

# Non-timber Forest Products Advertising Enhances the Livelihood Opportunity and Economy of Rural Area

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## ABSTRACT

The forests of Jharkhand support rich diversity of timber as well as non-timber yielding species. The non-timber forest products (NTFPs) comprise an imperative part of the traditional lifestyle in Jharkhand and utilisation of these products has contributed much to local livelihoods. The main concern is use of NTFPs in rural areas where there are rapid deforestation, lack of access to information, lack of processing capacity, lack of storage capacity, unstable prices, market pressure from outsiders, difficult transport, uncertainty on forest access rights giving little incentives for communities to manage forests. The rural economy can be enhanced with proper promotion of NTFPs through advertising. In this paper, we have tried to study the seasonal flow of some NTFPs. We have tried to examine the value of NTFPs in terms of livelihood as well as commercial importance. The study highlights the importance of understanding how rural people use forests, and stresses the need to broaden NTFP management to include a multiplicity of objectives and products.

**Keywords:** Non-Timber Forest Products, Livelihood, Rural Economy, Advertising, Jharkhand

## INTRODUCTION

Jharkhand has been blessed with many traditional non-timber forest products (NTFPs) that have economic values. NTFPs play an important role in the livelihoods and income generation of forest dwellers. NTFPs help millions of rural people sustain providing an alternate

source for food and income. The dependence is highest on products like *kendu* leaf, *mahua*, *char*, tamarind, *saal* seed, *amla* etc. (Vasundhara, 2002). Most of these products are wasted for lack of post harvesting technology in collecting, cleaning, packing, storage and processing. The major non-timber forest products in Jharkhand, alongside their annual production and value added products are shown in Table 1.

**Table 1: Major Non Timber Forest Produce in the State of Jharkhand**

Name of NTTP	Annual Production(app in MT)	Value Added Products
Chiraunji	2000	Dry fruit, Use Confectionary
Karanj	5000	Antibiotic Oil, Ointment, Sprayetc
Hrra	2000	Harrapowder & Triphalachurna
Amla	2000	Amlapowder, Triphalachurna & Morabba
Bahera	2000	In Triphalachurna
Jamun pulp & Kernel	5000	Jamun syrup & Jamun Powder
Chiraita	2000	Antibiotic Chiraita powder
Bamboo Shoots	200000	Picked without seed, paste
Mahua	200000	Wine
Dori	20000	Oil/Soap

Name of NTTP	Annual Production(app in MT)	Value Added Products
Sal seeds	100000	Oil/Feed
Kusum	10000	Oil/Feed
Hill Broom	200	Broom
Thorn Broom	200	Broom
Satabari	200	Medicine
Addaleaves/MahulanPatta/Siali leaf	500	Plate
Mahu/Honey	100	Food
Baividang	N.A	Medicine
Kalmegh	N.A	Medicine
DhawaiPhool	N.A	Medicine
Neem Seed	500	Oil/Soap
Sarpagandha	500	Medicine
Aswagandha	500	Medicine
Palas/TeauPhool	1000	Colour
Kendu Leaf	N.A	Biri
Other important minor forest product like honey, medicine plants, herbs, gums and resins.		

Source: Jharkhand State Minor Product Co-operative Development and Marketing Federation Limited, 2014-15

There are mainly two types of forests in Jharkhand, viz. reserved forest and protected forest. A reserved forest is one where the species are protected in their natural habitat and no human interference is allowed; any kind of human activity is strictly prohibited. Whereas protected forest is the one in which human intervention is not prohibited but hunting and poaching of animal is against the law. Protected forest have the potential to fulfill the needs of various industries and services in the value chain management that will be beneficial for both the industry and the people living in and around forest fringe areas. Traditionally, these resources only cater to the rural economy (Pant, 1984) with an estimated transaction of approximately Rs. 700 crore per annum (Jharkhand State Minor Product Co-operative Development and Marketing Federation Limited 2014-15). The traded NTFPs include *harra*, *hahera*, *chiraunji*, *karanj*, *jamun*, *chiraita*, bamboo shoots, *imili*, *mahua*, *dori*, sal seeds, honey, *satabri* etc. The industry can put in better practices for collection, aggregation, storage, processing, transport, logistics, and marketing of these NTFPs. Through these points of interventions in the supply chain, the resources can be better utilised by the industry for profitability. This will also provide the rural poor an alternate livelihood option (Gharai & Chakrabarti, 2009) and will bring better returns to the people in these areas. The government of Jharkhand has currently initiated a free policy for trade and transportation of NTFPs other than *kendu* leaves, as emphasized in its recent industrial policy (2015). Thus,

