

## Quelques résultats de l'étude de faisabilité sur les différents produits de Markha Valley

### 1. SHORT-LIST OF PRODUCTS

Products results to be presented to women :

- *barley and non-perishable products*: namtuk, muesli, yosa, apricot jam
- *beverages*: chulli-pe, Seabuckthorn juice and tea, mint tea
- *fresh products*: usu, local bread, tchang.

### 2. PRODUCTS ECONOMICAL RESULTS FOR PRODUCTS TRANSFORMATION

#### 2.1. Presentation of economical indicators

There are different indicators to assess economical viability of the products:

- **Added Value/Kg of resource (Rs/kg)**

= price-(raw material+ labour charge) for 1 kg of resource

= how much profit gives 1 kg of barley processed in yosa, for example?

This indicator has then to be compared with actual valorisation of resource. For example, for yosa, VA/Kg of resource=178 Rs/Kg of barley used. Compared to actual valorisation of barley which is of 15 Rs/kg of barley, yosa transformation seems very interesting.

- **Work productivity for transformation (Rs/day)**

= (price-raw material)/ labour time.

=how much profit gives oneday of work processing yosa, for example?

This indicator has to be compared with other income opportunity in the period of transformation, to see if transformation is competitive with other activity. For example, for yosa, work productivity is 3040 Rs/day of work, which means that only considering transformation yosa is really competitive with other activities –which daily wage can hardly reach 200 to 300 Rs/day.

- **Added value/Kg of product (Rs/Kg)**

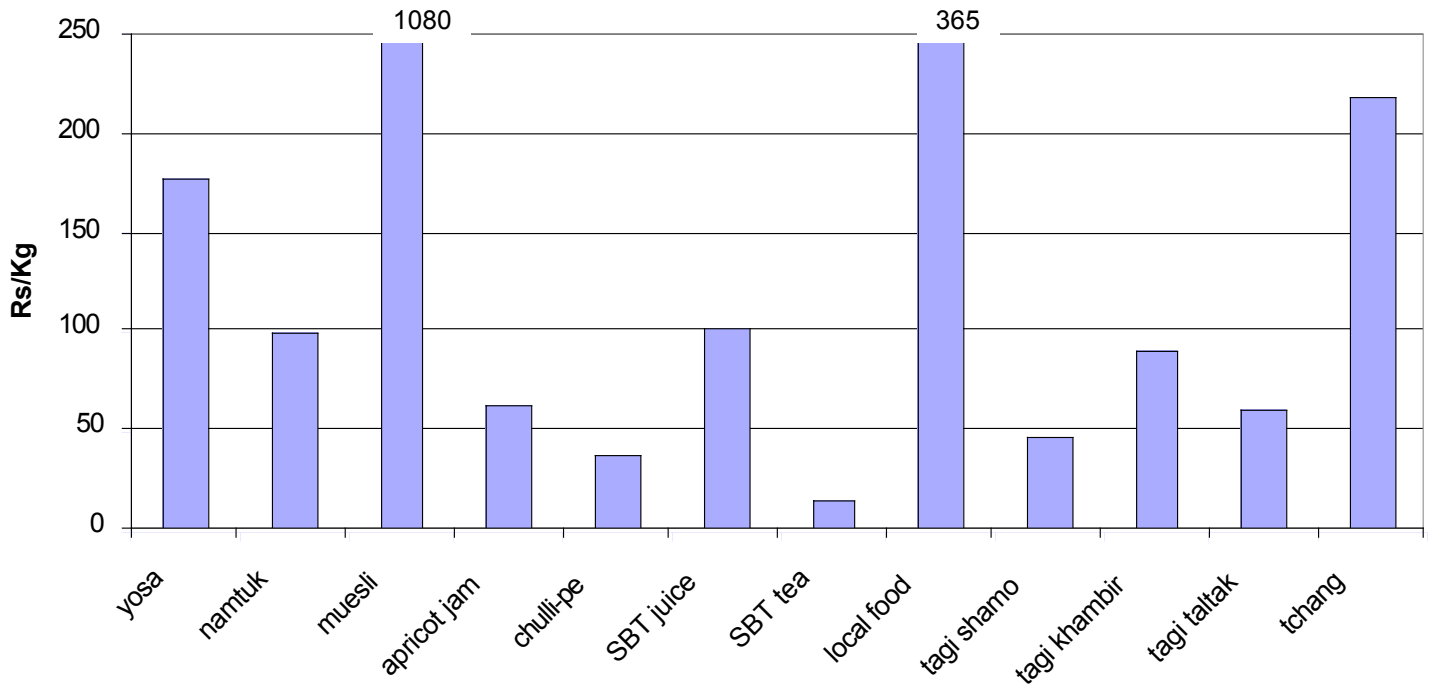
= price-raw material for 1 kg of final product

= how much profit gives one Kg of final product?

