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FRAME

THE ROLE OF NATURAL PRODUCTS IN
RURAL DEVELOPMENT, POVERTY ALLEVIATION,
AND GOVERNANCE

THE CASE OF XATE PALM (*CHAMAEDOREA SPP.*) IN THE PETEN
REGION OF GUATEMALA

ENGLISH SUMMARY



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PHOTO CAPTIONS

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EXECUTIVE SUMMARY

From July 2005 to February 2006, the FRAME project (IRG–USAID) organized a study of the role of natural products in rural development, poverty alleviation, and governance. The focus of the study was xate (SHAH-tay) palm (*Chamaedorea* spp.) in the Peten region of Guatemala. The study employed commodity (or value) chain analysis to examine exchanges among different actors, distribution of benefits, participation in decision making as well as the role of external factors such as institutional reforms. The analysis was applied to three areas of interest following USAID’s Nature, Wealth, and Power framework: sustainable use and management of natural resources, rural economic development (including distribution of benefits), and collective decision making and governance. This summary in English accompanies a full report in Spanish (74 pages) submitted to IRG—USAID in March 2006.

Methods used for this study included review of documents, semi-structured and unstructured interviews with xate palm collectors, community representatives, xate palm transporters, xate palm wholesalers, government representatives, and NGO representatives. Part of the study included a survey conducted in areas representing routes of highest flow of xate palm: (a) Sayaxché-Usumacinta, (b) San Andrés-Carmelita, (c) Flores-Uaxactún, (d) Melchor de Mencos and (e) Santa Ana-Poptún.

Xate palm leaves are used as a “green background” or filler in floral arrangements. They have a wide market in the United States and Europe. Demand is especially high during Christmas and Easter when use of flowers by churches increases. Xate is also prevalent in floral arrangements used in weddings and funeral ceremonies. Three species of xate palm dominate the international market: (a) *C. ernesti agustii*, (“cola de pescado”); (b) *C. elegans*, (“hembra”); and (c) *C. oblongata*, (“macho” or “jade”).

Xate palm harvesting has been carried out in Guatemala’s Peten region for more than 40 years under an open access regime with little or no organization among harvesters. Xate palm collection has served as a supplementary economic activity to other activities, such as traditional agriculture and, more recently, timber harvesting. For many households, xate represents an important source of reserve income when unforeseen needs arise such as health care payments.

The principal importers of Guatemalan xate leaves are Holland (48.4%) and the United States (46.6%). Demand for different species varies over time as well as by region. During 2005, industries in Holland mainly purchased *C. ernesti agustii* (“cola de pescado”) while U.S. wholesale buyers preferred *C. oblongata* (“macho” or “jade”).

The xate palm commodity chain—harvesting, transport, sorting/packing, and sale—includes numerous actors, ranging from the local harvester, local buyer, buyer/transporter, regional buyers/processing facilities, and national and international wholesalers. Estimates for 2005 suggest that approximately 1,050 xate harvesters collected 4.4 million bundles (“gruesas”) of 80 leaves each. Some 200 contractors (intermediaries) purchased and transported the bulk leaves. Some 232 people were employed in sorting, packing, and sending the leaves, generating 257,844 paid work days (“jornales”). In terms of government statistics on economic productivity, xate palm harvesting and processing represents 2.09% of the economically active population in the District of Peten. At the national level, 2005 data suggests a total income from export xate palm on the order of US \$6.2 million.

In terms of relative distribution of income along the xate palm commodity chain, the study produced the following findings: harvesters receive 18.24%, contractors/transporters receive 10.21%, and wholesalers receive approximately 24%. Results further suggest that 23.14% of the total product value is lost during processing (sorting). Distribution of total profits from xate harvesting diverges significantly, given volume of sales at each level and number of participants. There are over 1,000 harvesters, 200 contractors, and 16 wholesalers.

Despite the economic potential of xate harvesting, results of diverse studies suggest that wild populations of the plant are declining. Research carried out in the Peten region between 1992 and 2004 show a significant annual decrease in average abundance of the two most commercially valuable species: 56.5 plants/ha./yr. for *C. elegans* and 25.3 plants/ha./yr. for *C. oblongata*. Harvesting of wild xate palm produces some indirect impacts on biodiversity. For example, when the plant's fruits and seeds are no longer available to fauna or when harvesters hunt wildlife while they are out collecting xate leaves.

Other modes of xate production, such as higher density plantations under secondary forest, may produce higher direct impacts on biodiversity because they require clearing understory species. At the same time, this type of production is not widespread in the Peten at this time and may also reduce pressure on wild populations.

Guatemala has a strong institutional foundation related to protection and management of natural resources. With respect to non-timber forest products such as xate palm, stronger integration, implementation, enforcement, monitoring and evaluation is needed. The National Protected Areas Council (CONAP) is charged with regulating the extraction and transport of xate. In order to fulfill its mandate, CONAP requires effective mechanisms to coordinate efforts with NGOs. Other government agencies that directly or indirectly impact the xate commodity chain include the National Forestry Institute (INAB), the Ministry of Environment and Natural Resources (MARN), and the Ministry of Agriculture (MAGA).

In terms of collective decision making, there is limited information sharing and coordination along the commodity chain. At the local level, xate palm harvesting is essentially an open access enterprise with little or no organization or rules for use. None of the xate harvesters interviewed for the study belonged to a local association.