industries will find a conducive environment for better management and trade in NTFPs from this state. This, in turn, will provide industries to penetrate into the rural markets with enhanced purchasing power. Jharkhand state has 24 districts and 32,620 revenue villages with an area of 79,714 sq. Kms and a rural population of about 77.7% (IPE Global, 2013, p.16). A large proportion of the population is poor, particularly among STs and SCs. On an average, the state gets 1200 mm rainfall a year. Forests in Jharkhand extend over 23,605 sq. Km. representing 29.615% of the total geographical area of the state (jharenvis.nic.in, ENVIS-Centre). In India, Jharkhand is a state with having rich minerals and forest-based area. Both minerals and forests play a major role in rural people's livelihood. Collection of NTFPs product and selling it to the vendors is the main source of livelihood of poor villagers. Same NTFPs have dissimilar issues in different regions. So, it is very important to analyse NTFP related issues not only at regional level, but also at state and national level, for improvement of economic condition of rural people, who are based on NTFPs. There is a requirement to promote and advertise these products for value enhancement.

## EVOLUTION OF RURAL MARKETING

Mahatma Gandhi had once said, "India's way is not Europe's. India is not Calcutta and Bombay city. India lives in her several hundreds of villages." 70% of India's

population lives in 627,000 villages. According to the National Council for Applied Economic Research (NCAER) study, many middle income and above than middle income households live in rural areas in comparison to urban areas. At the highest income level, there are 2.3 million urban households as against 1.6 million households in rural areas. One of the main sources of income for rural people is NTFPs.

### Applying Creative Approach to Rural Market

Creative people do not always start with a specific idea in mind when they start to search for an innovation. What they do is find methods or ways of going about that search. The NTFPs commercialisation process is itself a creative process. From discovery of business idea to product packaging, development, analysis, feasibility and business planning, the application of creativity to all of these areas is a set of successful entrepreneur venture.

### Rural Market Innovation

The completion in rural market is increasing day by day. Big vendors are entering into the rural market as a buyer of NTFPs. So, the competition increases in the rural market and there is a requirement for competitively pricing of non-timber products that are developed as per the needs of the rural consumers as well as urban consumers. This shifted the management strategies to think about gross margin to higher profit with high value unit sales.

### OBJECTIVE OF THE PAPER

NTFPs are the products of animals and plants in the protected forest area of Jharkhand. Forest fringe dwellers collect forest products for livelihood as well as commercial purposes. Advertising these NTFPs to the consumers and traders may increase the monetary value of collected NTFPs for commercial purpose. However, hundreds of NTFPs are collected for domestic uses by rural people and their fiscal values are not assessed. This paper will examine the value of NTFPs in terms of livelihood as well as commercial importance. Several NTFPs are harvested and value-added for secondary products. The monetary values of value-added products are often higher as compared to primary products. Therefore, to run the smooth life style and to develop economy of rural people, proper management is required to enhance the sustenance of products as well as economy. So, following points are to be studied in near future and therefore the objectives of the present study include:

1. To study the seasonal flow of some NTFPs.
2. To study the socio-economic sustainability of tribal.
3. To study major NTFPs of the said area and identify the nodal markets for the sale of the products.

