



Conduct adequate baseline research.

Step 1: Use *Community-based Tree and Forest Product Enterprises: Market Analysis and Development*, and other rapid research and business-planning tools to identify the range of products, issues, opportunities, and players.

Step 2: Choose one to two priority products/enterprises using market, environmental, social, and technical/logistical selection criteria.

Step 3: For each, conduct an in-depth supply chain analysis to identify bottlenecks, potential interventions, and market development opportunities. Foster partnerships with key players. Tailor an approach to the unique needs and potentials for each product, industry, and country—boilerplate strategies will not achieve satisfactory results.

Focus on traditional products first. Draw on the high degree of local knowledge, familiarity, and existing production and marketing infrastructure. New or unfamiliar products require more start-up resources/time and carry more risk, especially for a short project time frame.

Accompany business and market development with environmentally sound production and processing. Carefully consider the environment during design so that development does not exacerbate environmental pressures.

Consult with reputable environmental groups during project design to maximize environmental benefits and achieve real sustainability. Use their expertise in the product and site-selection process and, potentially, for meeting resource management needs. Simply locating projects in strategic areas—degraded watersheds, protected-area buffer zones, wildlife corridors, and areas of rapid deforestation and migration—can have great environmental benefits.

Target smallholder farmers, raw-material collectors, and women in the development of the whole supply chain. To enhance project success and ensure maximum social benefit, work to create strategic market linkages and secure land and product tenure and access rights.

Be market driven. Choose products and industries on the basis of market demand and customer needs.

Use private sector expertise for technical assistance. Conventional assistance is often too generic and “behind the curve” in terms of market demands and specifications.

Orient initial project activities toward improving raw material quality, price, and delivery to establish a credible prior reputation. Import restrictions on novel or finished products make it difficult to sell them directly to North American and European markets. This requires a trusted buyer-supplier relationship, which evolves over time.

Choose target markets carefully. Domestic/regional markets often offer the least risk and best potential. Small producers can have difficulty achieving export quality for global markets such as the dietary supplement, pharmaceutical, health, and beauty industries. Organic markets are booming and may be easier to access.

Establish a realistic time frame and relevant indicators of success. Most NTFP and agriculture enterprises take from five to ten years to mature into viable entities.

Mainstream product development into national policy frameworks. Foster the development and enforcement of pro-poor policies that keep benefits in the hands of smallholders and protect the environment.

Biology is the bottom line. Market development must not occur without ensuring the sustainability of the resource base. Production and processing must be environmentally sound.



USAID
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PUBLIC-PRIVATE PARTNERSHIPS

RAISING RURAL INCOMES AND PROTECTING THE ENVIRONMENT IN VIETNAM AND CAMBODIA



Why does conventional agribusiness fail at poverty reduction and environmental protection?

A It lacks an integrated, landscape-level approach that links smallholders to markets. Symptoms include:

- ◆ Narrow focus on typical farm products, poor market and opportunity assessments, insufficient emphasis on smallholders/women, and segmented technical interventions that do not address the whole market chain
- ◆ Few strategic alliances with industry and buyers, resulting in product-driven, rather than market-driven, projects
- ◆ Failure to address policy and business climate issues; typically, agricultural enterprise development targets larger businesses and neglects small rural enterprises
- ◆ Cluster Theory-based approaches proven unrealistic—too many products with widely varied needs, too short a time frame, environmental management issues ignored
- ◆ Failure to integrate agriculture, private sector development, and environmental goals

Q What is an integrated landscape-level approach, and why is it better?

A This approach targets the whole market chain and takes into account its myriad influences. By developing effective partnerships, everyone benefits—even small rural enterprises.

Partnerships grow from mutual need and mutual benefit. Conventional agricultural and private sector programs have good production and marketing skills but often ignore biodiversity, water, and other aspects of the ecosystem. Conservation groups often lack business savvy and ignore market forces. Smallholders desperately need support and skills, and end buyers would benefit from greater knowledge of the people and conditions at the raw material sources on which they depend.

What connects them all is the market chain. A landscape approach leverages their valuable inputs; develops effective partnerships; and uses technology, tools, and expertise to create win-win solutions. By applying the right tools and approach, agribusiness and rural enterprise development can further environmental and social goals.

ON-FARM SPECIALTY CROPS & NON-TIMBER FOREST PRODUCTS

Winrock International received a grant under the U.S. Agency for International Development (USAID) MOBIS contract (M-OAA-004) "Environmental Support to Raise Rural Incomes in Asia." The purpose of this award is to provide analysis and concrete examples of how to more widely raise rural incomes while conserving natural resources in Asia, specifically Vietnam and Cambodia.

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A SOLID FOUNDATION— BAMBOO FLOORING

The international home-furnishings industry is making use of the knowledge and skills of Vietnamese smallholders to procure sustainably produced bamboo. Local factories are overcoming a lack of market linkages and outdated infrastructure to meet high domestic and export demands. Such efforts draw on the thousands of rural families traditionally engaged as collectors, processors, craftspeople, and traders while helping protect a threatened resource and source of income in impoverished rural areas.

