

Sustainable Livelihoods in the Kailash Sacred Landscape

Promotion of the Rittha (Soap Nut) Value Chain in Nepal



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The Kailash Sacred Landscape Conservation and Development Initiative (KSLCDI) includes remote portions of the Tibet Autonomous Region of China and contiguous areas of Nepal and India. The landscape is environmentally fragile and its people are highly vulnerable to climate change and environmental degradation. KSLCDI aims to improve livelihoods by carrying out activities in farm and non-farm sectors while simultaneously promoting ecosystem management and the efficient use of natural resources including water and energy. The mountains of this landscape provide a rich variety of high value, low volume products, such as non-timber forest products and medicinal and aromatic plants. The mountain terrain is also suitable for cultivating temperate and off-season crops. However, the primary producers and collectors of these products generally receive a relatively low share of the return due to limited access to markets and credits, insufficient knowledge of the market chains, lack of processing facilities, and inadequate quality control. There is a need to ensure participation of the local communities through value chain development in order to increase their incomes.

In Nepal, KSLCDI has identified potential value chains in selected pilot sites. These value chains include allo (Himalayan nettle), nigalo (Himalayan bamboo) and rittha (soap nut). For 2015 and 2016, the Kailash Nepal Chapter has prioritized upgrading and promoting these value chains through product development and improving market linkages, which is explained for the rittha value chain below.



What is rittha?

Rittha (*Sapindus mukorossi* of family Sapindaceae), commonly known as soap nut, is a deciduous tree widely grown on farms in the hilly far-western districts of Nepal as a non-timber forest product. Rittha contains saponin – a good substitute for washing soaps and shampoo – and is commonly used among women in rural areas for washing hair and clothes. Rittha is a major component in the large-scale manufacture of soap, shampoos, and detergents. The tree is found in Nepal between altitudes of 1,000 and 1,400 m. It flowers from July to August, and its fruits are harvested in November and December.



Reasons for choosing the rittha value chain for the Kailash Sacred Landscape (KSL) in Nepal

Rittha produced from Baitadi and Darchula districts in far-western Nepal is either used to manufacture soap in domestic industries or exported, primarily to India, China, and Germany. Annually about 450 tonnes of rittha are exported to India from different village development committees (VDCs) in Darchula District (Gwani, Ranisikhar, Deitala, Boharigaun, Gokuleshwar) and in Baitadi District (Dalisani, Rudreshwar, Gokuleshwar, Kotpetara) (see map).

One of the main reasons for choosing the rittha value chain is the high availability of the rittha plant in the area, which has favourable geoclimatic conditions. The plant grows on community marginal lands and on farmlands, and is especially prevalent in the KSLCDI pilot districts. There are already several established rittha cooperatives, its national and international demand is rising, and there are numerous possibilities for value additions to powder and herbal soaps.

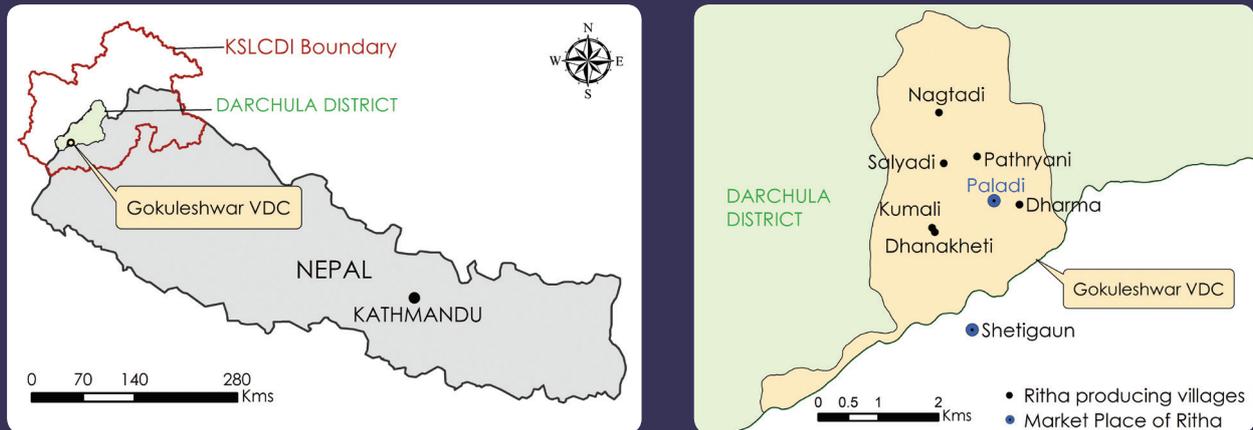
The lack of processing, quality control, storage, and modern packaging, as well as the need for organic certification, in combination with market price fluctuations and disease and pest infestations are the challenges faced by this value chain.