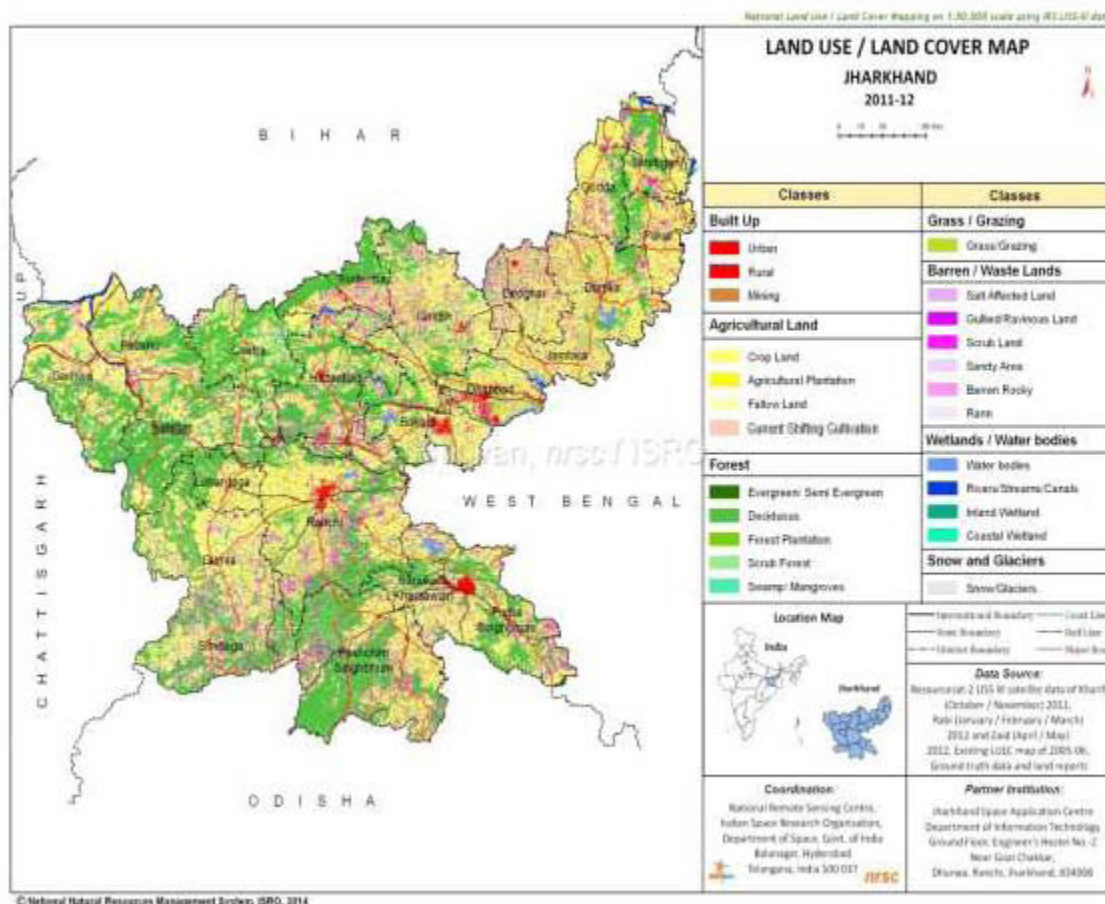
### NATIONALISATION

The NTFPs are collected by rural people for their livelihood. They are not experts to handle and store these products, so the wastage quantity is very high. Non-timber forest products require simple and easy collection, easily processing and packaging technologies to sustain in market. There is a requirement to improve and implement government policies restrictedly to control monopolies of traders, rather than improve the bargaining power of the poor villagers. Most of the NTFPs are nationalised which can be sold only to government agencies. The rural poor villagers and forest dwellers have no right to make any sale to outside party directly. Only government authorised parties and traders can collect and auction these products. The open market price has big fluctuation, and forest dwellers can get good price from open market in comparison of government price. The government of India planned to nationalise NTFPs products with intension to promote poor villagers. Nationalisation of NTFPs product reduces the number of buyers (Upadhaya, 2004) and delays in payment to the poor villagers. This may allow private vendors to enter the market from the back door, and they offer high margins to poor villagers to cover delayed payments by government agencies. This reduces rural people's collection activity and income stability. Initially, these policies were made to safeguard the poor villagers against exploitation by middlemen. Mostly NTFPs products are exported, it generate good revenue for the state. There are many authorised and non-authorised vendors working to bridge the gap between rural NTFPs collectors and the consumers. Generating revenue, value adding in NTFPs (Ajar & Quli, 2013), and creating livelihood for rural villagers are the main objectives of agencies. Every state has his own corporation for marketing and advertising these products. There is a requirement to monitor the activities of these corporations. They have very huge and redundant capital with man-power base. They wish to pursue a completely risk-averse policy. Middlemen are involved in trading and collection activity from the villagers, so the cost received by the rural villagers is very low. Corporations in each state fix a price for these products to control the trading activities.

## STUDY AREA

Five villages from Jharkhand's three districts each were chosen for the study. The districts were Simdega, Gumla, & Hazaribagh and selected villages for the survey were Adharma, Kolamdega, Karimati, Kalhatoli, and Shikoda-Raikada in Simdega district; Okhaba, Kemtatoli,

Pantha, Surajpur, and Merengbera in Gumla district; and Lasod, Sariya, Chichikhurd, Khurandih, and Tasnalo in Hazaribagh district. Forest cover map of Jharkhand is shown in Fig. 1. There are seven forest ranges located in 15 villages of three forest divisions of Simdega, Gumla & Hazaribagh, out of 26 forest divisions in Jharkhand.



