



**REPORT OF THE COMMITTEE
ON
OWNERSHIP, PRICE FIXATION, VALUE ADDITION AND
MARKETING
OF MINOR FOREST PRODUCE**

May 2011



'Active Gram Sabha – For Empowered People And Accountable Panchayats'

**MINISTRY OF PANCHAYATI RAJ
GOVERNMENT OF INDIA
NEW DELHI**

has suggested that needs of the local population of Bamboo should be given precedence over industrial needs. Gram Sabha should be the body to decide and monitor eligibility of bamboo per household harvesting practices and setting up small manufacturing units for bamboo products. Moreover, profit from bamboo should be returned to the community through the Gram Sabha.

Pricing

6. Generally MFP is seen as a source of income for the Government and the Govt. agencies trading in MFP. Given the fragile sources of livelihood for the forest dwellers, it should be seen from the perspective of livelihood and poverty alleviation. Daily earning of Rs. 25-40 reported through MFP is much less than MGNREGA or Minimum Wages. Accordingly, Minimum Support Price (MSP) for MFP is deserving, perhaps more than the foodgrains. The Committee has given a broad composition of the Central/State MSP fixing agencies, identified 14 MFPs for MSP, suggested criteria for fixing MSP (labour time used in collection, prevailing wage rate, transportation cost, market price and demand supply analysis), and compensating genuine losses of the trading agencies based on efficiency criteria.

Institutional Structure

7. Nature and role of the Cooperative Federations and State Corporations in MFP trade vary from State to State and across MFPs. (a) Given the dispersed & remote nature, varying production & quality across regions & years, seasonability & perishability of MFP on one hand and (b) market failure & exploitation due to poor bargaining capacity of the gatherers on the other; strategic role of the State agencies would continue to be important. The gatherers should, however, be free to sell to any trader. Efficiency and transparency in the operations of the State agencies need to be ensured through measurable criteria and indicators. Moreover, these agencies must develop high quality marketing mechanism since prices of MFP are often volatile and the markets are under-developed.

8. Federations/Corporations need to be provided highly professional manpower, infrastructure and autonomy while making them clearly accountable to the Gram Sabha.

FOREWORD

For numerous forest dwellers across India, particularly people from Scheduled Tribes, Minor Forest Produce (MFP) has significant economic and social value. Its uses range from subsistence to raw material for handicrafts, from medicinal purposes to construction, from self consumption to trading. PESA 1996 and FRA 2006, therefore, conferred ownership of MFP to the Gram Sabha.

2. While good statistics of value of MFP gathered, people dependent on MFP as a significant source of livelihood, percentage of income from MFP particularly during the lean season, prices they get as compared to the market value or time/efforts made, are not available; the common knowledge is that this important source of livelihood is on the decline. The reasons are: MFP resource depletion, substitutes for MFPs, progressive loss of ownership/control of the people, issues related to efficiency and transparency of the State agencies, deficient marketing, unfair pricing, little or no local value addition and inequitable value sharing among various stakeholders.

3. MFP and Left Wing Extremism (LWE) have also got entangled in various ways. Ensuring better prices for MFP is often the plank used by LWE for popular support as well as a significant source of funds. Incidentally, 75% of MFP come from 6 States of MP, Chhattisgarh, AP, Orissa, Jharkhand and Maharashtra, the States affected by LWE.

4. In this background, as per recommendations of the Committee of Secretaries on implementation of PESA in LWE areas, this Ministry set up a Committee. Its Terms of Reference included: ownership of the Gram Sabha, fair prices, institutional mechanism, value addition, etc. The Committee after intensive deliberations and field study has finalized its report.

Definition and Ownership of MFP

5. While FRA 2006 have removed ambiguity about the definition of MFP, it need to be reflected in State Acts and IFA. Ownership of the Gram Sabha/people has been interpreted and applied in various ways, often to their exclusion or marginalization, especially in the case of Bamboo. The key MFPs like Bamboo & Tendu are State monopolies, which need to be managed by the Gram Sabha and people's organizations. As regards Bamboo, the Committee

Value Addition

9. Generally no or little value addition of the traditional type is done by the gatherers and thereby an important portion of the value chain is lost to them. Organizing gatherers and training them in primary processing and also encouraging local entrepreneurs for higher level of processing, need concerted efforts.

Sustainability and Regeneration

10. Often extraction practices are not sound and adversely affect regeneration of these resources. Gatherers need to be properly trained in the best practices. Moreover, regeneration and creation of new MFP resources through afforestation would be necessary. The Forest Working Plan and the plantation programmes should have this component, to be discussed in the Gram Sabha for its approval. Do's and don'ts, better seeds & saplings etc. should be disseminated.

Action points and Role of Ministries/States:

12. Within the overall goal of enhanced incomes and sustainable livelihood for the gatherers and ownership of the Gram Sabha, the Union Ministries and the State Govts would have the following role:

- Planning Commission:** provide funds for MSP and also for enabling Gram Sabhas;
- MoTA:** establish CPFC; strengthen TRIFED as a resource institution for providing technical support to CPFC and to State agencies for organizing gatherers, marketing, value addition, etc; and upgrade knowledge base on MFP.
- MoE&F:** ensure regeneration of MFP; amend IFA to provide ownership rights to Gram Sabhas over MFP as defined in FRA; and develop do's and don't regarding extraction of MFPs in consultation with Gram Sabhas.
- MoPR:** activate Gram Sabhas and Gram Panchayats.
- States:** amend State Laws to reflect definition of MFP as per FRA and ownership of Gram Sabha; strengthen State agencies to provide MSP including storage facilities, market intelligence etc; promote people's organizations & train gatherers for value addition; ensure central role to Gram Sabhas and Panchayats in all MFP related activities; remove barriers to access; and rationalize barriers for transportation of MFP.

(f) **TRIFED:** serve as (i) technical support agency of the CPFC, (ii) information warehouse on all aspects of MFP, (iii) a very nimble market intelligence (including MFPNET).