About the KSL rittha pilot site

Gokuleshwar VDC of Baitadi (see map) produces a substantial amount of rittha and has been chosen as a pilot site for promoting the rittha value chain under the KSLCDI. This VDC has 771 households with a total population of 4,073. Almost 80% of the households in the village (606 total) are involved in the rittha trade, which makes rittha one of the most important additional income generating activities in the village. Rittha is widely available in Gokuleshwar, and most households own one or two rittha trees. Timber from the rittha tree is used in rural building construction, as fuelwood, and as agricultural equipment. The plant's foliage can be used as cattle fodder during the dry season. In terms of volume, rittha is one of the top export products from far-western Nepal.

The average per capita income in Gokuleshwar is NPR 17,230 (USD 290), which places many people below the poverty line of USD 1.25 per person per day. Wage labour, primarily across the border in India, is a major source of household income for people in Gokuleshwar. Analysis shows that non-timber forest products, medicinal and aromatic plants, and vegetable cash crops are major livelihood options that improve food security.

Figure 1: Map of rittha pilot site



Steps in the rittha value chain in KSL Nepal

Farmers collect rittha from trees grown on their own land, which they sell in their village as well as to the road head trader or to cooperative outlets. These traders and cooperatives supply raw material to regional traders based in Nepalgunj and Kanchanpur, who then export the material, primarily to India and occasionally to China and Europe. In 2014–2015, about 233 tonnes of rittha from Gokuleshwar and its neighbouring VDCs were traded, with farmers earning nearly NPR 3.5 million (USD 58,000) at the existing price of NPR 15 (USD 0.25) per kilogramme.

Over the last two years, the Department of Forests and its partners have mobilized farmers in the area to establish business entities, like Malika Arjun Natural Product Pvt. Ltd., and cooperatives, like the Kafansaini–Betaleshawor Agriculture Cooperative. These local groups are primarily engaged in the rittha trade, but also work with other varieties of medicinal and aromatic plants and agricultural commodities. These organizations were established within the framework of community forest user group (CFUG) guidelines. Malika Arjun Natural Product Pvt Ltd has 1,462 members from nine CFUGs of adjacent VDCs in Darchula and Baitadi districts. The Kafansaini–Betaleshawor Agriculture Cooperative was formed by members from Gokuleshwar, Dilasani, Rudreshwor, and Kotpetara VDCs of Baitadi District. They have established market linkages with the Kathmandu-based company Discover Nepal.