**Fig. 1: Land Cover Map of Jharkhand**

Source: Photo has been downloaded from 'Bhuwan' Site

## METHODOLOGY

Primary and secondary sources were used for the collection of data and information. Survey was conducted by the author during 2015. Questionnaire surveys were arranged at different stages (collection, production, processing, storage, transport & sale) for forest department staff, forest dependent people, NTFPs merchants, local advertising agencies, and non-governmental organisation staff members. Among secondary sources, previous research reports, government annual reports, newspaper and journal articles, books, and manuscripts were followed. These secondary sources

gave a comprehensive idea about the research area and the scenario of NTFPs and related economy.

## DATA ANALYSIS METHODS

After data collection, an analysis of all questionnaires, market reports, and articles was carried out to arrive at a clear picture about NTFPs and their seasonal production in the selected area. There are three districts selected for the collection of secondary data and target groups were those villagers, who are dependent on forest. At different stages of NTFP, product data is collected and analysed. Season wise NTFP collection and month wise trading session is shown in Table 2.

**Table: 2 Seasonality NTFP Collection and Trading**

Name of NTTP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tamarid		C	C									
		PT	PT	T								
Mahua Flower			C	C								
			PT	PT	T	T						
Mahua Seed						C	C					
						PT	PT	T	T			
Sal Leaf	C	C			C	C	C	C	C	C	C	C
	T	T			T	T	T	T	T	T	T	T
Siali Leaf						C	C	C	C	C	C	C
						T	T	T	T	T	T	T
Char Seed				C	C							
				PT	PT	T	T					
Kusum Lac						C	C			C	C	C
						PT	PT			T	T	T

Source: NTFP survey report, strengthening livelihood systems through market led approach, Mart-Noida

C-Collection session

PT-Pick Trading Session

T-Trading Session

## RESULTS

Simdega district has rich resource of NTFP but there is scarcity of storage capacity, proper advertising, and stable market. Due to less support by government agencies, NTFP-based livelihoods get less profit. In Simdega district almost all surveyed houses are directly or indirectly involved in NTFP collection and allied activities.

In Gumla, nearly half of the surveyed households were found to be involved in agriculture and the rest are marginal farmers, who engage themselves in NTFP collection. Four NTFPs were selected for the current study, out of which only two items (*Mahua* and *Karanj*) were collected in Hazaribagh; other major NTFP items (*lac* and *Chironjee*) were not collected by any of the surveyed households as the resources had reduced drastically. Out of the 141 households surveyed, 25 households never went for NTFP

collection. Various reasons which make rural people not inclined towards NTFP collection in Hazaribagh, are

- Traditionally agrarian households
- Reducing resources
- Lack of cooperation from Forest Department etc.

## Socio-economic Sustainability

The forest resources in the form of NTFPs play an important role in protecting the socio-economic conditions for the forest dwellers. The study reveals that almost all of the forest surrounding villagers depend on the forest products other than timber i.e. NTFPs. It is also observed that 63% (n=141) of rural people near to forest depend on the forest even for their cash income. Social sustainability should also be recognised and the cultural structure of the society has to be preserved. In this respect substantial progress has been made in the district, where the rural tribal communities' spirit identification of their inherent love and respect for nature provides us the foundation for the FPC. In Fig. 2, average income shares from different activities of rural villagers are shown.

