

Large Cardamom and Allo in Nepal: Women home-based workers see opportunities expanding, but barriers remain

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- High profit margins in cardamom and increasing demand for allo are creating new opportunities and attracting more women home-based workers.
- While there is growing potential for large cardamom and allo, women home-based workers are involved primarily in the earlier stages of production that are strenuous and less profitable, but not in the later more lucrative stages of marketing and trade.
- Removing barriers—including inefficient production processes, lack of access to and training on improved technologies, absence of strategies to reach wider markets, and insufficient access to finance—will help to ensure that women home-based workers can reap the benefits from the expanding cardamom and allo market.

A brief on findings from the study: [Understanding the Role of Women Home-Based Workers in Large Cardamom and Allo Value Chains in Nepal](#)



Allo: Himalayan Giant Nettle

Nepali women who do home-based work in the production of large cardamom and allo regard these products as attractive income sources.¹ Nepal is the world's largest producer and exporter of large cardamom. In 2016–17, the country's export of large cardamom was valued at NPR 3.8 billion (approximately US\$37.5 million).² Allo, of high cultural importance for indigenous communities in northeastern Nepal, is increasingly recognized as a top natural fiber with growing demand.

Both cardamom and allo value chains demonstrate large potential for women to reap economic benefits through improved business practices and products. The World Bank supported the study, "Understanding the Role of Women Home-Based Workers in Value Chains of Large Cardamom and Allo in Nepal," to analyze the roles and working conditions of women and men in the supply chains, identify bottlenecks for women to engage in profitable activities, and recommend ways to remove barriers and enhance women's economic opportunities in the value chain.³

KEY FINDINGS

Cardamom and allo production are important income sources for women home-based workers. Farmers, who are mostly involved in dairy farming, livestock rearing, and vegetable growing,



Cardamom pods. Source: Nepal National Sector Export Policy: Large Cardamom, 2017–21," GoN and ITC.

Methodology and Study Areas

- The study was conducted in the north-eastern districts of Taplejung and Sankhuwasabha for cardamom and allo value chains, respectively.
- The methodology included a stakeholder mapping; interviews with producers, collectors, processors, traders, and sellers; and interviews with representatives from the government, trade associations, non-governmental organizations, and donor agencies.
- Fifty-seven interviews, of which 37 were with women, were carried out with participants in the large cardamom value chain. Likewise, 56 interviews, of which 43 were with women, were conducted with participants in the allo value chain.

depend on cardamom as their primary cash crop. Over 75 percent of farmers interviewed for the study said that large cardamom accounted for more than 60 percent of their cash income. Likewise, allo processing contributes significantly to the income of many families traditionally engaged in subsistence farming of crops such as rice, millets, and corn. Eighty-three percent of farmers interviewed for the allo value chain assessment

1 Large cardamom is an expensive spice. Allo is the local name for Himalayan Giant Nettle, which grows abundantly in mountain and hill areas across Nepal at elevations between 1,200 and 3,500 meters above sea level.

2 [Trade and Export Promotion Center](#), Government of Nepal.

3 The World Bank's South Asia Region Trade Facilitation Program's (SARTFP) Gender Platform supported the study in coordination with the grantee "Advancing women's enterprises for economic impact in the farm/non-farm value chain and regional trade" (P161779). The study was carried out in partnership with HomeNet South Asia; Women in Informal Employment: Globalizing and Organizing (WIEGO); and SABAH Nepal. HomeNet South Asia is a regional network of home-based workers in South Asia. WIEGO is a global network focused on strengthening livelihoods of poor people, especially women in the informal economy. [SABAH Nepal](#) is a social business organization that supports a network of women home-based workers.



Women involved in processing cardamom — tail cutting, grading — work as wage laborers. *Source: Understanding the Role of Women Home-Based Workers in Value Chains of Large Cardamom and Allo in Nepal*

reported that the largest share of income comes from allo-related activities. For 64 percent, allo-related activities are the primary source of income and for 22 percent of the farmers, it complements income from commercial farming, including cardamom.

