

## Non-Timber Forest Products

### Priority statement

Non-Timber Forest Products (NTFP) is a **LOW - MEDIUM** priority for pro poor development considering the informal nature of the sector and the dissimilar harvestable products within the sector. It does not fit the traditional value chain study model. However, NTFP requires more attention due to declining forested landscapes in the regions and the fact that protected forests will still be used to harvest customary products and supply poor householders with a supplementary income for many years to come.

The NTFP sector is a diverse “sector” in that multiple products across a broad area of forest and forest margin communities can be consider as NTFP. Official estimates are difficult to produce considering the wide variety of products within the broad umbrella sector that is NTFP.

**Table 1. NTPF statistics for selected provinces in Indonesia**

Basic Statistics	East Java	West Nusa Tenggara (NTB)	East Nusa Tenggara (NTT)	Indonesia
Area of Production (ha)	<ul style="list-style-type: none"> <li>Estimates of area, production and value for individual provinces are unavailable because of the generally unofficial nature of the broad sector that is NTFP.</li> <li>Multiple products, inconclusive or unknown use of certain forested areas and precise yields are unobtainable.</li> <li>Estimates of national value of production: \$US1.5 Billion - \$US3 Billion</li> <li>Estimates of national dependence on forests vary widely between: 1.5 to 65 million.</li> </ul>			
Volume of Production (tons)				
Yield (t/ha)				
Value of Production				
People Employed				

### Poverty and sustainability

#### Is there potential to reach large numbers of poor households in production and post-production?

- In mid-2000, the Ministry of Forestry reported that 30 million people “depend directly on the forestry sector for their livelihoods,” but did not define the degree of dependency.
- Many of these people live by traditional “portfolio” economic strategies that include common agricultural activities with gathering of NTFPs such as rattan, honey, and resins for use and sale.
- Estimated 150,000 plus employed in rattan processing alone across Indonesia.

### **What is the potential to increase income?**

- Income increase is reliant on the ability of harvesters to participate in value adding activities. Much of the raw harvested product requires value-adding to become a saleable commodity. Types of products collected include honey, tamarind, nuts and seeds, medicinal plants and rattan.
- The potential to encourage micro-enterprise development based around NTFP to create employment and economic activities is high.
- In regions such as NTT with low arable potential, it has been suggested that sustainable harvesting of NTFP may provide a better path out of poverty than some agricultural activities or other forest based activities such as logging.

### **Does the chain/commodity fit with the focus of Government programs and priorities?**

- No. NTFP is not a major priority at the national or provincial level.
- Ministry of Forestry policies and programs have attempted to reconcile growing conflicts over forest management through a variety of approaches.
- Efforts have extended to establishing conservation areas, with emphasis on approaches that can broadly be identified as integrated conservation and development programs.

### **How project-crowded is the sector? (To what extent are sector needs addressed by current donors?)**

- There is limited government and NGO involvement in the sector.
- The NTFP Network for South & Southeast Asia initially funded by IUCN's Global Forest Conservation Programme is involved in Indonesia and the region.
- International agencies: World Wide Fund for Nature (WWF), the World Bank, and the Asian Development Bank, have supported government policies and programs in a variety of sites throughout the region.

### **What is the agro - ecological feasibility?**

- Existing forests indicated an inherently feasible agro-ecological environment. The regions of East Java, NTB and NTT differ significantly in their flora and fauna. Both NTB and NTT lie to the east of the Wallace line which is a widely accepted demarcation of Eco zones indicating differences in flora and fauna between south-east Asia and Australia.
- Flora species harvested in across the zones will be different as will the feasibility of the species and the economic activities in different regions.

### **Sustainability (economic and environmental)**

- NTFP provides many poor households with an “informal” sector income to often subsidize their so called formal income.
- Many products developed from harvested raw materials are linked to culture and religion. These foods and materials have been used for hundreds of years and

provide poor households with some economic security in periods of instability, such as the economic financial crisis of 1997.

- Depending on the specific product, NTFP requires minimal capital expense to initiate and maintain the activity.
- Much of the land in NTT and NTB is steep and erodible with long dry seasons and is at risk of degradation if exposed. Maintenance of deep rooted forests is the only protective cover for many of these landscapes.
- Widespread exploitation of forest land and forest-based products continues across. Agricultural encroachment, logging, excessive harvesting of NTFP, and the grazing of livestock have, in many cases, intensified despite regulatory policies, education and extension programs, and enforcement efforts.

### **External risk**

- Skills involved in NTFP rely on customary knowledge and as the modern “official” economy progresses there is less incentive to pass on this knowledge to other generations.
- Illegal logging continues in many parts of Indonesia and clashes between competing tenure over land could risk sustainable use into the future.
- Flora of NTT is poorly known.

### **Structure of the chain**

#### **What is the potential for improving market access?**

- Market access is usually through the “informal” sector of the economy and many statistics are not recorded or acknowledged.
- Improvement to market access is highly dependent on the specific product harvested from the forest and whether the product is consumed domestically or exported as a highly modified one (such as rattan furniture).

#### **Is there potential for post-harvest productivity / value-added?**

- High potential in niche markets that are experiencing exceptional growth such as cosmetic oils. Global sales in this market were expected to reach over \$USD 10 billion in 2010.
- Some products harvested and transformed through value adding include food and drinks from palm sugar; wild mushroom collection and cultivation; and wild honey.
- Majority of non-timber resources are already being transformed into products for sale such as baskets, textile dyes and musical instruments.

#### **What is the scalability and transferability potential?**

- The potential is high for lessons learned in one region to be transferred to another such as Community Based Natural Resource Management (CBNRM).
- For example: tree grafting, seed germination and mycorrhizal association awareness for specific trees can be implemented across regions and species.

- Skills and techniques are product specific and may have a limited transferability depending on the product.

**Is there sufficient infrastructure availability?**

- Due to the nature of the sector (harvest from the wild forest) much of the infrastructure requirements are minimal.
- The infrastructure requirements are high up the value chain in terms of processing the raw material and are totally dependent on the specific product.