groups

### BEST PRACTICES FOR RESOURCE MAPPING, GATHERING & REGENERATION

- Participatory Rural Appraisal (PRA) is frequently utilized to document and incorporate local knowledge into resource mapping. **Accurate resource mapping along with demand estimation can help in identifying which NTFP's can be prioritized** for the community for a sustainable livelihood.
- Sustainable harvesting and regeneration **SOPs have been developed for the 30 most traded species.** Sustained efforts on community awareness for proper implementation of sustainable practices is vital.
- Challenges such as **premature harvesting** by tribal communities—often **due to fears of industrial competition** impact product quality and community income.

### ESTIMATED PRODUCTION, VALUE AND LOSS OF COMMODITIES IN MEGHALAYA

Commodity	Harvesting time	Estimated Annual Vol (Qt)	Ruling market price (INR per kg)	Estimated potential (Qt)	Loss (%)
Bay leaf	Jan to March	3,00,000	45- 60	1,65,00,000	15- 20
Broom stick	Feb to June	20,00,000	20- 30	6,00,00,000	20- 25
Black Pepper	Jan to March	4,000	400- 450	18,00,000	10- 12
Ginger	Jan-Fab & July-Aug	3,00,000	30- 50 (reaches to 100- 150)	1,50,00,000	20- 30



Photo Credit- Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

## Key takeaways from the event that effectively respond to the needs of Particularly Vulnerable Tribal Groups

“

A business model that has worked well is that- a producer group (FPO or SHG) that takes care of production with market facing enterprise that handles branding and forward linkages

”

**Shruti Mittal, Vrutti/CMS**

### BUSINESS MODEL

- Community ownership through mechanisms like Gram Sabhas and federations are the most common models, along with entities registered under MGNREGA.
- Notable successes in regions like Chhattisgarh demonstrated the **transformation from barter trading to profitable operations through value chain establishment, leading to significant turnover from products** like custard apple.
- Best practices included **fair pricing for collectors, sustainable harvesting awareness, and community-driven initiatives** supported by contributions and MSME funding.
- Businesses need to understand the seasonal nature of NTFP- FPOs SHGs usually have a **complimentary agriculture and millet based business** as well.

“

Organizations are fragmented across the landscape in remote areas. We are all individually fighting a battle and its a losing battle. There needs to be a (umbrella) body representing the needs of the tribal community.

”

**Anil Misquith, Accord**

### POLICY

- **MSP often does not match market rates**, thus limiting effective support for tribal families and NTFP producers.
- Emphasis was placed on the need for standardization practices or licensing frameworks to simplify operations and improve market access for tribal producers.
- Several components of the FRA were discussed, including claims filing, redressal processes, and the need for stringent training of forest department personnel to improve implementation. Suggestions included **training programs to educate stakeholders about their roles, rights, and the implications of the FRA, as well as utilizing local guards and DFOs for community sessions.**
- Challenges regarding availing support through PMVDY scheme were highlighted.



Photo Credit- Mongabay

# MAKING NON-TIMBER FOREST PRODUCE (NTFP) VALUE CHAINS RESILIENT

OCT 2024

Key takeaways from the event that effectively respond to the needs of Particularly Vulnerable Tribal Groups



NTFP sector is a buyer's market.

If market and economics is not understood, potential is all guestimates

Shamshad Alam, Pradan



## MARKET LINKAGES

- TRIFED, although a key player, has had **inconsistent purchasing patterns** that have created production-level disruptions in the past.
- NGOs play a vital role by procuring NTFPs from collectives and selling through multiple channels, but the **Biodiversity Management Committees (BMCs), which should support Gram Sabha's in regulating NTFPs, require strengthening.**
- The **need for quality assurance frameworks** was underlined to strengthen the market position of tribal-produced goods.
- The discussion focused on the **comparative merits of individual branding and umbrella branding**, and which strategy is most appropriate for particular communities.



## OPPORTUNITIES AND NEXT STEPS!

### PRIORITY #1 INNOVATE TO ELEVATE

- Improve access and efficiency of processing technologies
- Encourage innovative tech to address specific challenges

Problem statements emerge across various value chains and specific activities, presenting opportunities for innovation. In NTFP Sector, Promotion of innovations that are similar in practice like drying, pulverising etc increasing value of commodities and addressing other sector challenges. Innovations need well-rounded support, including mentoring, prototyping and co-testing solutions in parallel to addressing systems for amplified adoption.