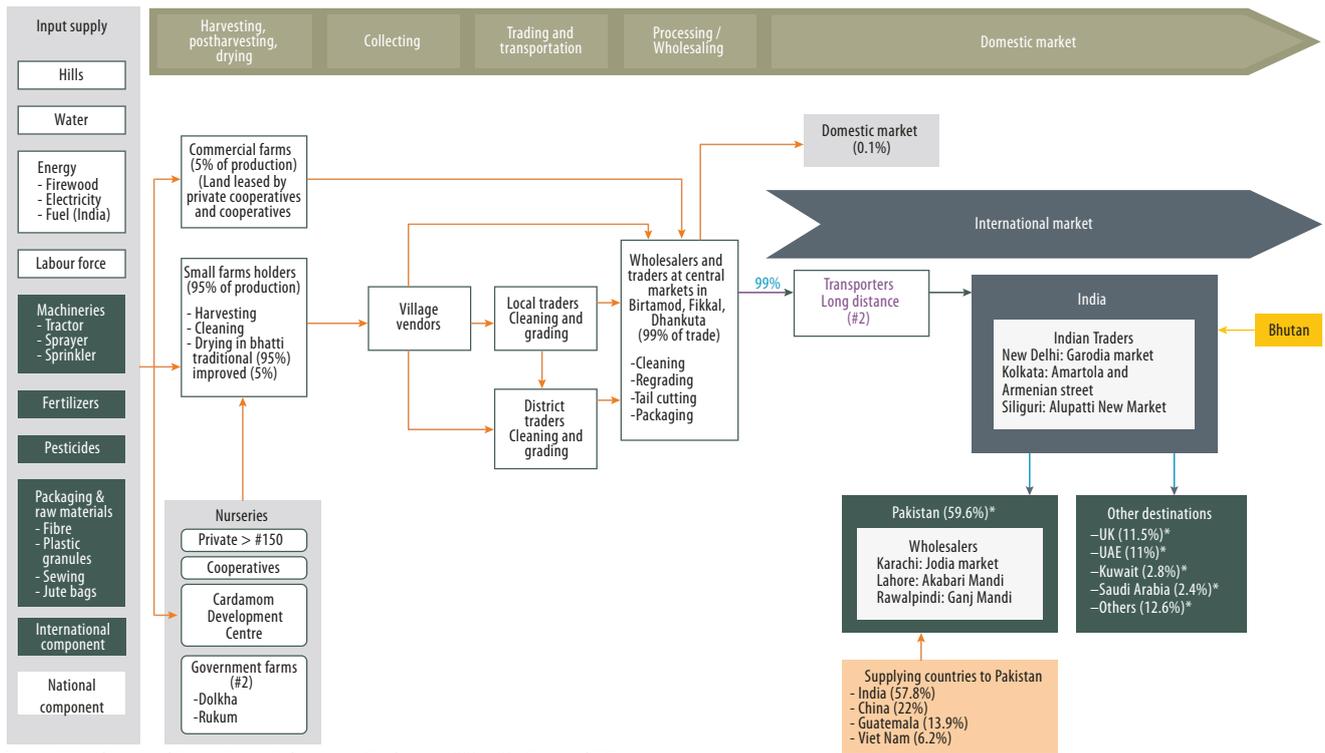
High profit margins in cardamom and increasing demand for allo are creating new opportunities and attracting more women home-based workers. Profit margins for large cardamom are wide with most farmers interviewed making anywhere from 20 percent to 400 percent depending on the productivity of land, proximity to markets, cost of inputs, and proximity of irrigation facilities. About 40 percent of cardamom farmers interviewed wanted to move up the value chain within the next three years. While most respondents preferred to sell products after sorting and tail-cutting, one respondent already involved in an enterprise expressed an interest in processing cardamom to make spices for tea. Enterprises that process cardamom into higher value-added products such as spice-powder, cardamom fiber, and cardamom oil are small in number. However, they tend to employ women and are creating opportunities for women in the processing stage of the value chain.