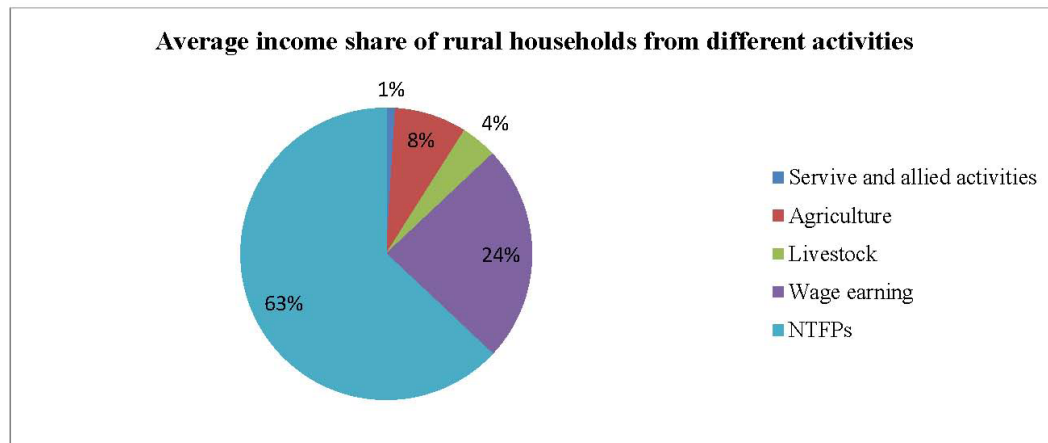


Fig. 2: Average Income Share of Rural Households from Different Activities

### Advertising and Value Chain Development of NTFPs

There is very little value-addition in NTFPs at villages. Most of the time, product is moved out of the village in raw form. Value addition and advertising are taken up by big traders located at big markets. However, simple aggregation at village/ cluster level with value addition activities like cleaning, sorting, grading, drying, packing etc. may fetch higher price to the target community. To develop a comprehensive strategy, the following factors need to be looked into for interventions. Value chain development model of NTFPs is shown in Fig. 3.

1. Opportunities for value addition at every stage of the produce.

2. Better practices of collection of certain products (e.g. tamarind, saal leaves etc.).
3. Value addition practices of produce
4. Price differences at each level in order to ensure maximum price realisation for the poor.
5. Corresponding activities for adding value such as storage facilities, infrastructure and equipment to ensure standard of the produce (as demand in distance markets).
6. Capacity building needs for both technical and business skills etc.
7. Advertising of NTFPs needs to enhance its demand.

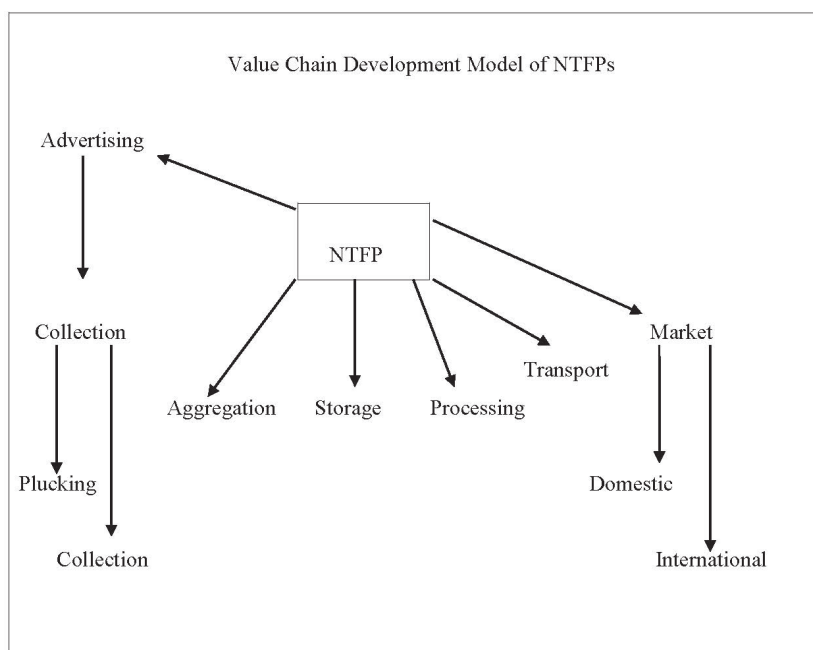


Fig. 3: Value Chain Development Model of NTFPs

## Marketing Issues

The collection, storage and positioning chain of NTFPs do not work in a stable manner. Government policies, lack of proper advertising and marketing activities are also some major causes of very low returns on these products. Agriculture is supported by government departments by providing different facilities. Similar support is required in promotion of non-timber forest products. NTFPs are based on monsoon, so, the production is irregular and there is no stable market. These are the basic issues which are hurdles in the regular and fixed income of poor villagers of Jharkhand. These products cannot be compared with other organised products because other products have proper marketing channels. The product fluctuation, seasonal collection, supply and demand between the gatherers, and buyers of products are discussed below.