13. I have worked as Secretary in the composite Deptt. of Welfare (which included Tribal Welfare) and Secretary, Forest & Environment in the undivided Bihar and in tribal districts of erstwhile Palamau and Gumla (now in Jharkhand) and therefore, can see a great value in this document.

(A.N.P. Sinha)
Secretary, Ministry of Panchayati Raj,
Govt. of India

PREFACE

Minor Forest Produce (MFPs) are an important source of livelihood for millions of tribal families in both Scheduled and Non-Scheduled areas. Unfortunately however, several issues relating to ownership, access to remunerative prices, value addition, regeneration and sustainability of MFPs remain still unresolved, particularly from the points of policy perspective and public intervention. This report addresses all such relevant issues and makes policy recommendations for sustainable and inclusive growth of local communities in both PESA and Non-PESA regions.

The Committee is extremely grateful to Shri A.N.P. Sinha, Secretary, Ministry of Panchayati Raj, Govt. of India, for his guidance, encouragement and moral support. The Committee is grateful to all those who provided valuable inputs to the progress and completion of the report. The Committee in particular wishes to thank Shri B.D Sharma, former Commissioner of Scheduled Castes and Scheduled Tribes Commission, GOI, Dr.A.K.Jha (Commissioner, TRTI-Pune), Shri K.B.Saxena (Professor, Social Justice and Governance, CSD), Smt. Snehlata Kumar (MD-TRIFED), Shri R.S.Meena (Executive Director-TRIFED), Shri A.K.Mishra (Addnl.PCCF, Jharkhand), Shri Kameshwer Ojha (Director, 'National Bamboo Mission'), Shri Shankar Gopalakrishnan ('Campaign for Survival and Dignity', New Delhi), Shri Bikash Rath (RCDC, Orissa) and Shri Videh Upadhyay (Advocate and Legal Consultant, Dept. of Environment, GOI).

References have been taken from the 'Report of Committee of Officers on Issues Relating to Minor Forest Produce in PESA States' (February 2007) submitted under the chairmanship of Shri A.K. Sharma and the 'Report of the National Committee on Forest Rights Act' (December 2010) submitted under the chairmanship of Dr. N.C.Saxena. The Committee acknowledges with gratitude the light thrown upon by both the aforementioned reports on the issues of minor forest produce with respect to tribal livelihoods.

The Committee is also thankful to Ms. Charu Singh and Ms. Ankita Gupta, both of whom were appointed as Consultants to Ministry of Panchayati Raj, for their research support to the Committee. Also, the administrative support received from Shri S. K. Chakravarty and Ms.

Susan D. George – Directors, Ministry of Panchayati Raj, Shri Deepak Singh and Shri Deepak Prasad (Office Assistants, Ministry of Panchayati Raj) is gratefully acknowledged.

11th May 2011

(T. Haque)
Chairman

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THE COMMITTEE

A Committee was constituted under the chairmanship of Dr. T. Haque by the Ministry of Panchayati Raj (MoPR) vide order N- 11012/ 14/ 2010- PESA dated 23/08/2010 to suggest appropriate measures for the implementation of provisions regarding ownership of Gram Sabha of Minor Forest Produce (MFP) under the Provisions of the Panchayats (Extension to Scheduled Areas) Act (PESA), 1996 and The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 in letter and spirit.

Composition of Committee

The members of the Committee are as follows:

- **Chairperson** – Dr. T. Haque
- **Members from:**
 - Planning Commission
 - Ministry of Tribal Affairs
 - Ministry of Environment and Forests
 - Ministry of Rural Development
 - Ministry of Agriculture
 - Ministry of Micro, Small and Medium Enterprises (MSME)
 - Ministry of Home Affairs
 - CEO, National Medicinal Plants Board (NMPB), Deptt. of AYUSH, Ministry of Health and Family Welfare
- Government of Madhya Pradesh
- Government of Orissa
- Government of Andhra Pradesh
- Government of Maharashtra
- Shri A.K.Sharma (Indian Forest Service)
- Dr.P.Prabhu (National Institute for Rural Development)

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- Dr. Sanjay Lodha (M.L. Sukhadia University, Udaipur)
- Representative from PRADAN (NGO)
- Member Secretary – Mrs. Rashmi S. Sharma, Joint Secretary, Ministry of Panchayati Raj

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EXECUTIVE SUMMARY

A. The Committee: Terms of Reference

The Committee constituted on "Ownership, Price Fixation, Value Addition and Marketing of Minor Forest Produce" had the following Terms of Reference, which laid the guidelines for the report:-

- To suggest the best possible framework and modality whereby the ownership of the Gram Sabha of minor forest produce (MFP) can be exercised, protecting and enhancing the livelihoods of the people.
- To suggest modalities and criteria for fixing the minimum support price (MSP) for MFP.
- To study the present institutional structures for collection and marketing of MFP and suggest changes and improvements to ensure transparency and efficiency.
- To suggest modalities whereby value addition to the MFP can be taken up by local people to enhance the livelihood opportunities.
- Any other issue incidental to the objective.

B. Methodology Adopted

The Committee began its work with an initial meeting on 25th August 2010. Subsequently a detailed questionnaire was prepared and sent to the nine PESA States, i.e. Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, Orissa, Andhra Pradesh, Rajasthan, Gujarat and Himachal Pradesh. The Committee held meetings on 26th October 2010, 29th December 2010, 22nd February 2011 and 10th May 2011. Field visits were made to Madhya Pradesh, Andhra Pradesh, Maharashtra, Jharkhand, Orissa, Gujarat and Chhattisgarh to study ground realities. Group discussions as well as in-depth interviews were conducted with MFP gatherers, Panchayat Representatives, members of SHGs, members of MFP gatherers' cooperatives and NGO workers

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active in the area. Discussions were also held with Forest Department officials (CCFs, DFOs, Forest Rangers), Federation/ Corporation heads and Panchayati Raj department officers.