Meaningful impact can also be created on reducing the drudgery faced by end-users. However, these tools need testing and adjustments to meet the unique needs of gatherers for specific produce (e.g., bay leaf, custard apple, wild fruits). If successful, such solutions could be expanded across various regions.

#### Way Forward

1. Collaboration between innovators, enterprises, end-users and CSO's to ensure assessment of technological needs, co-development of solutions across the specific NTFP value chains
2. Support the adoption of efficient and affordable processing equipment for PVTGs

### PRIORITY #2 ECOSYSTEM BUILDING AND VALUE CREATION

- Financing and subsidy unlocking for climate smart solutions
- Enterprise development initiatives for scaling solutions

Innovation extends beyond technology; it also requires building a supportive ecosystem around communities. Without a robust ecosystem, sustainable income for gatherers cannot be achieved. Therefore, it is crucial to support various ecosystem elements including **new business models, value-added products with market potential**, policies or financial schemes that facilitate these efforts.

#### Way Forward:

1. Collaboration and supporting livelihood enterprises development initiatives
2. Unlock financial and policy initiatives for Capex and Opex (with a focus on innovation)

## PRIORITY #3 EMPOWERMENT THROUGH KNOWLEDGE

- Provide technical service and mentorship to improve business management
- Document best practices to create a blueprint for scale
- Research and development in NTFP

Inefficiencies in current knowledge-sharing systems were identified as significant barriers to scaling, leading to unsustainable practices and limited access to credit within this sector. Another point raised was the lack of knowledge-sharing sessions and limited access to documentation from other practitioners in the sector. There is a need for programs/practitioners to learn from one another and build on existing successes.

### Way Forward:

1. Integrate specific NTFP best practices, technical know-how and market information into knowledge platforms.
2. Strengthen learning programs to promote peer-to-peer learnings and connect NTFP producers and entrepreneurs with experienced mentors.
3. For the North Eastern Region of India
  - a. Convene with stakeholders at state and district levels and build a coalition to take up 5 top NTFPs, research (gaps and opportunities) and implement solutions end to end in 5 champion sites
  - b. Research VDVks in NER, their role and potential within NTFP Value Chains

### PARTICIPANTS

- A Malik, AGUP
- Anand Patel, PSSS
- Anil Misquith, Accord
- Asaad Jaffer, Alto Precision
- Bidyut Mohanty, SPREAD
- Chaitanya Kumar, CiNI
- Chakradhar Pruseeth, SEWAK
- Dimgonglung Rongmei, RNBA
- Don Antony, Accord
- Dayanidhi Singh, Imphal Machines
- Jestin Pauls, Keystone Foundation
- Hiren Kalita, Ajar Social Circle
- Lal Din Liana Chhangte, King Industries
- Madhu R, Last Forest
- Manmohan Yadav, IIFM
- Made Gowda, Adavi
- Martin Rabha, Diya Foundation
- Murali, Accord
- Nirati Katiyar, Shramik Bharti
- S. Balakrishnan, Sammunati
- Rabijeeta, Balipara Foundation
- Pramel Kumar Gupta, NCNF
- Ram Prasad, SRPDR
- Rakesh Kumar Gupta, Gram Shree
- Rohit Jain, Banyan Roots
- Rupchand Dakhane, Gram Arogya Ghati
- Sartak Tyagi, Gram Sudhar Samiti
- Samshad Alam, Pradan
- Shruti Mittal, Vrutti
- Siddappa Setty, ATREE
- Sivraj, Uravu
- Sridhar Lakshman, Ecologin
- Surya Gundu, Manuvikasa
- Utpal Ranjan Dutta, RGVN
- Varsha Dayma, SRPDR
- Varun Kashyap, Lets Endorse

**We are excited to explore similar multi-stakeholder collaborations across different states. By working together, we aim to build resilient livelihoods and strengthen value chains for vulnerable tribal communities.**

Visit [selcofoundation.org](https://selcofoundation.org) to know more.