

Marketing of forest and agricultural products from shifting cultivation



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When shifting cultivation intensifies and the cash needs of producers and collectors increase, more agricultural and Non-Tree Forest Products (NTFPs) will reach local, regional, national and international markets. Some of these products have a high niche market potential because most shifting cultivation areas are rich in biodiversity and can produce high value speciality products. Good examples are red rice from Thailand and the Himalayan Morel Mushroom (*Morchella conica*) from Nepal. There is also a growing national demand for better quality products and, as globalisation intensifies, international traders are seeking new products to satisfy the international market. Marketing is therefore of strategic significance in sustaining shifting cultivation in the uplands of Southeast Asia.

Key characteristics of markets

Experience has shown that potential markets for the products of shifting cultivation have certain characteristics.

- Market demand depends upon the availability of a large range of products of good quality, in adequate amounts that are available at the right time and in convenient places;
- While attractive prices are the strongest incentives for producers, harvesters and processors to produce for the market, competitive pricing is needed to attract consumers to the market;
- Buyers of perishable products and industrial raw materials will invariably try to develop monopolies to avoid paying higher prices to producers, collectors and local traders;
- Sellers are often ignorant of markets, prices, and marketing strategies and do not have the necessary organisations, financial and infrastructure supports to avoid the trap of 'distress' selling;

- Government policies usually favour the traders and existing policies allow outsiders concessions to the forest and impose royalties and collection restrictions which poor collectors are unable to manage. Government officials feel more comfortable dealing with a few large traders than with a large number of small traders trying to market their forest products.

Best practices in market promotion

Certain principles should be followed when promoting the marketing of this type of product. These can be summarised as follows:

- Land and tree tenure rights should be unambiguously handed over to a designated local community with detailed management guidelines. National forest laws should be amended, if necessary, to prohibit proprietary rights, such as resource access and exclusive rights to transport and markets being granted to outside concessionaires;
- Collectors and growers should be provided with credit, storage facilities and transport subsidies;
- Fixing the minimum floor price of major marketable products can provide a strong incentive for collectors and growers because it assures a certain level of income when they sell them. Where 'niche' market products are concerned, however, producers and collectors should be allowed to capture the maximum profits possible because this type of product usually sells at the upper-end of the market;
- Developing markets for raw and finished products can contribute to the over-exploitation of resources, especially NTFPs. Governments should therefore take a strategic approach and maintain the balance between backward and forward linkages;

- Governments should not ban the export of raw materials from areas of shifting cultivation. A good example of the negative consequences of such an approach was the Indonesian government's ban on the export of raw rattan. The ban helped powerful local furniture manufacturers and big traders get greater control over the rattan trade and industry and keep the price of the raw material low. It also seriously set back attempts to mobilise local communities in sustainable forest management because local communities felt they had lost control over NTFP resources.

Market support services

Local communities and local traders find it difficult to get reliable market information. At the local level there is often little understanding of market dynamics and trends and resources and capacities at the local level are often grossly inadequate in this respect. The development of a suitable market support service is therefore essential to the sustainable development of forest communities. The development of marketing infrastructure, including basic communication facilities, simple storage, and primary processing facilities, can help local traders and enterprises to market their products profitably.

Communities of shifting cultivators who sell to the market also need outside support in building up a minimum amount of working capital to cushion them financially against 'distress selling' and to help them establish small and micro enterprises that can provide a guaranteed market for their products. NGOs and donor agencies can play a major role in developing local marketing capacity and facilitating the marketing process in the uplands.

Conclusion and implications

Markets and marketing can provide upland farmers with the chance of earning cash incomes and adding value to their traditional knowledge. However, in the current world of marketing green products, there is not only a lack of transparency, equal opportunity and incentives but powerful local and outside traders have also distorted markets.

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