### Nature of the Product

**Fluctuation in Production:** There is huge fluctuation in production of NTFP due to irregular sessions. It varies from four to five hundred percent if these products are compared with other agriculture products. It is found that in any state, in spite of irregular monsoon, agriculture based products vary from 20 to 50 percent normally.

**Lack of Uniformity:** NTFPs are not managed in uniform manner. Neither advance technology nor organic seeds are used in promotion of these products. It depends upon the location, temperature and rainfall in different sessions. So, the production is not in uniform manner. Shape, size, colour, and other properties vary year to year and location to location. The traders and industry based on these products require uniform quality and quantity. This is a major disadvantage of promoting marketing activities and establishing NTFPs product in market.

**Irregular Volumes:** The NTFPs collection is irregular as it is found in a scattered form. The quantity available at far off places makes collection and transport uneconomic. The low and irregular supply of NTFPs reduces the bargaining power of the producers causing lower returns.

**Seasonal Collection:** Most NTFPs are collected seasonally while throughout the year the demand is high. Locally selling in the pick season depresses the price, because lack of proper storage causes damage of product. So, the vendors allow low selling price for NTFPs in market. The transportation and storage become a bigger constraint for safety of these products.

**Competition with Substitutes:** Many NTFPs have lost their natural market due to competition with packed synthetics products. These packed products look nice in packets and are long lasting. For example, *awala* available in the forests is cheaper than its synthesized by-products like *muraba* and *achar*.

**Fluctuating Demand:** The business trends are changing and export environment is being created for these products. Due to uncertain production and uncertain demands, sometimes it is advantageous for small gatherers but disadvantageous for big traders.

**Exports:** Primarily some of the exported NTFPs are expected to match the international market demand and price (Ghosh, 2014). This may increase storage and price competition between competitors. Many Indian products like rubber and honey went through this cycle in recent times.

### Nature of the Factors Involved

**Gender Dimension:** The women of village are traditionally assigned with burdened with other roles in family so their activities in market are restricted. Irregular collection, poor quality, and low production provide small gain from these products.

**Poverty of Gatherers:** The villagers who are involved in collection of NTFPs are mostly poor. Mostly they are dependent on middlemen and they work on the instructions of vendor. Thus, unorganised rural markets and extreme poverty of villagers influence the consumption of NTFPs at a low price.

**Too Many Intermediaries:** There is a big chain between gatherers and consumers of NTFPs. There are local traders who work on commission basis for vendors. They supply products to wholesalers, who then supply to other wholesalers in state and outside of state. Despite the long chain of middlemen, gatherers do not have much choice of intermediaries. In a competitive market there should be a choice between several buyers who can provide good cost of these products.

**Nature of Buyers:** The middleman are capable of maintaining a very strong chain in the marketing network. Sometimes they meet the personal requirements of primary gatherers. Due to their this ability the bound between the two is very strong. The payment is normally made by middlemen at the time of delivery. Mostly NTFPs were collected from gatherer's point. Different factors affect middleman's control on gatherers like poverty of

the gatherers, language and transportation facilities, poor communication, ineffective agencies etc. strengthening the middleman. Unorganised and unbalanced bargaining power between sellers and buyers make middlemen more profitable.

### SUMMARY OF THE FINDINGS

All survey districts showed similar patterns of NTFP gatherers, but in Hazaribagh district, villagers are dependent on agriculture-based activities rather than on NTFPs. Mostly in this district forest land has been cleared for agriculture, so NTFP availabilities are also affected. The average income of Simdega district is 16%-31%, Gumla district is 16%-26% and in Hazaribagh 10%-31%. Simdega district has high income from NTFP products in respect with other districts.

On an average, in studied villages, 16% of total household income comes from collection, value addition and sale of NTFPs. In Simdega district, in five villages studied, the average percentage household income from NTFP is 24% which is considerably lesser in Gumla (20%) and Hazaribagh districts (11%). Additional income from sale of value added NTFPs and their advertising reveal interesting facts. *Mahua* generates maximum income followed by *chironjee* and *karanj* whereas *lac*, on the other hand, generates almost nothing. *Lac* is mostly found in Simdega district. *Mahua* is collected across all of these studied villages (almost 2264 kegs). *Mahua* village is collected and used for alcohol processing. Storage of raw material and transportation is big problem. Oil extraction from *Mahua* is not widely practiced. All the NTFPs are useful but some are more useful and have good market value to develop local economy. Therefore, for sustenance of market demand, organised market, storage capacity, good transportation facility and proper advertising are required round the year.

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