



Public-private partnerships to promote ginger exports

This project aimed to raise incomes of ginger-producing households in Eastern Nepal by improving the quality of ginger, increasing capacity to comply with SPS requirements and enhancing market access. The project encompassed a series of interventions based on a value chain approach. Public and private sector stakeholders were actively involved, including ginger farmers, collectors, traders, cooperatives and ginger producer/trader associations, as well as local government departments responsible for extension and training, and central government departments responsible for demonstrating compliance with the SPS requirements of trading partners.

A result story on the project is available [here](#).

STDF/PG/329

Status

Completed

Start Date

07/06/2012

End Date

06/09/2015

Project Value (US\$)

\$1,262,144

STDF Contribution (US\$)

\$462,144

Beneficiaries

Nepal

Implementing Entities

Food and Agriculture Organization of the United Nations (FAO)

Partners

Agro-Enterprise Centre, Nepal
Federation of Nepalese Chamber of Commerce and Industry, Nepal
Ministry of Agriculture and Livestock Development, Nepal
Ministry of Commerce and Supplies, Nepal
Enhanced Integrated Framework (EIF)

Background

The 2010 Nepal Trade Integration Strategy identified the ginger value chain as a priority for trade and poverty reduction. Ginger

is widely cultivated by a large number of poor small-scale farmers including many women-headed households and people with few, if any, other income opportunities. Prior to the project, most of the ginger production in Eastern Nepal was of low quality. Farmers also suffered significant losses due to a disease called rhizome rot, a fungal infection that spreads rot in the rhizome seed causing complete destruction of the plant and often spreading to the entire crop.

The project was developed through an [STDF Project Preparation Grant](#), which engaged public and private sector participants at an STDF and Enhanced Integrated Framework (EIF) project design training workshop (Kathmandu, March 2011). The project was co-funded by the STDF and EIF. The STDF component focused on SPS capacity building, analysis of SPS requirements in existing and potential markets, and support on SPS regulatory aspects. The EIF component focused on the construction and launch of a ginger washing facility, as well as the provision of equipment, high-quality ginger rhizomes and agricultural inputs.

This project is a good example of a public-private sector approach to value chain development. The Nepal Ginger Producers and Traders Association (NGPTA) provided the land for the ginger washing facility, which is operated by a private company, under the oversight of the government and NGPTA. Stakeholders from the public and private sector – notably the Department of Food Technology and Quality Control (DFTQC) and National Plant Protection Organization in the Ministry of Agricultural Development, the Agro-Enterprise Centre (AEC) of the Nepalese Federation of Chambers of Commerce and Industry (NFCCI) and the Ministry of Commerce and Supplies – were actively involved in the project.

Results

Improved knowledge and skills of ginger farmers and other value chain stakeholders

The project improved knowledge and skills on Good Agricultural Practices (GAPs), post-harvest handling for ginger and other techniques to improve safety and quality. Tailored training materials were developed and disseminated to farmers to increase the uptake of the knowledge and skills. Close to 2,000 farmers (60% of whom were women) were trained. Since the project implementation, the post-harvest losses decreased by 30%. The farmers saw their income rise by more than 60%.

Master trainers from the private sector and government were trained to disseminate knowledge and skills to farmers based on FAO's Farmer Field School (FFS) approach. This helped to improve farmers' knowledge and skills on disease/pest management, seed production and management, post-harvest handling and good storage techniques, farm record keeping, farm inventory management, and the introduction of an innovative group-based product certification to support traceability. 59 farmer facilitators were trained to deliver training and 54 FFSs were carried out during the project. The trained farmers in turn delivered follow-up field training to other farmers in their districts. A majority of the FFSs launched under the project continued operating in the ginger season after the project ended.

Demonstration ginger plots were established to enable participating farmers to learn about and see the results of good practices in ginger cultivation. Field trials and tests carried out within the FFSs showed the benefits of using new technologies and practices to produce good quality and large size ginger rhizome, more effectively control pests and diseases, increase production and reduce the cost of seed.

Farmers now record key information about their ginger production and harvest in record books, and a new system has been institutionalized to produce group certificate through regular inspection of individual farm practices by a technical sub-committee overseen by the local District Agriculture Development Office. Through their participation in the FFSs, farmers are now able to identify diseases and insect pests of and understand what they can do to manage their ginger crops more effectively. Farmers now see ginger as a good cash crop. They are able to confidently apply good practices to produce ginger and effectively control pests and diseases.

The project also trained other stakeholders involved in the ginger value chain. This included training for 81 traders on safe ginger handling and transportation.

New ginger washing facility built and operational

A new ginger washing facility was built and put into operation in Jhapa, Eastern Nepal with capacity to wash 6 metric tons of export quality ginger per hour. This facility has increased Nepalese production capability by approximately 20-30%, which provides a foundation to raise export volumes in the future. In 2017, the NGPTA mobilized additional support from Denmark to expand the washing capacity to 18 metric tons per hour and put in a paved road.