Growing consciousness of the benefits of natural fibers over the last two decades has increased international demand for allo-based products. Profit margins are high for weaving cloth and product-making. Handicraft manufacturers such

as SABAH Nepal, Sana Hastakala, and Allo Samaj prize the fiber for producing luxury handicrafts such as bags, scarves, and notebook covers for sale in domestic and international markets. Such organizations are creating opportunities for women by introducing them to new skills, equipment, operational processes, and markets outside the local area. While selling beyond the local market is a new phenomenon, women home-based workers are interested in moving up the value chain. Among the 34 respondents for the allo value chain assessment, 68 percent reported an increase in production over the last couple of years. In addition, about 70 percent had added higher-level allo processing activities and produced new or better-quality products. Overall, women were keen to learn new skills and designs, with 67 percent of the respondents expressing desire to move up the value chain.

While there is growing potential and interest in cardamom and allo, women home-based workers are involved primarily in the earlier stages of production that are strenuous and less profitable, but not in the later more lucrative stages of marketing and trade. In the cardamom supply chain, as shown in Figure 1, home-based farmers, predominantly women, harvest, clean, and dry the crop, mostly in traditional furnaces. Women carry out the drudgery while men track prices, deal with traders, and transport products for sale. Men sell the packed cardamom to village vendors who then sell it to local and district traders, who carry out further cleaning and

Figure 1: Large Cardamom Value Chain Map



Source: "Nepal National Sector Export Policy: Large Cardamom, 2017–21," GoN and ITC.

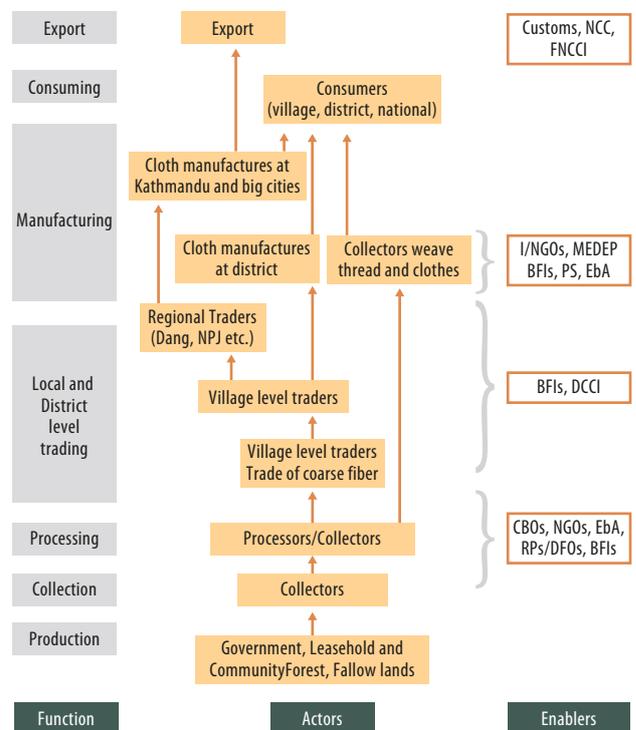
grading. Female traders are rare in the value chain, and male traders sitting at the top of the value chain reported the largest profit margins, sometimes above 700 percent.

From the local or district traders, cardamom is sold to wholesalers and traders in the central markets of Birtamod, Fikkal, and Dhankuta. Here, further cleaning, regrading, tail-cutting, sorting, and packaging takes place. Large numbers of women work in the processing units in Birtamod as wage laborers. After processing, 99 percent of the cardamom is exported with over 90 percent going to India.

Allo production is much more arduous than large cardamom. Indigenous communities like Rais, Gurungs, Sherpa, Magars, Kulung Rais, and Tamangs have traditionally processed allo and used allo cloth and products for rituals. The knowledge and practice of harvesting, processing, and producing allo products are deeply ingrained in the indigenous culture and passed on through generations.

In the allo value chain, mapped in Figure 2 and pictured in Figure 3, women are the primary harvesters. They harvest allo in the winter, when the plant produces better-quality fiber, stings less, and when people are free from farming activities. Harvesting allo entails long treks and sometimes staying in the forest for two to four days.

Figure 2: Allo value chain map



Source: "Value chain of Allo of Panchase protected forest area," BARDAN, GoN, UNDP, 2014.

