

# SILVER ON THE MOUNTAIN: VALUE CHAIN OF MORCHELLA. SPP IN NEPAL

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## INTRODUCTION

- 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.
  - Morchella spp. (morels) is one of the most important and prioritised species due to its multiple purpose uses.
  - However, a comprehensive analysis of the configuration and characteristics of morels collection and trade system so far is lacking.
- ➔ This study tries to demonstrate a network of economic stakeholders directing the flow of morels products to the end of the market.



## METHODOLOGY

Field researsh in 15 diferent districts, one each in the physiographic zone of Nepal from 2014 to 2015.

- 86 in-depth interviews with different actors
- 15 group discussions
- 45 expert interviews
- direct observations.



## RESULTS

### VALUE CHAIN MAP

- Two end markets: domestic and export markets (India).
- Four primary functions: haversting, trading, export, processing, and retail.
- Four main actors: Collectors, Traders, Central wholesalers, Regional wholesalers
- Side actors or institurional actors involved the activities of the main actors within the value chain as the supporters, facilities, and rent-seekers.
- Institunional actors includes: Community Forest User Groups (CFUGs); District Chamber Commercial industry (DCCI); District Development Committee (DDC); District Forest Department (DFO); Department of Plant Resources (DPR); Jadibuti Association of Nepal (JABAN)...., ect.

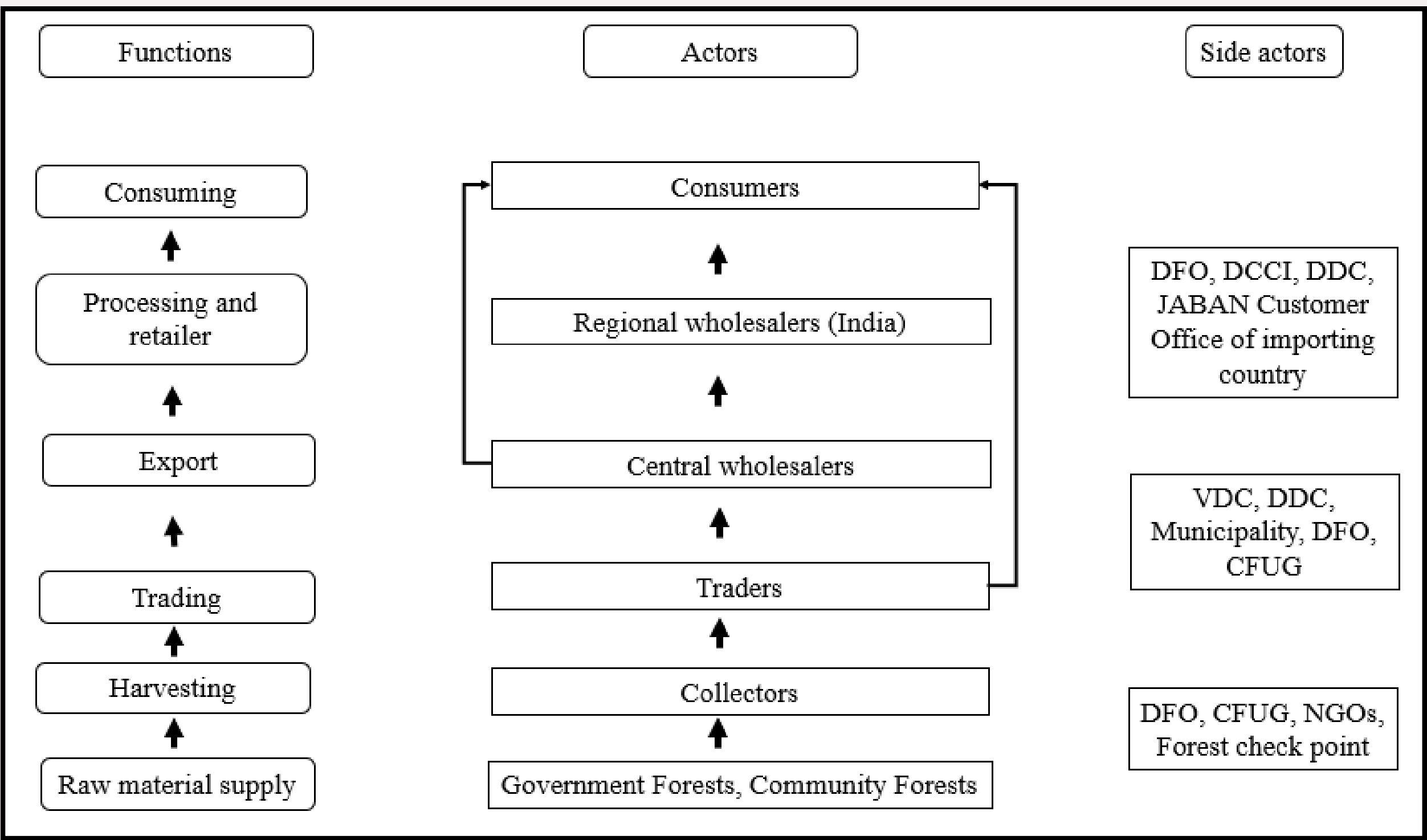


Figure 1: Morel's value chain map

### CHAIN ANATOMY



Table1: Morel value chain actors and their socio-economic background

Variable	Collectors (n =14)	Traders (n = 35)	Central wholesale r (n = 6)	Regional wholesaler s (n = 31)
Age	31.4±2.6	41.3±1.7	45±3.2	47.7±2.3
Sex				
Female	4 (28.6 %)	1 (2.9 %)	1 (16.7 %)	1 (3.2 %)
Male	10 (71.4 %)	34 (97.1 %)	5 (83.3 %)	30 (96.8 %)
Experience	7.3±1.0	12.9±1.5	17.3±3.5	22.7±2.4
Household size	7.6±1.3			
Household cash income	348214±11445 \$			
Share MAP income		80.1±4.8		
Permanent employees			6±1	100±97
Temporary employees		2±1	14±3	71±64

### SIDE ACTORS MAJOR ACTIVITIES

- Sustainable Collection
- Royalty Payment
- Checking and weighing
- Checking and endorsement
- Export recommendation, product certification and export permission
- Market information
- Local taxes
- Release order or transit permit
- Import permission and duty
- Export permission and duty
- Taxes

### RECOMMENDATION FOR UPGRADING

- Improving Harvesting Techniques
- Enhancing Post-Harvest Processing
- Strengthening Market Access
- Adding Value through Product Diversification
- Empowering Local Communities
- Leveraging Technology
- Policy Support and Advocacy

### CONCLUSION

- There were four actor groups including collectors, traders, central wholesalers and regional wholesalers
- Various institutional actors provided support and facilities for the VC performance.
- Vertically, the buyers had the upper hand in almost all transactions along the chains.
- 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.

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