INNOVATIVE BUSINESSES AND ENTREPRENEURSHIP

NON-WOOD FOREST PRODUCTS BUSINESSES: SWOT ANALYSIS

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Some products derived from **NWFPs have no substitutes in their markets** due to their fantastic performance or unique wildness.

They are relevant **public goods** and have **social and cultural benefits embedded**, making them appealing for aware and responsible consumers.

NWFPs have the **potential for diversification of rural income and allow part-time dedication** in agricultural and forestry holdings. They are friendly to gender balance and to ethical business models and in many cases represent living traditions, leading to greater recognition and social acceptance.

Some **NWFPs business require limited upfront investments** in relation to the added value generated.

On many occasions, both the production and the consumption of **NWFPs are passion-driven**, therefore stable and resilient to volatile fashions. Entrepreneurship is propelled by social values and community-based approaches.

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Supply capacity cannot ramp up rapidly and meet the increased demands. Fluctuating weather conditions may cause irregular supply.

In many cases, **NWFPs entrepreneurs lack the necessary knowledge and skills** in marketing, regulatory framework and they are almost completely out of the scope of advisory services.

It is a **fragmented sector**, often populated by few old traditional players and a myriad of short-lived initiatives, lacking sectoral organisations. In the case of wild products, the predominance of grey markets hinders proper understanding of their economic dimension.

Collection and harvesting are costly operations as the resources are generally scattered, leading to low profitability, precarious labour conditions, and transferring production towards low income and/or high productivity areas. I can be difficult to increase economies of scale.

NWFPs are subject of very complex and diverse regulatory frameworks and requirements depending on the final markets of similar products from different origins. Different regulations from country to country affect their registration and commercialisation.

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A **strong megatrend favouring sustainable, respectful with local traditions, wild and bio-based products** opens new opportunities in consumer preferences and access to markets, finance, and, maybe to a lesser extent, policy attention.

A **renewed interest in rural areas, rural innovation and entrepreneurship** pushes a significant number of young urban professionals to settle in rural areas, looking for opportunities to innovate.

NWPFs are very appropriate to **generate value in rural areas**, through the collection, transformation, and territorial marketing approaches, at the heart place-based development strategies.

Digitalisation improves relationship with distant customers, improves traceability, and facilitates access to market for small productions through direct selling approaches and unexpansive online stores. It also facilitates access to knowledge for entrepreneurs-to-be.

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Climate change impacts resource availability, through forest degradation, emerging pests and diseases and increased fluctuation in production levels or available periods for harvesting.

Globalisation creates fierce competition, jeopardising the capacity to produce raw materials in high income regions that in some cases have kept industrial capacities based on imported materials.

Rural abandonment can lead to a lack of skilled labour, especially in high income regions, and/or because the traditional knowledge is gone.

In some emerging markets, many new initiatives stress resource capacities and eventually **lead to loss of trust** from customers due to incapacity to supply in quantity and quality (B2B), or because failing to maintain high quality levels and supply traceability information (B2C).

Absent or unfit regulation in relation to resource management, either very restrictive or unpredictable, or failing to guaranty fair and transparent markets.

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