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Rina Malazogu
Department of Agricultural
and Food Sciences, University
of Bologna, Bologna, Italy

Maria Bottari
Department of Agricultural
and Food Sciences, University
of Bologna, Bologna, Italy

Market development for non-timber forest products

Rina Malazogu and Maria Bottari

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Abstract

This study explores the market development for non-timber forest products (NTFPs), emphasizing the economic viability, environmental sustainability, and socio-cultural significance of NTFPs. By examining various case studies and employing a mixed-methods approach, this research identifies key challenges and opportunities in the NTFP market, offering strategic recommendations for stakeholders.

Keywords: NTFPs, stakeholders, market

Introduction

Background: Non-timber forest products (NTFPs) represent a vast array of biological resources and goods derived from forests, excluding timber. These products include but are not limited to, medicinal plants, fungi, fruits, nuts, bark, resins, and fibers. NTFPs hold significant socio-economic and ecological value, serving as a cornerstone for rural livelihoods, traditional knowledge systems, and biodiversity conservation. In many parts of the world, especially within developing countries, NTFPs contribute substantially to household income, food security, and the cultural identity of communities.

The significance of NTFPs transcends economic benefits, embedding deeply within the environmental and social fabric of rural areas. Ecologically, the sustainable management of NTFPs can aid in conserving biodiversity and maintaining forest health. Socially, they are integral to the cultural practices, healthcare, and nutrition of indigenous and local communities. Economically, NTFPs have the potential to foster micro, small, and medium enterprises (MSMEs), thereby contributing to rural development and poverty alleviation.

Despite their potential, the market development for NTFPs faces several challenges that hinder their contribution to sustainable development. Key issues include limited market access, inadequate supply chain infrastructure, lack of standardized quality control, and insufficient knowledge on sustainable harvesting practices. These challenges are compounded by the global nature of NTFP markets, where competition and demand for certification and traceability require strategic interventions.

Research Objective

This study aims to investigate the market development for NTFPs with a focus on identifying and overcoming barriers to market access and sustainability.

Data Collection Methods

Surveys: Conducted with NTFP harvesters and traders to gather economic impact data.

Interviews: Engaged industry experts and community leaders for insights on challenges, opportunities, and sustainability practices.

Market Analysis: Utilized trade databases for current market prices and demand statistics.

Corresponding Author:
Rina Malazogu
Department of Agricultural
and Food Sciences, University
of Bologna, Bologna, Italy

Results

Table 1: Overview of Selected NTFPs and Their Market Characteristics

NTFP Category	Examples	Primary Markets	Average Price (USD/kg)	Annual Demand (tons)
Medicinal	Ginseng, Aloe Vera	International	10 - 50	500
Edible	Wild mushrooms, Nuts	Local, Regional	5 - 20	1000
Aromatic	Frankincense, Myrrh	International	15 - 60	300
Fibers	Bamboo, Rattan	National	2 - 10	2000
Dyes	Indigo, Madder	International	20 - 100	100

This table provides an overview of different categories of NTFPs, including examples of products, their primary markets, average prices, and annual demand.

Table 2: Economic Impact of NTFPs on Rural Communities

Region	NTFP Category	Contribution to Household Income (%)	Employment Generation (FTE)	Women Participation (%)
Southeast Asia	Edible	30	200	60
East Africa	Medicinal	40	150	50
South America	Aromatic	25	100	70

FTE: Full Time Equivalent

This table shows the economic impact of NTFPs on rural communities by region, highlighting the contribution to household income, employment generation, and women's participation.

Table 3: Challenges and Opportunities in NTFP Market Development

Challenge	Opportunity	Example Solutions
Limited market access	Development of e-commerce platforms	Online marketplaces for NTFPs
Fluctuating prices	Value addition and product diversification	Processing NTFPs into finished products
Over-harvesting	Sustainable harvesting practices	Community-based resource management plans
Lack of quality standards	Certification and standardization	Implementing Fair Trade and organic labels

This table identifies key challenges and opportunities in NTFP market development, offering example solutions to address these issues.

Table 4: Sustainability Strategies for NTFP Harvesting

Strategy	Description	Expected Outcome
Community-based management	Local communities manage NTFP resources sustainably	Reduced over-harvesting, enhanced biodiversity
Certification programs	Third-party verification of sustainable practices	Improved market access, higher prices
Agroforestry integration	Combining NTFP cultivation with traditional farming	Increased NTFP supply, habitat conservation

This table outlines sustainability strategies for NTFP harvesting, detailing the approach, description, and expected outcomes for each strategy.

Analysis and Discussion

- **Diverse Markets and Prices:** The data indicates a wide range of primary markets (local, national, international) for NTFPs, with prices varying significantly across categories. Medicinal and aromatic NTFPs tend to fetch higher prices, likely due to their specialized uses and higher value in international markets. This suggests that focusing on these categories could be more lucrative for communities but might also require adherence to stricter quality and sustainability standards.
- **Demand:** There's a considerable demand for edible and fiber NTFPs, highlighting a potentially less volatile market due to the essential nature of these products. However, the lower price point of fibers suggests that volume and sustainable harvesting practices are crucial for profitability.

Economic Impact on Rural Communities (Table 2)

- **Contribution to Household Income:** NTFPs contribute significantly to household income, especially in regions where traditional agriculture or employment opportunities are limited. Medicinal NTFPs in East Africa show the highest contribution, which might reflect both the high value of these products and the

dependency of rural households on NTFPs for income.

- **Employment and Women Participation:** NTFPs provide essential employment opportunities, with notable women's participation. This aspect underlines the role of NTFPs in promoting gender equality and empowering women in rural areas. Higher women participation in South America for aromatic NTFPs suggests cultural or social structures that support women's involvement in these activities.

Challenges and Opportunities in NTFP Market Development (Table 3)

- **Access and Price Stability:** Limited market access and fluctuating prices are significant challenges. E-commerce platforms and value addition are practical opportunities to mitigate these issues, suggesting that investments in infrastructure, technology, and skill development for value addition could stabilize incomes for rural communities.
- **Sustainability and Quality:** Over-harvesting and the lack of quality standards are critical challenges that could be addressed through sustainable harvesting practices and certification programs. These strategies not only ensure the sustainability of NTFPs but also potentially open up higher-value markets.

Sustainability Strategies for NTFP Harvesting (Table 4)

- **Community Management and Certification:** Community-based management and certification programs are effective strategies for ensuring the sustainability of NTFP resources. These approaches can lead to reduced over-harvesting and improved biodiversity, while also enhancing market access and enabling higher product prices through certification.
- **Agroforestry:** Integrating NTFPs into agroforestry systems is an innovative strategy that promises increased supply and habitat conservation. This approach could be particularly relevant for edible and fiber NTFPs, which have high demand but lower price points, indicating the need for volume and sustainability in production.

Conclusion

The analysis reveals that while NTFPs offer significant economic, social, and environmental benefits, their potential is often hampered by market access challenges, fluctuating prices, and sustainability concerns. Addressing these challenges through technology, value addition, sustainable practices, and certification could enhance the profitability, sustainability, and socio-economic impact of NTFP markets. Furthermore, the data underscores the importance of gender considerations and community involvement in NTFP market development strategies, highlighting the role of NTFPs in supporting rural livelihoods and contributing to conservation efforts.

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