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Silver on the mountain: Value chain of *Morchella* spp. in Nepal

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Abstract

Non-timber forest products (NTFPs) represent a natural resource that provides value from the local to the international economy through market and nonmarket recreational channels. In Nepal, with an annual trading value of around 25 million Nepalese Rupees, NTFPs are considered an essential alternative income source, especially for those residing in mountainous areas. Of these NTFPs, *Morchella* spp. (morels) is one of the most important and prioritised species due to its multiple purpose uses. Despite its environmental benefits and socioeconomic improvement potential, a comprehensive analysis of the configuration and characteristics of morels collection and trade system so far is lacking.

This paper elucidates the structure of Morels value chains (VCs) in 15 districts, one each in the physiographic zone of high mountains, middle hills and terrain, and in each development region of Far-Western, Mid-Western, Western, Central and Eastern Nepal. Eighty-six in-depth interviews were conducted with different actors in the chains. The findings were validated through direct observations and in 15 group discussions and 45 expert interviews.

The results demonstrated a network of economic stakeholders directing the flow of morels products to the end of the market. There were four actor groups including collectors, traders, central wholesalers and regional wholesalers which participated in the morels VCs to different extents. Additionally, various institutional actors, such as the District Forest Department and the Community Forest User Group provided support and facilities for the VC performance. Regarding governance modes, vertically, the buyers had the upper hand in almost all transactions along the chains. Furthermore, there was a considerable lack of horizontal coordination between stakeholders despite its importance in capturing the added value created. Recommendations referring to the improvement of morels VCs were delineated.

Keywords: Governance nodes, stakeholders, value chain configuration, value chain upgrading, wild edible fungi