C. Major Findings

1. People living in forest areas, particularly Scheduled Tribes, who are among the poorest people in the country, depend significantly on MFP for their livelihoods.
2. As per provisions of the Panchayat Extension to Scheduled Areas (1996) Act and Forest Rights Act 2006, the Gram Sabhas are the owners of MFP, including bamboo. However, this ownership by the Gram Sabha is not reflected in State Acts.
3. While bamboo is simply not recognized as MFP in practice, State Government Corporations/Federations exercise monopoly over the most lucrative MFPs, including tendu. The MFP economy provides poor returns to gatherers, who have little control, as they either participate in markets that are poorly developed or under conditions of monopoly. While government supported Corporations and Federations trade in some MFPs, a large number are traded 'freely' in the market. But the 'free' market in MFP works against the interests of gatherers as MFP production is highly dispersed spatially and because of the poor accessibility of these areas, a competitive market does not exist. There are a large number of intermediaries linking the gatherers to the end-users. Gatherers are not aware of the price in larger markets and may be indebted to the buyers and thus forced to sell at low prices. Moreover, gatherers are mostly poor and unable to bargain for fair prices.
4. The functioning of Corporations and Federations engaged in MFP trade is not optimal for various reasons. While the Federations in Madhya Pradesh and Chhattisgarh are gatherers' cooperatives, formed under the Cooperative Act, in other States, the Corporations are managed by appointed officials. In principle, Federations/Corporations should be accountable to the Gram Sabha but in practice it is not always so. Various Corporations and Federations often lack appropriate infrastructure including storage facilities and resources as well as requisite marketing and other skills. Also, while the stated goals of these agencies are to provide fair returns to gatherers, the assumption

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across States appears to be that these ought to be at least 'self-sustaining' and ideally, profit-making. At the same time, the administrative costs of the Corporations tend to be quite high, partly because their operations spread over vast geographical areas. Consequently these Corporations/ Federations take up the trade of only the more viable MFPs, leaving the rest for free trade.

5. There is not only lack of communities' access to bamboo, but also access to all other MFPs in reserved and protected forests, in general, is limited. Several barriers in intra and inter-state movement of MFP also prevail.
6. Most of the value addition to MFP takes place outside the regions where these are collected. Consequently, the tribal people get a very low price for the raw products. The lack of appropriate value addition for increasing the shelf life of the product reduces the bargaining power of the tribals because they have to dispose their produce within a stipulated time-period.
7. MFP resources are dwindling. The thrust on maximum extraction rather than sustainable harvesting has been a major reason for the dwindling resource base of MFP, thus further reducing incomes from MFP. Since the thrust of the relevant departments has been on timber, the regeneration of MFP has not been given adequate importance.

D. Key Recommendations

1. Amendment in State Laws and Indian Forest Act, 1927

State laws as well as the Indian Forest Act, 1927 (IFA) should be amended to clearly reflect the ownership of minor forest produce by the Gram Sabha. Further, as per the Forest Rights Act, 2006, bamboo should be included within the definition of MFP. In fact, the ownership of all MFPs should vest in the Gram Sabha with necessary provisions for capacity building of the local people in both PESA and Non-PESA regions for sustainable management of forest resources.

2. Strategic Government Intervention

While development of competitive market for MFP and capacity building of MFP gatherers through formation of self-help groups/ co-operatives and producer companies would be the key to elimination of traders' exploitation in the long run, strategic government intervention would be necessary in the short and medium term in the form of minimum support price (MSP) for at least 14 main MFPs, namely tamarind, mahuwa flower, mahuwa seed, tendu leaf, bamboo, sal seed, myrobalan, chironji, lac, gum karaya, honey and seeds of karanja, neem and puwad. The MSP will be extended to other MFPs as early as possible. This is intended to ensure a basic minimum income for MFP gatherers.

3. Agency for Fixation of Minimum Support Price

The minimum support price should be fixed at the national level by a specially constituted Central Price Fixation Commission, comprising one chairperson who will be an expert in the field of tribal and rural development and three other members having experience in the relevant field. The broad functions of the Commission would be the following:-

- i. Fixation of minimum support price as bench-mark and setting quality standards.
- ii. Formulation of broad guidelines for effective implementation of the MSP scheme.
- iii. Monitoring and evaluation of the aforementioned scheme; suggesting corrective measures from time to time.

While fixing MSP for each crop season, the Commission shall have in depth consultation with the Ministry of Tribal Affairs, Ministry of Panchayati Raj, Ministry of Environment & Forests, Department of AYUSH, tribal leaders from all the concerned regions, representatives of national level merchant/trade and industry associations dealing with MFPs, state level agencies and the TRIFED. The administrative ministry for the Commission will be the Ministry of Tribal Affairs.

4. Role of TRIFED

TRIFED can work as a technical support unit of the Central Price Fixation Commission and assist the Commission by providing relevant information like estimated production potential, prices of MFPs in local, national and international market, demand – supply gaps, quality standards/specification etc. However, in order to enable TRIFED to play its new role, it would be necessary to strengthen TRIFED in terms of trained manpower and infrastructure.

5. Procurement Agency to Defend MSP at State Level

It will be obligatory for the State Government to ensure payment of MSP through its agencies such as GCC (Andhra Pradesh), JHAMFCOFED and JTDC (Jharkhand), MSCTDC (Maharashtra), MPMFP Federation (Madhya Pradesh), OFDC (Orissa) GSFDC (Gujarat), RTADCF (Rajasthan) etc. Such agencies should be strengthened to trade in MFP on adequate scale by way of providing skilled manpower, finance and infrastructure. In fact, all such government supported agencies should function autonomously in a professional manner. However, the centrally fixed MSP should be the bottom line to be offered, although these designated agencies can offer a higher price if they find it feasible and profitable to do so. Also any private agency(s) can offer higher prices than MSP for procuring the selected MFPs. All administrative and operational costs of agencies defending the MSP shall be borne by the Government, as envisaged under first proviso to Article 275(1) of the Constitution or any other provision. All profits shall accrue to the gatherers.

