

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 climatic 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.



Ginger in Marma RM, Darchula

Ginger (*Zingiber officinale*) is a high value spice grown in the mid-hills (tropical and sub-tropical region) of Nepal. Ginger is an herbaceous plant that grows 60-90 cm tall with green and narrow leaves and yellow flowers. The root of the plant is used as a spice, herbal medicine and fragrance depending on the processing. Ginger is planted in April/May and harvested in January/February.

RVWRMP decided to support ginger production in Badikedar RM due to existing cultivation, potential for expansion and suitable geography. Expanding road networks in the RM have also eased market access. There are seven cooperatives involved in the value chain in the RM, with Sangalo cooperative being the focal one for production, while the others support collection.

RVWRMP has connected with a national actor, Organic Mountain Flavour (OMF) to ease market expansion for the value chain. OMF is a pioneer in organic ginger sourcing and processing in Nepal as well as selling to domestic and international markets.



Project Support for Ginger Value Chain

The major value chain interventions were related to production, diversification, collection, market linkages, cooperative capacity building and agricultural modernization. Product improvement capacity building centred on cleaning, slicing, drying, sorting, grading, packaging and labelling.

Major physical support includes the construction of six collection centres and two storage and processing houses.

The Project has supported the training of Lead Farmers on ginger production, storage and post-harvest handling and mobilising them to support local producers. Farmers have received training in ginger cultivation, pest and quality control. The cooperatives have received institutional support as well as training on business management, such as record-keeping and planning.

Communications systems have been established between the stakeholders through social media, radio and phone.



Impact of Ginger Value Chain

The ginger value chain is active in Badikedar RM with satisfactory involvement of all actors. The following major impacts were observed during the Project interventions:

- The average size of cultivated ginger area for farmers grew from 1.8 ropanis to 3 ropanis.
- The average annual income of farmers increased from 20,000 NPR to 35,904 NPR.
- The collection centre supported by the project is providing an annual income of 100,000 NPR.
- 26 locals are employed in the ginger value chain business.

Thanks to Project supported linkages, farmers have built bonds with the cooperative, which guarantees the buy-back of production. Links have also been strengthened between the cooperative and RM and its agriculture section.

Challenges of Ginger Value Chain

The main challenges of the ginger value chain in Badikedar RM are:

- Lack of trust between actors due to unpredictability of product prices and novelty of the value chain system. The RM should take an active role in trust-building.
- Haphazard selling of production to high profile traders often from India, hampering trust between the farmers and the cooperative as it violates existing agreements.
- Adverse environmental conditions, are threatening the drying of the product. Low-cost solar driers in the cooperatives could help mitigate the problem.
- Ginger seed deficiency during plantation due to lack of knowledge of storage methods. Now mostly mitigated through capacity building activities.
- Need to focus on product processing to increase value and follow demand patterns.

Future of Ginger Value Chain

Relevant value chain actors have understood the potential of ginger products for income generation. RVWRMP expects the cooperative and RM to work together with the farmers to maximize production and benefits. Special focus could be put into value addition capacity building for the farmers. The initial stages of the value chain have been successful, but more trust-building is needed between the actors.

During the final fiscal year of RVWRMP, a workshop was organized by IFAD where the Project supported value chain actors could promote the product. During the workshop, the owner of OMF saw the product and has since been in frequent communication with Project staff and value chain stakeholders. Now, OMF is buying the products through the cooperative and has already provided processing training to the farmers.



GINGER VALUE CHAIN DEVELOPMENT

RURAL VILLAGE WATER RESOURCES MANAGEMENT PROJECT PHASE III

Sudurpaschim and Karnali Provinces, Nepal

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