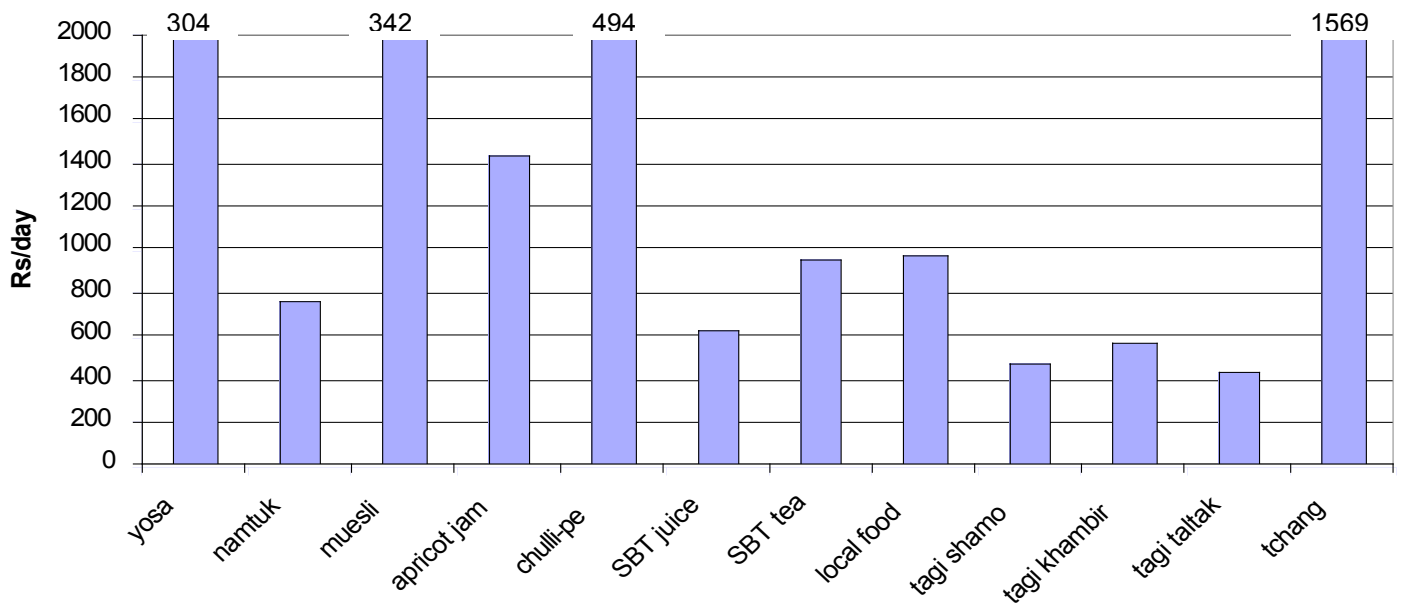
This indicator has to be compared with added value of substitution product –when there is one- to see the comparative advantage of local product on manufactured product. For example, yosa is a substitution product for biscuit. Commercial margin of 1 kg of biscuit is 50 Rs. Added value of 1 kg of yosa is 178 Rs. Yosa has a comparative advantage of  $178-50=128$  Rs/Kg.

