

RVWRMP Value Chain Support

The Rural Village Water Resources Management Project (RVWRMP) supports WASH and livelihoods development in Sudurpaschim and Karnali Provinces. RVWRMP livelihoods support has gradually developed from household (home gardens) to community (income generation activities) to regional and national (value chain) level.

Five value chain areas in five Rural Municipalities (RM) were selected in 2019. The criteria for selection included poverty alleviation, existing potential, possibility of supporting activities as well as geographical and climactic potential. The five value chains are: Chiuri (Marma RM, Darchula), Citrus (Chure RM, Kailali), Ginger (Badikedar RM, Doti), Large Cardamom (Naumule RM, Dailekh) and Vegetable (Alital RM, Dadeldhura).

The interventions began by improving production, capacity building and local market linkages. Physical support for processing machines, collection centres, nurseries, storage houses and dryers. Then, focus on building regional and national linkages through e.g., collective workshops with cooperatives and traders. Local government support was substantial.

In total, value chain support benefitted 4,890 households: Chiuri 664, Citrus 1,015, Ginger 1,030, Vegetable 1,817 and Large Cardamom 364.



Chiuri / Butter Tree in Marma RM, Darchula

Chiuri or butter tree is a large deciduous tree found in sub-Himalayan tracts, ravines and cliffs at altitudes of 400 to 1400 meters. The primary product from Chiuri is “ghee” or Chiuri butter extracted from its nuts. In addition to being a food product, Ghee can be processed into soaps, detergents, beverages, beauty products, confectionaries, cleaning liquids, bio-fertilizers and bio-pesticides.

There is an abundance of Chiuri trees in Marma RM of Darchula. People used to collect seeds and extract ghee with traditional methods for their own needs. There is a high demand for Chiuri herbal soap in local and regional markets. Before the Project intervention, Marma RM was deemed too remote and the traditional methods for Chiuri extraction were too cumbersome and time-consuming for large-scale production.

RVWRMP and Marma RM officials identified the potential for increased Chiuri production through value chain interventions, mainly the establishment of advanced processing machines and capable local staff to operate them. The Shivaling Savings and Credit Cooperative was chosen to lead Value Chain activities in Marma RM thanks to a proven track record with the Project.



Project Support for Chiuri Value Chain

RVWRMP and Marma RM jointly supported the acquisition of two Chiuri processing machines, two soap making machines (laundry and bathing), three collection buildings and one inverter (32 kW) for regular power supply. The machines process chiuri nuts into ghee, soap and oil cakes. In addition, the Project helped train three local technicians to operate and maintain the processing machines.

Each Chiuri processing machine can process 2,5 quintals of Chiuri per day, resulting in a total daily capacity of 5 quintals. The laundry soap processing machine can produce five quintals of soap per day and the bathing soap processing machine can produce 1000 soaps per day.

Shivaling Cooperative also received support on business management, product packaging, processing machine procurement and establishment and market linkages. RVWRMP staff facilitated meetings between the Cooperative and local farmers to collect and sell the nuts. An agreement was made with adjacent RMs and districts to expand the Chiuri nut collection area.



Impact of Chiuri Value Chain

All the supported machines and structures are in good functional status. Chiuri seeds are being collected in Marma RM and surrounding areas. High quality products (ghee and soaps) are being produced. The products packed and labelled and sold in local markets.

The major impact of the Chiuri value chain activities (by the end of the Project) are:

- 644 households benefitted from the value chain interventions
- 13 local people directly employed with the value chain in different fields, such as collection, processing, packaging and trading.
- 4 MT of ghee, 1100 pieces of laundry soap and 12 000 pieces of washing soaps produced.
- 700 000 NPR earnings for Shivaling Cooperative



Challenges of Chiuri Value Chain

Chiuri value chain activities have only just begun and more time is needed ensure sustainability and expand to larger markets. There are also some specific challenges that need to be addressed:

- Some farmers are reluctant to sell Chiuri seeds for the Cooperative as they prefer to rent the processing machine for their own needs.
- The Cooperative lacks Human Resources and Business Planning skills to run the expanding Chiuri business.
- More detailed market and cost-benefit analysis is needed before expansion to regional and national markets.
- The Cooperative has begun reaching out to regional and national markets and companies, but so far products are only sold locally. There is interest from larger companies, which should be realised.
- Frequent monitoring and support is needed from RM side.

Future of Chiuri Value Chain

The Shivaling Cooperative has recently begun Chiuri value chain operations and more time is needed to see the long-term impact. However, RVWRMP and RM staff are certain of the viability of the value chain and have high hopes for the future. The RM has provided a lot of financial and technical support and currently has assigned one employee to monitor the Chiuri processing business.

The demand for Chiuri based products is increasing and there is interest from regional and national stakeholders, that could lead to the wider expansion of the value chain if handled properly.



CHIURI VALUE CHAIN DEVELOPMENT

RURAL VILLAGE WATER RESOURCES MANAGEMENT PROJECT PHASE III

Sudurpaschim and Karnali Provinces, Nepal

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