Post-harvest activities are backbreaking. Women peel the bark; dry, cook, and wash it in running water; and pound the bark before spinning it to make yarn and later thread. As a result, women experience aching eyes and body pain. The process is exacerbated by the use of traditional tools

Figure 3: Allo production is arduous and women use customary tools



Kulung women harvest allo and extract bark



Drying the bark



Peeled bark is boiled in traditional vessels



Bark is washed in flowing water and beaten



Bark is mixed with clay to soften it



Later is it beaten to remove the clay



Nettle is spun to yarn using traditional wooden tool



Thread is ready it is woven in traditional handlooms or knitted



Allo products: scarves, bags, wallets, caps, shoes

Source: Nettle Society

like cooking vessels, spindles, and looms. Occasionally, younger women barter dried bark for thread because transforming the bark to thread is a laborious job, which a lot of elderly women do. The younger women find it easier to provide bark to elderly women who convert it to thread and provide it back for a small amount of money, or sometimes grains or vegetables.

Once the thread is ready, it is sold in local markets or to traders from other parts of the country for cash. Some women process the thread to make traditional items such as scarves, embroidered jackets, bags, sacks, mats, and headbands to carry baskets; these items are both for domestic use and for sale to traders at local, regional, and national levels. Entrepreneurs and trading and business groups are increasingly becoming a key part of the allo value chain. All activities prior to sale are dominated by women, who have integrated allo production into

their daily routines. Men, on the other hand, contribute as traders and shopkeepers.

All farmers involved in cardamom and allo production face challenges when trying to improve the quality of products and command better prices. For instance, disease control, higher-grade seeds, better production protocols and drying techniques, and more efficient tail-cutting processes and grading methods would help improve large cardamom quality. Seventy-seven percent of the respondents mentioned that crop diseases were a major constraint for growth in cardamom production. Moreover, high input costs for labor, water, fertilizers, and pesticides also compel farmers to compromise quality. In allo production, the drudgery affects quality. Improved refining techniques and better skills in producing luxury allo products can help to increase product quality and consequently income.



Stakeholders expand opportunities with new skills, technology, and markets:

Diverse organizations are coming together to support women home-based workers in cardamom and allo. SABAH Nepal supports processing of cardamom into products such as tea powder in Taplejung. Himalica and Chandan Fibre, which produce cardamom spice powder and fiber, respectively, are creating opportunities for women in the processing stages of the value chain.

The Federation of Handicraft Associations of Nepal, Fair Trade Group Nepal, and the Handicraft Design and Development Centre support design and product development, and marketing of allo-based products. SABAH Nepal, Sana Hastakala and Allo Samaj are connecting women to markets, information, and improved technologies. Sana Hastakala and Allo Samaj are experimenting with mechanization of thread-making and weaving to improve quality and efficiency. The Nepal Innovation Technology and Entrepreneurship Center is developing machines for cooking, beating, and washing allo.

The International Centre for Integrated Mountain Development, the German Agency for International Cooperation, and the United Nations Development Programme are encouraging Nepal's allo commercialization journey through research, piloting, and policy support.

Key barriers for women to increase income or move up the value chain include:

- **Traditional practices and technologies:**

Women depend on traditional practices and technologies to process cardamom and allo, which adds to the drudgery and inefficiency. Women engaged in cardamom use traditional drying techniques such as furnaces, in the absence of modern dryers and grading methods. Irrigation facilities

are limited and the tail-cutting process is inefficient. When working with allo, women use customary cooking vessels, spindles, and looms.