## 2.2. Economical indicators for short-list products

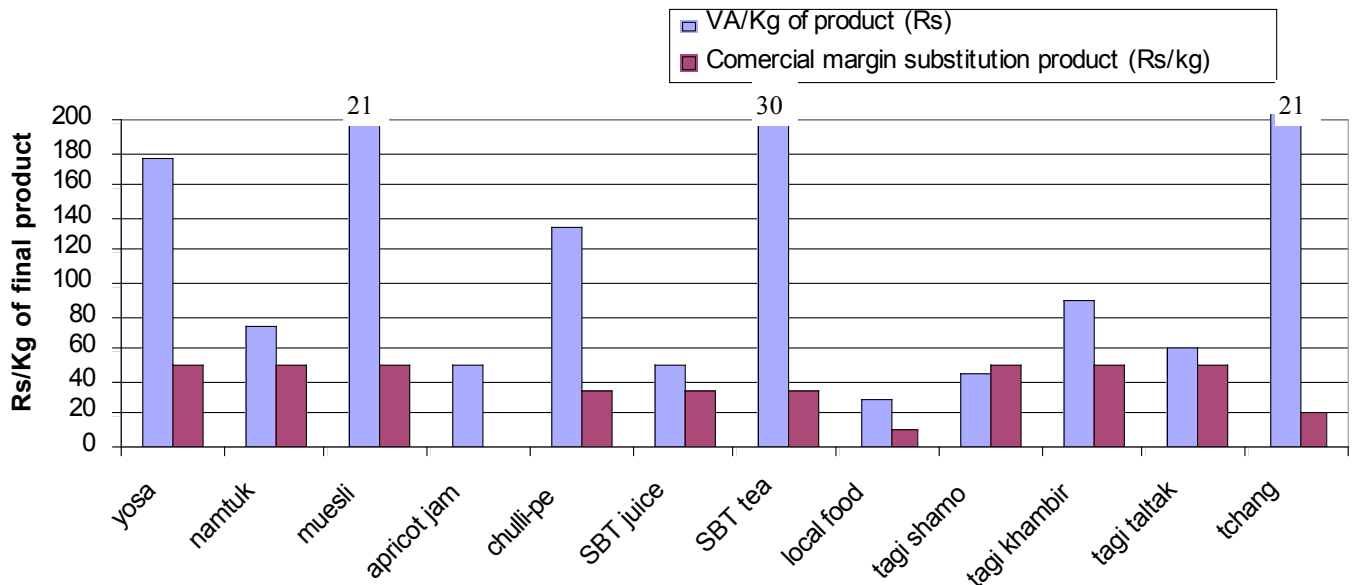
### Added value/ Kg of resource



### Work productivity for transformation (Rs/day)



## Comparison of added value/kg of local product and substitution product



### 3. OTHER STRENGTHS-WEAKNESSES CONCERNING OFFER

#### 3.1. Other criteria concerning production/transformation

There are other criteria to take into account concerning offer (production and transformation) than economical results:

- Resource availability and sustainability of its management
- Work constrains and transformation period
- Competences in the villages, trainings needed
- Investment, exterior supplying,
- Packaging (supplying, cost, garbage)
- Conservation of products and stocking possibilities.

#### 3.2. Families classification regarding those criteria

According to those criteria, we can identify three main groups for the short-list products:

- *Namtuk, muesli, yosa, chulli-pe*: good conservation, transformation in free time, competences in the villages, no investment, almost no exterior supplying, simple packaging (paper or nothing):
- *apricot jam, SBT juice and tea*: good conservation, collection/transformation in busy period, trainings are needed, little investment, outside packaging
- *Mint tea, usu, local bread, tchang*: short conservation, little work even if during summer period, competences in the villages, no investment, no exterior supplying (except from seed for usu and mint), no packaging.

#### 4. TREKKER DEMAND FOR THOSE PRODUCTS

Except from offer conditions regarding production and transformation feasibility, it is essential to study trekker demand for those products in Markha Valley. Here are the main conclusions from the demand survey.

##### 4.1. Opportunity to develop local products

Trekkers are motivated to consume local products rather than imported ones (96% of the interviewed persons), on condition that products are of quality and hygienic. Almost all trekkers stopped in parachute cafés (97%) and 92% were ready to spend more money in the villages. Markha Valley trekkers are motivated for giving more benefits to villagers (71%), decreasing pollution (29%), eating natural and hand-made products and they are curious to discover ladakhi traditional products (29%).

There are 4 profiles of trekkers in Markha Valley:

1. **Travel agencies' trekkers** (83%): accommodation in tents, have a cook, a guide, a poneyman, and around 1 or 2 poney/member of the trek. The travel agency is in charge of buying food and cooking. 80% of travel agencies trekkers are in groups bigger than 3 people. 55% of travel agencies trekkers are mostly on the classical 7 days itinerary of Markha Valley trek (by Spituk), 15% on shorter treks and 30% on longer ones.
2. **Independent poney trekker** (8%): they did not contract with travel agency, but with a poneyman. Most of them did not contract with guide or cook (5/7), but some do (2/7). They lodge in tents. They buy themselves their food.
3. **Independent porter trekkers** (3%): did not contract with travel agent nor poneyman. Have bought their food and carry all their staff in their backpack along the trek.
4. **Homestays trekkers** (6%): did not contract with travel agents. Only carry their daily staff, as accommodation and food is provided by the families. Some have booked their room from Leh, some directly come to the villages. Some of homestays trekkers (2/3) buy before coming in trek little food (beverages, snacks and complements to packed lunch). Homestays trekkers are merely on

groups of 1 or 2 people. Half of them follow the classical itinerary via Spitik, and half enter in the trek by Chilling or Stok. 80% of them have itinerary of less than 7 days trek.