6. Accountability to Gram Sabha and Panchayats

Accountability to Gram Sabha and participatory decision making has to be built in the mandate and structure of all Corporations as well as Federations. All agencies that undertake MSP operations have to be accountable to the Gram Sabha. In order to ensure transparency and accountability, the activities of the agencies as well as local accounts have to be placed in the Gram Sabha for social audit. District Panchayats can become focal points for monitoring the activities of Corporations/Federations, including redressal of grievances.

7. Basis for Calculation of MSP

While the Commission would develop appropriate methods for calculation of MSP for selected MFPs, some important factors to be considered are (i) labour time used in the collection, (ii) the prevailing wage rate, (iii) transportation cost, if any (iv) market prices and (v) demand – supply analysis. Under no circumstances, the gatherers of MFP should be paid less than the existing minimum wages under the MGNREGA or minimum wages in agriculture sector, whichever is higher.

8. Funds for Providing MSP

The designated agencies may at times incur loss in the process of procurement of MFPs at minimum support prices and their disposal. Therefore, the agencies concerned should be compensated for the loss incurred. The MSP operation in the tribal areas should be seen as an anti-poverty measure, as it addresses the livelihood of the poorest people in the country. Losses incurred if any, shall be borne by the Government, as envisaged under first proviso to Article 275(1) of the Constitution or any other provision. The existing budgetary provisions under article 275(1) of Constitution and under existing schemes of the Ministry of Tribal Affairs are committed. Support to the administrative costs, operational costs, compensating losses of State level procurement agencies, support to strengthen TRIFED, administrative expenses on the proposed Commission for fixing MSP of MFPs shall come as additionality under the first proviso to Article 275(1) of the Constitution or any other new budgetary provision.

9. Building Marketing Intelligence Regarding MFP

Market information system will be needed for proper planning of the procurement, value addition and marketing of MFP by the stake-holders. The existence and dissemination of complete and accurate market information is the key to achieve both operational and pricing efficiency. Therefore, it is necessary to develop advanced information and communication technology based schemes, which may be called MFPNET or any other nomenclature, with the basic objectives to establish nationwide information network for speedy collection and dissemination of market information/data, for its efficient and timely utilization. Building marketing intelligence would also enable these procurement

agencies to dispose the procured MFPs at competitive market rates and not suffer losses due to lack of information.

10. Organization and Training of MFP Gatherers

In order to improve the bargaining power of the MFP gatherers, to enable them to get market-based better prices in the long run and also to ensure sustainable management of MFPs, it would be necessary to organize the gatherers in self-help groups or co-operatives or producer companies. These collectives can be linked to more lucrative markets and consequently, they can play an important role in cutting out the long chain of middlemen and ensuring better prices to the gatherers. In addition, they can take up regeneration and value addition activities. They would also be able to access finance from banks. The government should support such collectives through relevant government and non-government agencies who can act as facilitators for such activities. Besides, livelihood projects can be taken up on priority basis under the National Livelihood Mission. Moreover, appropriate training for resource generation, improved practices for extraction and value addition need to be taken up on a large scale.

11. Value Addition of MFP

Currently government Corporations such as GCC in AP and GFDC in Gujarat have taken up some value addition activities on small scale. In fact, value addition activities at the local level, involving the MFP gatherers would be essential for ensuring payments at par with market-based better prices. Therefore, promotion of MFP based value addition activities in a participatory manner should be accorded priority. Once collectives of gatherers are formed, they can be supported in undertaking appropriate value addition activities.

12. Expanding the Knowledge Base on MFP

To ensure sustainable regeneration, marketing and value addition, detailed information about the MFPs is needed and a systematic data base on these MFPs should be generated. All the major MFPs in each State need to be studied in terms of occurrence, possible end use, marketing and regeneration. Creating a knowledge base about MFPs would require

a multi-pronged approach with the help of research institutions concerned with forestry, project development and marketing. Further, findings emerging from the field would have to be documented and disseminated. A national initiative in this regard would be necessary and may be taken up by Ministry of Tribal Affairs in collaboration with Ministry of Environment and Forests. TRIFED can be a nodal agency for this initiative with the purpose of collecting as well as disseminating knowledge. Gram Sabhas/Gram Panchayats can play an important role in creating such a data base.

13. Sustainability and Regeneration of MFP

Regeneration of MFP has to be a major focus area in forestry programmes. A village level plan for the forest regeneration and management should be prepared by the Gram Sabha in consultation with all line department functionaries at the local level. Appropriate nurseries could be set up to provide seeds and saplings to gatherers. Improved varieties of tamarind, mahuwa, medicinal plants, and other MFPs significant to gatherers' livelihoods should also be promoted. It is recommended that regeneration of MFP be made an integral part of the Forest Working Plans. MGNREGA projects can fund MFP regeneration activities for which special sensitization and training campaigns for Gram Sabhas, Panchayats and JFMCs can be taken up. It is important to ensure maximum participation from the community in all regeneration activities. For various MFPs, 'dos and don'ts' in terms of sustainability would also have to be defined and can be incorporated in policy, to be followed by government, non-government agencies and the people.

CHAPTER 1

INTRODUCTION

1.1 Background

1.1.1 Scheduled Tribes (STs), an indigenous minority of India, constitute 8.2% of the nation's total population (Census of India-2001). The bulk of the ST population lives in Fifth Schedule¹ (Central Indian region) and Sixth Schedule² (North Eastern Region) Areas. According to the 2001 Census, amongst the nine States with Schedule V Areas, to which the Panchayat Extension to Scheduled Areas Act (PESA) 1996 applies, the number of STs is the largest in Madhya Pradesh followed by Maharashtra, Orissa, Gujarat, Rajasthan and Jharkhand. [See Annexures 1A and 1B for a State-wise distribution of the ST population and a list of PESA districts]. Predominantly distributed in the hilly and forest regions, the ST people have their own cultural norms, social systems and institutions. In terms of economic pursuits, they are very much dependent on nature, especially forests and forest produce, to eke out their livelihoods.