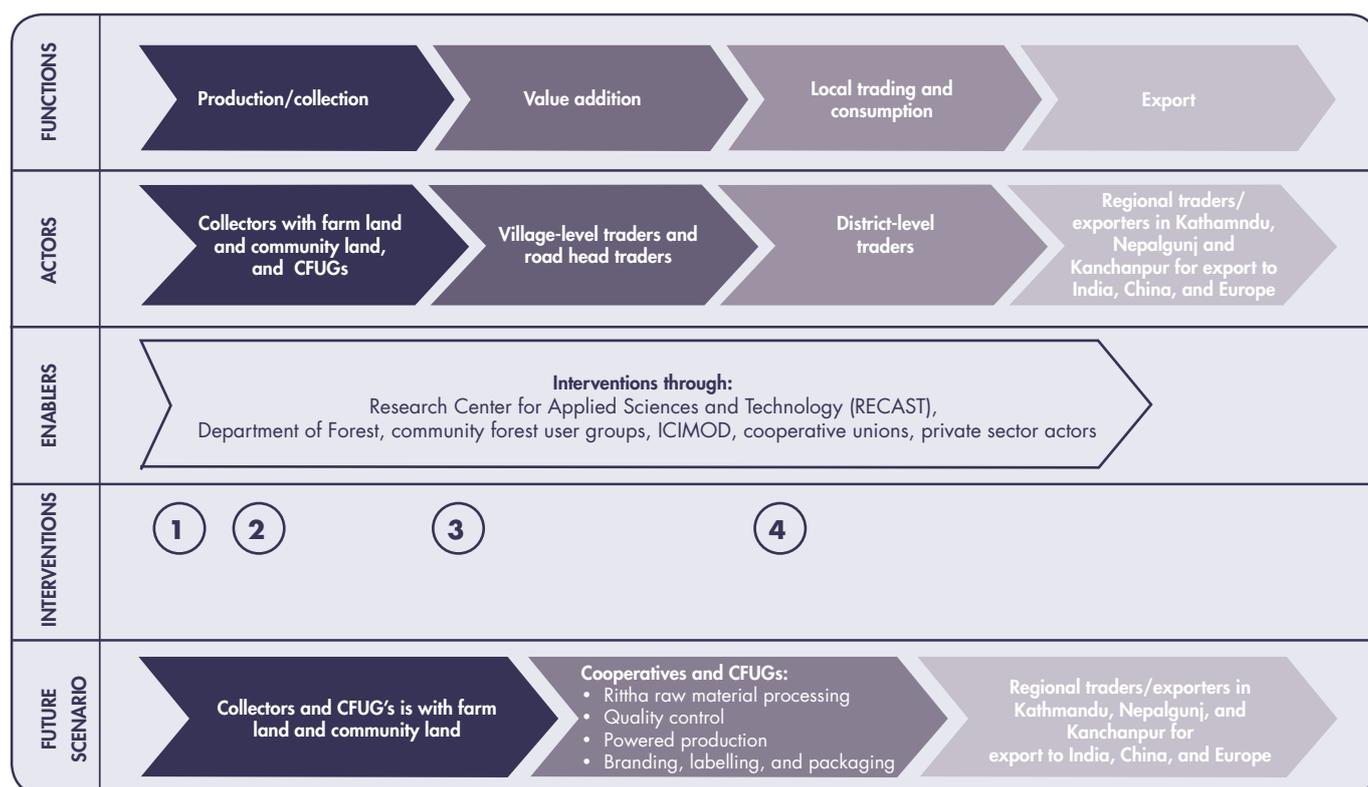
Recently, two other private entrepreneurs – Mahalaximi Jadibuti Suppliers and Kedear Bhumiraj Traders and Suppliers – started to work with rittha marketing.



Rabindra Nath Sukla, rittha trader from Nepalgunj, about the prospects of rittha trade in the region

Rabindra Nath Sukla has been in the rittha business for more than ten years. He suggests that more than 700 households are directly associated with the rittha business, and the supply potential of rittha from Darchula and Baitadi is more than 500 tonnes, which is worth more than NPR 10 million. This potential has not been fully harnessed because of issues related to quality, transportation, and organized marketing. Traders would like a standard quality and continuous supply as per certain quality parameters, which are sometimes not followed by the producers. He emphasized that there is a need for appropriate harvesting technology to reduce damage to the whole tree and increase efficiency while collecting rittha and to maintain quality.

Value addition steps in the rittha value chain in KSLCDI



Rittha value chain interventions and upgrading strategies

1	Strengthen existing community forest user groups (CFUGs) and cooperatives: Existing groups engaged in the collection and trade of rittha need support to develop their knowledge and skills on better business planning and instituting strong governance mechanisms. Among these groups, the sustainable use of resources should be encouraged through the promotion of nurseries, high-quality seedlings, and scaling up of plantations, both in private land and community forests.
2	Support cooperative storage facilities: A substantial amount of rittha is produced each season, and cooperatives currently lack the infrastructure to store surplus rittha. By supporting the construction of collection centres in the villages and a larger storage facility in the market hub of Gokuleshwor, damage and wastage of rittha crop will be largely minimized.
3	Introduce grading and quality certification system: Rittha comes in different qualities due to the lack of appropriate harvesting practices and periodic infestation by pest and diseases. This affects the marketability of the product, thus reducing its overall price. Potential interventions include capacity building of collectors on quality segregation, grading, packaging, and branding and providing support for the development of certification systems. Good quality soap nuts will be traded directly, whereas moderate quality soap nuts will be used for powder making and poor quality soap nuts for saponin use in soaps, shampoos, and detergents.
4	Support product diversification, packaging, and branding: Rittha is currently traded from Nepal in the raw form. Opportunities exist for value addition, such as making powder, extracting oil, or making herbal soaps and detergents. Interventions are also required for improving packaging and developing the rittha brand.



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