The three categories of independent trekkers are increasing year by year in Markha Valley. This means that there is a potential for local products sold in the parachute cafés, on condition that those trekkers could be aware by advance of the potential products they will find in the villages.

## **4.2. Products kinds and target consumers**

### ***Drinks***

The priority products to develop are local beverages. Indeed, 88% of trekkers bought beverages in parachute cafés during their trek, and 60% are interested in consuming local drinks. Among local beverages, we can pick out chulli-pe, Seabuckthorn juice and tea, tchang and mint tea.

### ***Local food***

Local food has the second best demand (54%) from trekkers. Travel agencies trekkers mostly do not need meals during their treks; we have to differentiate two kinds of local food:

- **Traditional meals** will mostly be intended to independent trekkers—skiu, namtuk, chu-tagi, paba. Indeed, if only 5% of trekkers had meals in the parachute cafés, they were all independent: 2 homestays, 2 independent pony and 1 independent porter trekker. If an arrangement is found with travel agencies, ladakhi meals can also be included in travel agencies trek, for example, one evening in the week.
- **Local snacks** may also satisfy trekkers with yosa, namtuk, muesli or bread with jam. 18% of trekkers have bought snacks in the parachute cafés and 30% of them would be interested in buying local snacks or biscuits if it is proposed. Independent trekkers are especially motivated to buy local snacks (38% of them).

### ***Local bread***

Despite idea seemed attractive to provide **bread** in Markha Valley, the survey showed that only 30% of trekkers would like to buy local bread, even if 54% are interested in bread selling points. Indeed, only half of independent trekkers bought bread before their trek, but those were all motivated to buy local one instead of imported one. Informing independent trekkers before the trek is an essential aspect of success in this product selling.

### ***Dairy products and vegetables***

There is a special market gap on **dairy products** for independent trekkers: although only 17% travel agencies' trekkers would like to buy those products, from 50 to 67% of independent trekkers are interested. At least, 61% of trekkers having bought vegetables and

fruits for their trek –all independent trekkers- were interested in buying dairy products, whereas only 18% of people who did not buy veg or fruits showed interest in dairy products. **Usu** can be proposed to travel agencies in order to season dishes. Arrangement have to be find with travel agencies.

## **Handicraft**

9 on 92 trekkers have bought **handicraft** in the parachute cafés: 2 of them bought goldsmith, and 7 woollen caps, gloves, scarves or socks. The low number of answers did not give much information but it seems that handicraft buyers do not have specific profile. Around 20% of Markha Valley trekkers are interested in buying handicraft but only small items, like little woollen caps, gloves, etc. or small goldsmith spoons or crafts. A lot of trekkers answered that handicraft choice was too limited in the parachute cafés to find items interesting. The handicraft evaluation done on the products bought in the parachute cafés gave out that 60% of consumers assessed design and quality as good and 40% as correct.

### **4.3. Global feedback of tourists on local selling**

Globally, trekkers are pleased with the products and services they have found in the parachute cafés, as proves the consumption rates and products assessments. However, some remarks came back regularly on the questionnaires. Here are the most recurrent:

- **Diversity of product proposed** in the parachute cafés has to be widened. Local products are preferred to imported products because they provided many advantages: more benefits to villagers, less pollution (transport, packaging), cultural value (curiosity to discover traditional and natural product) but for the moment offer is almost inexistent.
- Efforts on **promotion** have to be done. Indeed, very few people knew about homestays and parachute cafés before coming in trek. In particular, improvements have to be done in promotion in Leh, to inform independent trekkers about products they can find in Markha Valley, so that they do not buy all their stuff before the trek.
- Repeated concern appeared concerning **hygiene**. Although quality and taste of products consumed in parachute cafés were assessed as good (60% of consumers) or correct (40%), hygiene was found correct for 60%; good for 30% and bad for 10%. In suggestions rubric, using proper water for preparation and washing dishes, having clean toilets, more garbage and hand washing facilities came out various times.
- **Parachute cafés** need to be improved by better ventilation, more toilets, decoration to make it a nice place (this assessment was cited in the questionnaires as a reason to stop in the parachute cafés only by 10% of people interviewed).
- At least, **marketing** tools to sell local products in the villages is an important success key for the activities. Installing promotional tools like boards, posters and explanations about women groups would help in better signalization of offer. Some trekkers have also enhanced that a map situating all parachute cafés would be useful.