1.1.2 An important source of livelihoods for people living in Schedule V areas, as also other forested areas, are non-wood forest products, generally termed '**Minor Forest Produce (MFP)**'. These include bamboo, canes, fodder, leaves, gums, waxes, dyes, resins and many forms of food including nuts, wild fruits, honey, etc. The MFPs provide both subsistence and cash income for people who live in or near forests. They form a major portion of their food, fruits, medicines and other consumption items and also provide cash income through sale. Some MFPs, especially bamboo and tendu leaf, have significant commercial importance. Nearly 75% MFPs are collected from the six States of Maharashtra, Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand and Andhra Pradesh

¹ Schedule V Areas are mentioned in Article 244(1) of the Constitution special provisions for these areas are given in the Fifth Schedule of the Constitution of India.

² Scheduled VI Areas are mentioned in Article 244(2) of the Constitution and special provisions for the areas are given in the Sixth Schedule of the Constitution of India.

(Chambers et al, 1991). A list of MFPs that grow in the Schedule V areas (State-wise), as provided by States is given in Annexure 2.

1.1.3 As can be seen from Annexure 2, MFPs comprise a huge variety of products in terms of usage, availability, value and quality. MFPs vary from being an intoxicant variety like mahuwa to being of medicinal importance like nuxvomica and pungam seed; from being food items like tamarind and chironji to being used as industrial raw material like gum, myrobolans, etc; from having general household usage like brooms to being used in jewelry making like lac. The extent of the variety of MFPs found across States can be seen from the fact that while in Andhra Pradesh there are 64 MFPs identified by the State Government, Madhya Pradesh has a list of 155 MFPs. However, even these lists are not exhaustive. At present there is no system of identifying all the MFPs that grow in the forests.

1.2 Importance of MFP

1.2.1 An estimated 100 million people derive their source of livelihood directly from the collection and marketing of MFPs (Report of the National Committee on Forest Rights Act, 2011). According to a World Bank estimate, the MFP economy is fragile but supports close to 275 million people in rural India (quoted in 'Down To Earth' Report, November 1-15 2010) - a significant part of which comprises the tribal population. However, there are no accurate estimates of the number of people who depend on MFPs, and the percentage of income that they derive from them.

1.2.2 MFPs provide essential nutrition to people living in forested areas, and are used for household purposes, thus forming an important part of their non-cash income. For many tribal communities who practice agriculture, MFPs are also a source of cash income, especially during the slack seasons. The economic dependence of tribal communities on MFPs can be understood from Table 1.

Table 1: Economically Important MFPs

Seasons	MFPs collected	Economy
January- March	Lac (resin), mahuwa, flower and tamarind	Over 75 per cent of tribal households in Orissa, Madhya Pradesh and Andhra Pradesh collect mahuwa flower and earn Rs.5000 a year. 3 million people are involved in lac production.
April-June	Tendu leaves, sal seeds and chironji	30 million forest dwellers depend on seeds, leaves and resins from sal trees; tendu leaf collection provides about 90 days of employment to 7.5 million people, a further 3 million people are employed in bidi processing
July-September	Chironji, mango, mahuwa fruits, silk cocoons and bamboo	10 million people depend on bamboo for livelihood; 1,26,000 households are involved in tussar silk cultivation only
October-November	Lac, kullu gum, resins used in incense sticks	3 lakh person days of employment from collection of gums.

Source: CSE 'Down To Earth' Report, November 1-15, 2010

1.2.3. As Table 1 shows, MFPs are seasonal. Also, while most MFPs, for example Mahuwa flower, have a very low shelf-life; some such as bamboo have a comparatively higher shelf-life. The MFP economy further needs to be understood against the fact that the amount of produce varies significantly from year to year. In fact, for most MFPs, a good yield in one year is followed by a poor yield in the subsequent year. In addition, MFPs vary a great deal in terms of quality from one region to another.

1.2.4 MFPs are especially important for the poorest households living in forested areas, especially women. A recent research study (The Livelihood School, BASIX, 2010) shows that in Chhattisgarh, the involvement of women in the MFP economy is very high, tribal households depend on the MFP economy more than non-tribal households and poorer households more than comparatively better-off ones. The MFP economy is a critical one for the most vulnerable sections of society.

official estimates, the procurement value of MFPs (minus bamboo) in 2009-10 was Rs. 552.37 crores, and sale value was Rs.598.74 crores. Most of this is accounted for by tendu leaves. The data given in Annexures 4A & 4B, however, may be treated with caution as the Committee was informed that often data is available only for MFP bought by State Agencies (Corporations/Federations) not for MFPs sold in the open market. The potential production value of major MFPs including bamboo is estimated to be around Rs.4000 crores. Notably, though MFPs are a significant source of livelihoods for some of the poorest people in the country, the data base on the MFP economy is highly inadequate.

1.2.5. A list of the 10 most important MFPs in terms of livelihoods as reported by States is provided in Annexure 3 in terms of quantity collected. Overall, the most important MFPs along with bamboo and tendu leaf are mahuwa (flower and seed), sal leaf and seed, gum karaya, kullu gum, lac resin, aonla/amla fruit, tamarind, chironji, bahera fruit, myrobalan, honey, nuxvomica, harra/ hirda and adda leaf. Further, a list of the important MFPs, in terms of their collection potential besides importance for livelihood, as reported by TRIFED is given below in Table 2.

