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A Journal of Forestry Information for Nepal

Contribution of NWFPs in National Economy

Nepal retains very high biodiversity, including that of Non-wood Forest Products (NWFPs). Over 1600 NWFPs have been reported from Nepal, including 819 species of Medicinal and Aromatic Plants. Non-wood Forest Products are defined by various organizations and authors differently, that makes difficult in direct comparing these statistics. Some, whether included into or excluded from NWFPs, depend largely on which definitions have been used. Food and Agriculture Organization (FAO 1999) defines NWFPs as "goods of biological origin other than wood, derived from forests, other wooded land and trees outside forests". For example, the FAO (1999) definition brings the Cardamom (*Amomum subulatum*), cultivated together with the Utis (*Alnus nepalensis*) as agroforestry crops in Nepal, under the category of NWFPs, which is intentionally debated by other institutions as an agriculture product.

The Forest Act, 1993 and Forest Regulation, 1995 have several provisions of the collection and trade of NWFPs from the wild. The Forest Regulations 1995 have categorized 267, NWFP items into eight categories: roots and rhizome (60), bark (25), leaves (36), flowers and flosses (17), fruit and seed (70), whole plant (26), gums and resin (9) and other (24) (GoN, 2018). Various parts of same species have been repeated at two or more categories as the total number of listed NWFP species becomes lower.

Non-wood Forest Products has played very important role in supporting rural livelihoods and national economy. The rural livelihoods of mountainous regions of the nation, particularly Karnali and Sudurpaschim (Far West) provinces, have largely relied on the collections and trade of NWFPs. About 10-100% of the households of many villages depend solely on the collection and trade of NWFPs of these regions, of which Human Development Index is also among the poorest of the country. Over 60% of the Nepalese people usage Medicinal and Aromatic Plants (MAPs) for the healing of various diseases. Besides, a total of 20% (1.1 Million) houses out of 5.4 Million houses in Nepal are built by using bamboo. Bamboo is widely considered as the poor man's timber and rich man's passion.

The trade of NWFPs including medicinal plants is important for revenue to the Government and major sources of cash income to the rural people. Their collection, transportation, and sales have been generating steady sources of off farm employment opportunities in remote where majority of the people are poor. Over 100 species are in the regular trade in Nepal. But, the volume and value of this trade is lopsided, as 20 top species covered over 80% of the whole trade by volume and value. Every year thousands of tons NWFPs are exported to neighboring countries. The Trade & Export Promotion Center (TEPC) of Government of Nepal shows the export of NWFP data ranging from 14,950 tons (in 2010) to 41,164 tons (in 2014) per year in between 2009 and 2017. That includes the export of rosin and resin, broom grass, cardamom, medicaments, cinnamon, soapnut, rudraksha, battisa, handmade paper, argeli bark, bamboo basketwork, essential oil, natural honey, olive oil, yarshagumba (*Cordyceps sinensis*) etc. This figure excludes the export of the huge quantity of Katha extracted from Khair (*Acacia catechu*). A total of 1158 tons of Khair Katha, with the value of Rs. 690 million, was exported from Nepal in year 2017. The medicaments manufactured here in Nepal use large parts of imported NWFP items. Similarly, the export data of some expensive NWFPs such as Yarsagumbha have under recorded. The Yarshagumba export for the years 2016 and 2017 has been reported to be just 95 kg and 54 kg respectively from the customs which is manifold less than the records of the Department of Forests and Soil Conservation. Simultaneously, the price declared at customs by the exporters are also unusually low. The yarshagumba price declared at

customs ranges from Rs. 174,434 to Rs.718,675 between 2011 and 2017 which were about 10 to 25% of actual market price. This shows the huge value of the NWFPs at present and high potentiality to harness in days to come.

Besides providing income and employment opportunities to local people, the NWFPs sector also contribute in the national economy. However, the government revenue is not a big enough but it generates huge income to the rural people of the remote district and areas. For example, the government revenue from the sale of 681,979 kg of 19 different NWFPs at Jumla District was less than Rs. 5 million however its market value at the district headquarters was Over Rs. 615 million in FY 2011/2012. It further contributes significantly in reducing trade deficits. The proportion of NWFPs in the overall export of the country is about 8-11%. The total monetary value from NWFPs exported in 2015 was Rs. 8.74 billion (11.6%) out of the total export of Rs. 75.5 billion whereas it was Rs. 7.26 billion (9.7% of total) and 7.67 billion (9.9%) in 2016 and 2017, respectively.

The country has very high potentiality of the development of NWFP sector in the country. As the country has huge climatic and elevational variations, the diversity of NWFPs is tremendous. Almost all of the plants and their parts available in the country bear medicinal properties, if properly investigated. This shows the huge potentialities to explore various components from these plants in future. Various studies show that there is over 250 Nepalese NWFPs for the possibility of commercial trade. It is also estimated that the essential oil can be extracted from about 200 plant species found in Nepal.

The global trend is increasing towards the use of ayurvedic medicines, natural therapy, herbal cosmetics and natural food supplement. The demand of the NWFPs is ever growing despite number of hurdles. The demand for Himalayan herbs and medicines is very high in all over the world. There is very high potentiality to increase the local and national income by processing and value additions of the product. It will be very much important to produce the end products in Nepal and sell to the World at higher price. By doing this, the sector can significantly contribute in achieving the nation's goal, "Prosperous Nepal, Happy Nepali"

There are several constraints in the development of NWFPs sector in Nepal. A number of problems exist in cultivation and sustainable management, promotion of businesses and trades, development of entrepreneurship and establishment of manufacturing units in Nepal. Frequently fluctuating market prices, uncertain availability markets, various obstacles from neighbor countries in free and fair trade, inclinations towards selling raw materials than processing, low input and investment, overexploitation and premature harvesting, lack of storage facilities and illegal collection and trade of the NWFPs are among the key problems that the sector facing.

Nepal has provided due priority in the development and sustainability of NWFPs sector in Nepal. NWFPs have received high importance in Nepal's forest policies and in overall development planning. The Forest Policy 2019 has placed very high priority in the processing, value addition, tertiary productions and sustainability of the resources in the country. The specific policy for the promotion of the NWFPs was mandated with the promulgation of Herbs and development and NWFP Development Policy 2004. Governmental agencies, nongovernmental organizations and yearly plan of forestry sector also emphasized on the promotion of NWFPs. Besides, Forest Act, 1993 and Environment Protection Act, 1995, Nepal has recently promulgated an Act to Regulate and Control International Trade in Endangered Wild Fauna and Flora; popularly called as CITES Act, 2017.

With the wise implementation of these policies and legal measures, the NWFPs sector can be developed. The engagement and investment of private sectors and cooperatives in technology promotion, value addition and marketing are very crucial. The government can provide the conducive environment for their proper functioning. sectors.