Cornerstones of Success

Product choice: bamboo is easily harvested in a sustainable manner; a high degree of local technical knowledge and infrastructure exists

Project targets the whole market chain and smallholder farmers/collectors

The right partners involved from the beginning

Enabling government policies and business climate

Bottlenecks identified and resolved: better market linkages, updated technology, and environmentally sustainable production methods using quick-growing native species, managed and restored natural stands, sustainable harvesting practices, resolution of tenure conflicts

More information: www.mpdf.org

Partners

IKEA
Mekong Private Sector Development Facility/International Finance Corporation
The Bamboo Factory
Governments of Vietnam, Luxemburg, Netherlands
National processing companies
Local communities

Tools and Resources

- Trade Shows: Natural Products Expo (USA, Asia, Europe); Supply Side (USA), Biofach (USA, Germany) Health Ingredients Europe (Paris), Fancy Foods
- Trade Associations: American Herbal Products Association (www.ahpa.org); American Spice Trade Association (www.asta.org)
- Community-Based Tree and Forest Product Enterprises: Market Analysis and Development. Field Facilitator Guidelines www.fao.org/forestry/site/25491/en
- The Ecology and Management of Non-Timber Forest Resources, World Bank Technical Paper #322
- Making Markets Work Better for the Poor Program, Asian Development Bank <http://www.markets4poor.org>
- Non-Wood Forest Product Digest-L www.fao.org/forestry/site/12980/en
- Global Development Research Center: <http://www.gdrc.org/sustbiz/index.html>
- Coalition for Environmentally Responsible Economies: <http://www.ceres.org>

SWEET “SUCCESS” SUSTAINABLE COCOA EXTENSION SERVICES FOR SMALLHOLDERS

The SUCCESS Alliance grew out of mutual need and mutual benefit. To address pest problems that threatened the global supply of cacao, industry worked with USDA and USAID to reach thousands of smallholder farmers in Southeast Asia. In Vietnam, innovations in cacao production now allow the crop to help reclaim environmentally degraded areas and ensure the sustainability of the industry as a whole. As smallholders migrate to forest areas, cacao production offers exciting new opportunities, but not at the expense of the environment.

Cornerstones of Success

Industry-driven: USDA/USAID support accelerated previous industry activity and fostered environmentally and socially sound production

Product choice: Cocoa is well-suited to smallholders and easy on the environment—grows well in small agroforests that enhance biodiversity and watershed protection

The right partners, trust, and communication

Long-term regional scope involves Vietnam, Indonesia, and The Philippines

Targets the whole market chain: environmentally sound growing and processing; local “cocoa clubs” formed and empowered; state research and extension services strengthened; domestic, regional, and global linkages fortified; policies mainstreamed and institutions developed for long-term production and marketing assistance

More information: www.success@acdivoca.org.vn

Partners

Masterfoods, Inc.
USAID
USDA
World Cocoa Foundation
ACDI-VOCA
Government of Vietnam/Ministry of Agriculture and Rural Development
Nam Long University
EDF Mann and Cargill



UNTAPPED POTENTIAL— TREE RESINS

Industrial harvesting of Cambodian dipterocarps was initiated under the French and all but destroyed under the Khmer Rouge. It is slowly rebounding today, and provides income and employment for 100,000 forest-dependent people. The resins are used for a variety of purposes including caulk, candles, paint, varnish and aromatic oils. Both domestic and regional demand is high; annual export income is an estimated US \$6 million.

With a strong tradition of customary ownership of individual trees, extraction is done on a sustainable basis. Laws protect resin trees and customary rights but are not enforced. The main constraints to development are the high informal fees paid to officials and the lack of enforcement of existing laws.

Partners: none at present
Status: environmental organizations conducting baseline research

Project Cornerstones

Due diligence: conduct background research on market chains, export markets, processing requirement, competition, prices, key players, policy and regulatory issues, resource management practices and needs (see Wildlife Conservation Society www.wcs.org and Cambodian Development Research Council www.cdri.org.kh for more information)

Good governance: enforce laws that protect resin trees from logging, provide a legal basis for customary ownership, and protect harvesters and small enterprises from the numerous and exorbitant informal fees that impede development

The right partners: involve conservation groups, reputable local businesses and harvester associations, regional and international buyers and end-users

Transboundary approach: foster legitimate transboundary relations between businesses and communities to increase market share/volume, develop a regional brand identity, and foster sustainable harvest and processing practices at the landscape level

RESURRECTING KAMPOT PEPPER

Black pepper from the district of Kampot was a prized specialty crop under the French, and continues to be recognized there as gourmet spice. While production is still low, the industry is slowly rebounding in nearby districts through the efforts of outside investors and small growers and traders close to the Vietnamese border, many of whom are women.

Project Cornerstones

Due diligence: conduct adequate background research on supply chains, markets and demand issues including international buyers, prices, grades, qualities, standards, and competition

Build capacity of the Cambodia Herb and Spice Trade Association to improve quality, increase quantity, and develop sound government and industrial development policy and practices

Focus on direct exports into niche and specialty markets, not commodity markets in Vietnam

Encourage organic/integrated production methods in agroforestry systems—they may actually be more economical in addition to the environmental benefits

Increase yields by improving growing and harvesting practices

Partners: none at present
Status: growers organizing a trade association

Women, NTFPs, and On-farm Specialty Crops— What's the Connection?

Women in Vietnam, Cambodia, and around the world play a central role in rural agriculture and trade. In South Vietnam, women are the commodity traders and oversee local commerce in coffee, cacao, and pepper. As farmers and craftspeople, they grow cacao and make products out of a wide variety of non-timber forest products (NTFPs) including bamboo, medicinal and dye plants, silk, and other botanical resources. In Kampong Cham Province of Cambodia, women traders and farmers of Muslim heritage dominate the pepper trade. Around the globe, developing sustainable rural industries based on NTFP and specialty products and emphasizing the involvement of women can have a direct, immediate effect on the family while protecting forest cover, biodiversity, watershed function and other environmental services.



PROMISING PARTNERSHIPS FROM FIELD AND FOREST