- **Access to finance:** Access to finance is a major constraint for many women entrepreneurs and home-based workers, but it is particularly concerning for women involved in cardamom production. The study indicates that traders also function as lenders and take advantage

Entry points for World Bank projects to support women working in the allo and large cardamom value chains

The study's recommendations provide several entry points for World Bank projects. The SARTFP Gender Platform recommends that project teams consider the following:

- Expand analysis on home-based workers in cardamom and allo, including better understanding of the dynamics in this foundational study; there is much to understand. A similar study is being carried out in Bhutan following *release* of the report in Nepal. The Bhutan work will be focused exclusively on cardamom and a comparative analysis, as there is a lot to learn from Nepal.
- Large infrastructure projects in eastern hills can consider home-based work in cardamom and allo value chains as livelihood options for households, particularly for women, that may be affected by construction activities.
- As allo is harvested primarily during winter, livelihood interventions can explore its potential as a complementary livelihood activity.
- In addition to trading allo products, processing allo is a cultural heritage that showcases rich indigenous knowledge and tradition. Economic opportunities can be created by promoting tourism activities around allo production and processing.
- Design initiatives that support women home-based workers to process higher-quality cardamom and provide them with opportunities to expand the large cardamom value chain with high-quality products.



Maya Gurung, Large Cardamom Entrepreneur from Taplejung in Eastern Nepal, with products made from cardamom fibre. Richa Bhattarai/World Bank

of this relationship to not pay extra for processed cardamom.

- **Knowledge and skills:** As women predominantly engage in harvesting operations, they have limited skills in processing and transforming. Product quality could be enhanced by expanding the knowledge base on seed varieties and processing techniques for cardamom, and by improving practices along the entire value chain for allo.
- **Gender norms:** Women's caretaker roles, their responsibility for household chores, limited mobility, and exclusion from financial decisions affect their productivity and therefore income from cardamom and allo production.

How to support women home-based workers to advance up the value chain and increase returns?

The study proposes the following set of recommendations to address barriers faced by women producers and promote their movement up the cardamom and allo value chains.

Research and policy advocacy

- Improve the collection and analysis of gender-disaggregated data to improve the planning and design of activities that support the cardamom and allo value chains, especially for women.
- Design and implement policies and women-centered strategies to create an enabling ecosystem where women can move up the value chains.
- Conduct research to estimate the economic losses resulting from the suboptimal working conditions of home-based workers.
- Strengthen attention to the allo value chain to benefit women home-based workers. Specifically, the government may consider affording allo “national fiber” status to attract investment.
- Recognize and raise awareness about the significant role of women in large cardamom and allo production to enhance their returns.

Technology and training for efficiency, quality products, and improved working conditions

- Provide technology to reduce drudgery and improve quality. Examples of technologies needed include modern dryers (double drum dryers) for cardamom, alternatives to firewood stoves, safer substances to soften bark, and improved spindle and loom design.
- Organize and train female farmers engaged in large cardamom or allo to enhance efficiency

and improve product quality. For the allo sector, provide training to women on marketable designs to promote sales. For cardamom, skills to process the capsules to produce spice, good essence, perfumes, and medicines can help with advancement up the value chain.

- Train and educate women on the need to maintain a high standard of product quality to acquire larger market shares locally and to access markets beyond Nepal.

Access to credit

- Facilitate access to credit for farmers (particularly large cardamom farmers) to reduce their dependency on traders for finance.
- Design financial products to support women’s entrepreneurship.

Explore new products

- Explore and invest in products that have the potential to contribute to women’s economic activity and income. For example, cardamom powder-based products have the potential to bring an attractive return for women home-based workers.

Regional collaboration for solutions and markets

- Strengthen national capacity and regional cooperation with India and Bhutan to reduce crop-related disease, a major constraint for large cardamom production.
- Improve exchange of ideas between Nepal, India, and Bhutan to improve production and expand market reach.

This note is prepared by the South Asia Regional Trade Facilitation Program (SARTFP) Gender Platform, which provides technical support and knowledge generation and sharing on the linkages between gender and trade—with a focus on women’s economic empowerment—with SARTFP-funded activities and other Bank-supported tasks that are closely aligned with SARTFP objectives.

The World Bank SARTFP, supported by the Government of Australia’s Department of Foreign Affairs and Trade (DFAT), seeks to improve cross-border trade and connectivity in the Eastern Corridor of South Asia (specifically Bangladesh, Bhutan, Northeast India, and Nepal), with an emphasis on generating and sharing knowledge on ‘what works’ in promoting women’s economic activity. The program achieves this through three thematic pathways—transport connectivity, trade facilitation and trade policy, and local enterprise development and economic opportunities.