Table 2: Economically Important MFPs in terms of Livelihood and Collection Potential

S.No.	Commodity	Estimated Production Potential		Estimated Collection Potential	
		Qty in Lakh MTs	Value in Rs Crores	Qty in Lakh MTs	Value in Rs Crores
1.	Tamarind	2.00	240.00	2.00	240.00
2.	Mahuwa Flower	1.50	122.00	1.00	81.00
3.	Mahuwa Seed	1.00	110.00	0.50	55.00
4.	Sal Seed	1.60	160.00	1.00	100.00
5.	Tendu	80 (In standard bags)	1040.00	40 (In standard bags)	520.00
6.	Bamboo	48.00	12.00	12.00	300.00
7.	Karanjaa Seed	0.40	40.00	0.25	25.00
8.	Myrobalan	1.30	78.00	0.75	45.00
9.	Chironjee	0.10	230.00	0.05	110.00
10.	Lac (Stick Lac)	0.25	150.00	0.20	120.00
11.	Gum Karaya	0.05	62.00	0.03	37.00
12.	Wild Honey	0.30	270.00	0.25	230.00
13.	Puwad Seed	0.50	50.00	0.20	20.00
14.	N neem Seed	0.25	25.00	0.25	25.00
			3777.00 Say 4000.00		1908.00 Say 1900 Crores

Source: TRIFED

(Note: The above figures are based on the data collected from different sources like Task Force report of MoEF, States Agencies, guesstimates based on TRIFED's past procurement & marketing experience etc.)

1.2.6. The most important States with regards to MFP trade are Madhya Pradesh, Chhattisgarh and Andhra Pradesh, as shown through the procurement values and sale values of all MFPs taken together (2008-09 and 2009-10) given in Annexures 4A and 4B. As per

CHAPTER 2

LEGAL STATUS REGARDING OWNERSHIP OF MFPs

2.1 Legal Ownership of MFP by the People

2.1.1. The Panchayat (Extension to Scheduled Areas) Act (PESA), enacted in 1996, is an extremely progressive legislation. PESA extends Panchayats to the Schedule V Areas of nine States, namely Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, Orissa, Andhra Pradesh, Rajasthan, Gujarat and Himachal Pradesh with certain exceptions and modifications. PESA promotes people-centric governance and provides a central role to the Gram Sabha. Under PESA, Gram Sabhas are deemed to be 'competent' to safeguard and preserve the traditions and customs of their people, their cultural identity, community resources and their customary mode of dispute resolution. Gram Sabhas have mandatory executive functions and responsibilities to approve plans of the village Panchayat, identify beneficiaries for schemes of poverty alleviation and other programmes and issue certificates of utilization of funds by the Panchayats. Gram Sabhas and Panchayats have:

- Right to mandatory consultation in matters of land acquisition, resettlement and rehabilitation, and granting of prospecting licenses/ mining leases for minor minerals;
- Powers to prevent alienation of land and restore alienated land;
- Powers to regulate and restrict sale/ consumption of liquor;
- Powers to manage village markets;
- Control money lending to STs;
- Ownership of minor forest produce;**
- Powers to control institutions and functionaries in all social sectors, local plans and resources.

2.1.2. With specific reference to Minor Forest Produce (MFPs), the Act directs the State Governments (restricted to Schedule V areas) in the following manner:

“While endowing Panchayats in the Scheduled Areas with such powers and authority as may be necessary to enable them to function as institutions of self-government, a State legislature shall ensure that the Panchayats at the appropriate level and the Gram Sabha are endowed specifically with the powers of ownership of Minor Forest Produce”.

2.1.3. The Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006 or Forest Rights Act, (FRA) 2006 has also given the tribal communities and other traditional forest dwellers, under Section 3(c), the “right of ownership, access to collect, use and dispose of minor forest produce, which has been traditionally collected within or outside village boundaries.” As per Section 5(d) of the same Act, the holders of any forest right, Gram Sabha and village level institutions are empowered to ensure that decision taken in the Gram Sabha to regulate access to community forest resources are complied with.

2.2 Definition of MFP

2.2.1. MFP has been defined legally in the recently enacted FRA 2006. The Act defines ‘Minor Forest Produce’ as follows:

“ minor forest produce includes all non-timber forest produce of plant origin including bamboo, brushwood, stumps, cane, tussar, cocoons, honey, wax, lac, tendu or kendu leaves, medicinal plants and herbs, roots, tubers and the like.” [Clause 2(1) of the Act]

2.2.2. It is important to note that FRA includes bamboo under the definition of MFP. However in practice, State Forest Departments do not include bamboo as MFP claiming that they treat those products as MFP which can be obtained from the forest trees without their felling. Bamboo is, therefore, not treated as MFP for ownership by the people, though bamboo is botanically considered grass (graminae family) and not a tree.

2.2.3. Tendu (kendu) is considered a ‘nationalised’ MFP in the sense that though its ownership is legally vested with the Gram Sabha, the right of procurement and disposal (trade) is exercised by the State Government agencies exclusively.

2.2.4. The Indian Forest Act 1927, does not define Minor Forest Produce. It mentions "other forest produce" in the Preamble to the Act, allowing the possible subjective inference that "other forest produce" could mean "Minor Forest Produce".

2.3 Compliance of State Laws with PESA and FRA

2.3.1. Over time, a range of State enactments and regulations have been put in place to control the use and trade of MFP, which are at variance with the provisions of PESA and FRA. State Acts have not yet incorporated the definition of MFP as given in FRA. While PESA and FRA lay down the framework of ownership of MFP by the Gram Sabha, their features need to be reflected in relevant State legislations. At present, ownership of MFP by the Gram Sabha is reflected in varying degrees and ways in various State Acts. Table 3 sums up the status of ownership of MFP in the nine States with PESA areas.

