

## **Value Addition and Income Generation**

As user groups and village-level community forestry organisations move beyond the initial objectives of community forestry; forest protection and the supply of basic needs,

to production of surplus for sale; the level and complexity of information needs will also increase. This is now being addressed by the Nepal Australia Community Forestry Project (NACFP) and the KHCFP by assessing the market potential for both timber and non-timber forest products, particularly the collection and trade of medicinal herbs.

In the case of NACFP, due to its proximity to Kathmandu, there appears to be a great potential for the development of small-scale timber or non-timber tree product industries. The new era of community forestry will encompass a movement away from subsistence towards the integration of forest products into the market economy.

In India, there is a long history of trade and management of so-called 'minor forest produce' and a thriving informal sector involved in wood processing. A number of studies has been carried out by members of the JFM research network and state forest departments, on the extent and value of NTFPs, the potential for value addition through local processing and better marketing systems, and the impact of state control over the collection, processing, transport, and sale of many forest products. Nepal has much to learn from the wide variety of income-generating experiments which local communities in India have been involved in with the assistance of forest departments and NGO groups. These include medicinal plant collection, tussar silk production, lac production, mushroom cultivation, leaf plate processing, coordination of tendu (*bidi*) leaf collectors, and so on. The challenge is to develop processing and marketing enterprises that do not strain the productive capacity of community forests but which provide steady, supplementary income to the groups most dependent on forest products, especially women and tribal communities.