The facility was built, following an open and competitive tender process, on land provided by the NGPTA. Environmental impacts were considered to ensure that the establishment and operation of the facility. A business plan was developed to clarify the purpose and direction of the ginger washing facility and analyze different scenarios for its success and future growth. Going forward, the business plan provides a key management tool to help ensure the business is on course to meet its goals and operational milestones.

The new washing facility is the first of its kind in Eastern Nepal. Profits from the washing facility are deposited into a trust fund which will be used for the benefit of ginger farmers and other actors in the value chain in the project districts, and maintenance of the facility.

The facility also supports up to 8,000 households, with the creation of 200 seasonal jobs. A number of businesses use the facility to wash their ginger during the harvest season. For example, Ilam Ginger Export washed up to 42 trucks at the facility of ginger during the 2018 ginger season, which led them to expand their fresh ginger exports to India.

Established and strengthened farmer organizations

The FFSs led to the creation of new farmer groups, several of which have become members of the NGPTA. The development of local cooperatives provided an additional stimulus to build on the project's success to promote cooperation among farmers and share knowledge and good practice in support of continued value chain development. The project strengthened the capacity of the NGPTA to act as an industry association to advocate the interests of ginger farmers and traders. New district chapters of the NGPTA were established in Eastern Nepal, and NGPTA's membership grew. NGPTA also opened a new central office in Kathmandu.

Increased access to high quality ginger rhizomes

Better quality ginger rhizomes were procured for the FFSs to improve the quality of ginger production. Most of the ginger harvested by the FFSs was stored as next season seed material for the FFSs and participating farmers. Some of the harvest was also provided to newly opened FFSs or other farmers not involved in the FFSs. Given the previous lack of any quality seed supply for ginger in Eastern Nepal, the project has made an important contribution to develop and sustain a local supply of high quality ginger seed, which will be important to support continued growth of the value chain. Demonstration plots have become seed resource centers that provide access to higher-quality planting materials.

Better understanding of SPS requirements for ginger in regional and international markets

Studies were carried out to identify and analyze existing and potential markets for fresh and processed Nepalese ginger and SPS requirements. One study commissioned by FAO and implemented by the Asian Network for Sustainable Agriculture and Bioresources (ANSAB) focused on market opportunities and SPS requirements in India and Bangladesh. Three complementary studies, conducted under the Samarth Nepal Market Development Programme (NMDP) project, addressed market opportunities for Nepalese ginger and derivative products in Japan, United Arab Emirates and the Netherlands. Based on a comprehensive analysis of major import markets, including their phytosanitary and food safety requirements, these studies offer useful recommendations to further develop the ginger value chain, including through the production and export of new products (e.g. oleoresins, dried ginger, ginger paste, ginger powder, sliced ginger, ginger candy, ginger beer, etc.) to new markets in the region and beyond.

Improved capacity of Nepalese government to negotiate and demonstrate compliance with SPS import requirements of trading partners

The project facilitated dialogue between the Nepalese government authorities and their Indian counterparts on SPS requirements for fresh ginger exports to India. Officials from the Nepalese National Plant Protection Organization, the Ministry of Agricultural Development and the Ministry of Commerce and Supplies met with their Indian government counterparts in New Delhi in February 2015 to discuss phytosanitary and other trade issues affecting the export of fresh ginger to India, and how to address them. A follow-up meeting in Nepal allowed Indian officials to visit the ginger washing facility, observe the improved measures being implemented to ensure the safety and quality of ginger production, and visit plant quarantine check-point facilities. The Indian NPPO offered to provide technical support to the Nepalese plant quarantine services on request. Thanks to these efforts, fresh ginger is now being exported to India and Bangladesh.

Recommendations

Disseminating further the training materials

Ensuring the knowledge and skills improvement along the entire value chain is a key factor to sustain the results of this project. The government, NGPTA and NGOs are encouraged to use the training materials for wider dissemination. Different options exist to share the training materials nationwide.

Upgrading the washing facility and exploring value-added opportunities

Further upgrading the facility and integrating other functions to add value to ginger will bring more benefits to stakeholders in the value chain. The washing facility is planning to set up processing equipment such as paste and powder making machines and driers to produce dried ginger. Processing ginger into new products is likely to create new jobs and support economic development in Eastern Nepal. The recommendations developed through the market studies can be very beneficial to further

develop the ginger value chain.

Leveraging resources through public-private partnerships

Further developing Public and Private Partnerships will support ongoing success of this project. After the end of the project, Denmark provided matching funds for new equipment. The Government and other donors are encouraged to explore additional support for future enhancements to the washing facility.