Table 3: Ownership of MFP in State Acts

Name of State	Panchayat Act	Subject Act
Andhra Pradesh	Ownership with GPs	State monopoly
Madhya Pradesh	No provision	Powers with State Government for tendu patta to appoint agents for collection and marketing
Maharashtra	Ownership with GPs for 33 MFPs, excluding national parks and sanctuaries	Monopoly with MSCTDC
Jharkhand	GPs and Panchayat Samiti to manage	Control of State Government over tendu
Orissa	GPs to perform functions as prescribed	MFP policy provides for management by Panchayats for 69 items, excluding bamboo and tendu
Gujarat	Ownership with GPs except for MFPs found in National Parks or Sanctuaries	Gujarat State Forest Development Corporation has control over nationalized MFPs.
Rajasthan	Gram Sabha has power to manage MFP	Powers with State Government.
Chhattisgarh	No provision	State Government can appoint agents for

Himachal Pradesh	Ownership with GPs	collection and marketing of tendu patta. State Government has power to appoint agents.
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Source: State responses

2.3.2. Annexure 5 provides details regarding the status of ownership of MFP in State laws. It may be seen that Chhattisgarh and Madhya Pradesh have made no provisions in State Panchayat or subject Acts regarding ownership of MFP by the Gram Sabha. In Andhra Pradesh, Maharashtra, Rajasthan and Himachal Pradesh, while the Panchayati Raj Acts entrust Gram Sabhas or Panchayats with ownership of MFP, the subject Acts specify State Government control. In some States, like Andhra Pradesh, Jharkhand and Maharashtra, State Acts have defined Panchayats rather than the Gram Sabhas as owners. In addition, some State subject laws bar access to MFPs in certain areas such as reserved forests, (as in the case of Maharashtra) whereas as per PESA, ownership is sought to be extended to all areas where people have had traditional access.

2.3.3. There are also instances where legal rights have been given as per PESA, but withdrawn or changed subsequently through government orders. For example, in Maharashtra, people were given rights over 33 MFPs items notified as such by the State, but within a year these rights were transferred to the Maharashtra State Cooperative Tribal Development Corporation (MSCTDC) on the grounds that Gram Sabhas were unable to manage MFPs. It was decided that Rs. 5 per quintal would be paid to the Gram Panchayats by the MSCTDC for the sale of MFP. [Summary of relevant government order is attached: Annexure 6].

2.4 The Meaning of Ownership of MFP

2.4.1. It is important to point out here, that the term ‘ownership’, used with respect to MFP in PESA, is itself to be interpreted. The legal definition of the term is as follows (Dhyani, 2002)³:

³ Dhyani S.N, (2002), ‘Jurisprudence and Indian Legal Theory’ India, Allahabad, Central Law Agency (pp. – 294)

‘The owner of the property is one who has dominion over a thing which he may use as he pleases except as restricted by law or by agreement. Ownership denotes the relation between the person and the object, which forms the subject matter of his ownership. The subject matter of the ownership is both the corporeal as well as incorporeal property. Corporeal property may include material objects like house, land, car, etc. and incorporeal may include copyright, trademark, patent, goodwill, etc. Ownership of property includes:

1. Right to possession and control and includes the right to protect and defend the possession against intrusion and trespass by others.
2. Right to enjoyment and use of the thing owned. The owner is free to use it, manage it and preserve it subject to the interest of public.
3. Owner also has the right of alienation. He can alienate or destroy the thing if he so desires. Right to alienation is an exclusive right of owner. A non-owner who is in the possession of the property cannot alienate the property.’

2.4.2. The above definition implies that people living in Schedule V Areas are free to collect and sell the produce as they please subject to existing laws. However “Ownership of MFP” also has to be seen against certain pragmatic concerns. Firstly, there is a history of exploitation of tribals by traders. Since many of these areas have poor access, the conditions of ‘free market competition’ do not prevail, as only a very small number of traders reach the areas and consequently exercise monopoly. Secondly, the produce is usually collected in small quantities and is perishable. This means that gatherers cannot access bigger markets due to their inability to commute to these markets frequently. Finally, the gatherers of MFP are poor and often illiterate. They are therefore unable to bargain with the more powerful traders for their own interests.

2.4.3. The above suggests that organization of MFP collection and trade by the government should not be interpreted necessarily as lack of ownership, since such intervention may be necessary in the context of undeveloped markets that exist in the area. However, the exercise of monopoly rights by State agencies is an infringement of ‘ownership’ rights

conferred as per PESA. An equally important concern here is the question of who gets the profits. If people are the owners of MFP, then the profits should go to them, and not State agencies. These two points are considered in greater detail in the subsequent chapters.

STATE-LEVEL INSTITUTIONAL ARRANGEMENTS FOR PRICING AND PROCUREMENT OF MFP

3.1 Organization of MFP Trade

MFP is gathered by the people living in forested areas. Some amount of primary processing, such as drying of leaves, deseeding, etc. are taken up by gatherers. These are then sold to private traders or State Government agencies. An exception here is bamboo, which is harvested under the supervision of the Forest Department (in some areas with the help of JFMCs). As stated in the previous chapters, State Governments exercise control over the use and trade of MFP through various Acts and regulations. For trading in MFP, States generally follow two types of practices for different MFPs: monopoly by State owned or supported agencies and free market i.e. sale of MFP by gatherers to traders. The Jharkhand State Minor Forest Produce Marketing Cooperative Federation and Chhattisgarh State Minor Forest Produce (Trade and Development) Cooperative Federation have attempted to trade without monopoly for a few MFPs but they do not assure purchase and their operations are very recent.

3.2 Monopoly in MFP

3.2.1. As aforementioned, while bamboo has been defined as a tree in IFA, it has been classified as an MFP in the Forest Rights Act of 2006. This changed legal status of definition is, however, not reflected in any of the State Acts as yet and bamboo is treated like timber, and the Forest Department retains full control over all operations concerning bamboo. Wages are paid to people engaged in harvesting bamboo, and decisions regarding distribution and sale are made by the Forest Department. In some areas, Joint Forest Management Committees (JFMCs) participate in management and even share profits. However, JFMCs themselves are dominated by Forest Department officials and

function parallel to Gram Sabhas and Gram Panchayats; though recently directions have been issued to make JFMCs Standing Committees of Panchayats and accountable to Gram Sabha.

3.2.2. As far as tendu leaf is concerned, though the item is defined as an MFP under the FRA, the individual States retain control over it by according tendu leaf the status of a 'nationalized' MFP. Nationalized MFPs are those whose procurement (purchase from the gatherers/ collectors) and sale to further links (private merchandisers, exporters) can be done only through designated State agencies. These are Corporations/ Federations established by respective States.

3.2.3. Besides tendu leaf, individual States exercise monopoly over certain other MFPs too, thereby restricting their free trade in open markets. Table 4 provides a list of the MFPs for each of the nine PESA states, over which State agencies exercise monopoly rights.

Table 4: MFP over which States Exercise Monopoly Trading Rights

State	MFP Under State Monopoly
Andhra Pradesh	Bamboo, tendu leaves and 25 other MFPs.
Chhattisgarh	Bamboo, tendu leaves, sal seed, myrobalans and gums of kullu, dhawda, khair and babool.
Gujarat	Bamboo, tendu leaves, mhowra flower, mhowra seed, gum karaya and other miscellaneous gums.
Maharashtra	Bamboo, tendu leaves, apta leaves and 33 other MFPs.
Madhya Pradesh	Bamboo, tendu leaves, sal seed, kullu gum and lac resin.
Rajasthan	Bamboo, tendu. State monopoly for other MFPs ceased to exist in 2003.
Orissa	Bamboo and tendu leaves.
Himachal Pradesh	No MFP has been put under State monopoly.
Jharkhand	Tendu leaves.

Source: State responses

While Andhra Pradesh and Maharashtra retain monopoly on all MFPs, in Orissa the monopoly is restricted to bamboo and tendu leaves and in Jharkhand to tendu leaves. Chhattisgarh, Gujarat and Madhya Pradesh retain monopoly over bamboo, tendu and a few other profitable MFPs.

3.2.4. The exercise of monopoly encourages illicit trade in many cases. For example, in Chhattisgarh, though the Federation has a monopoly over tendu patta, in fact, many traders buy the tendu patta directly from gatherers at higher prices. This enables the traders to evade taxes. The Federation cannot control the traders. In Maharashtra, despite the fact that Maharashtra State Cooperative Tribal Development Corporation (MSCTDC) retains monopoly control of trading in the notified 33 MFPs, the same are still sold by gatherers in open market illegally. The reason cited for this by the gatherers was that for good quality MFPs, the private traders gave very high returns. For example, for the year 2010, traders bought Hirda (an important MFP) for Rs.43/- per kilo from primary gatherers. The latter got Rs. 17/- for the same quantity from MSCTDC.

3.2.5. It may be noted that the recently formed JHAMFCO Federation in Jharkhand trades in MFPs collected by gatherers (except for bamboo and tendu leaf) but does not have monopoly rights. It has yet managed to earn profit in its one year of operation. The method adopted by the Federation is that it offers a purchase (procurement) price for any MFP at Rs.2-4 higher than the purchase price offered by the private traders. For instance in 2010-11, cooperative societies registered with JHAMFCO Federation offered a purchase price of Rs.20-22 per kg at the local haats when mahuwa was being bought at Rs.18 per kg. by private traders. However, the Federation does not guarantee purchase of produce and the operations of the Federation are too recent to enable any final conclusions.

3.3 Agencies Involved in MFP Trade

Within the States, control over the trade of MFPs does not vest with a single agency, but with several types of agencies. Table 5 shows the various agencies involved in MFPs trade:

Table 5: State Agencies Involved in Trading of MFP in 9 PESA States

STATE AGENCIES INVOLVED IN TRADING		
Tendu leaves	Bamboo	Other MFP
Andhra Pradesh The Andhra Forest Development Corporation	State Forest Department controls the extraction & trade of bamboo through agents. Where JFMCs exist, they are also involved.	The Girijan Co-operative Corporation (GCC) has monopoly over purchase and trade of 25 MFPs.
-Chhattisgarh Chhattisgarh State Minor Forest Produce (Trading & Development) Co-operative Federation Ltd	State Forest Department	The Chhattisgarh State MFP Corporation has monopoly rights over nationalized MFPs, i.e. Sal seed, harra and gum. Non-nationalized MFPs are directly purchased by the contractors from tribals. The Federation also fixes the prices of these MFPs but has no way of ensuring that these are followed by traders.
-Orissa Orissa Forest Development Corporation and the Forest Department	Orissa Forest Development Corporation and the Forest Department	Purchased by private traders. Prices are fixed by the Block Panchayats. Traders have to register with the Gram Panchayat and pay registration fees of Rs.100.
-Jharkhand Jharkhand State Forest Development Corporation (JFDC)	At present no extraction of bamboo is taking place. The extraction would be taken over by the JFDC subject to the approval of the working plan (which is yet to be submitted by the State after making suitable amendments as directed by the Centre)	Free markets. JHAMFCO bought imli, chironji, mahua and dori at a Minimum Support Price without monopoly last year.
Madhya Pradesh MP State MFP (Trade and Development) Cooperative Federation Ltd	State Forest Department	The MP State MFP Cooperative Federation exercises monopoly over sal seed, harra, kulu gum and lac. MFP are collected and traded freely.
Rajasthan State Forest Department	State Forest Department	The Rajasthan Tribal Area Development Cooperative Federation (RTADCF) has ceased to exercise monopoly rights since 2003
Himachal Pradesh No tendu leaves grown	Bamboo not grown	Pradhans of Gram Panchayats have been appointed as Forest Officers to carry out the functions specified in Rule 11 of the HP Forest produce Transit (Land Routes) Rules, 1978 for the issuance of passes for transport of MFP collected from the forests in respect of 37 items
Gujarat Gujarat State Forest Development Corporation	State Forest Department	Gujarat State Forest Development Corporation Ltd. has been collecting and trading in MFP, namely mahua, gum karaya and other gums from the forest areas through tribals. The

		remaining MFPs are free for open trade.
Maharashtra State Forest Department	State Forest Department	For Non-nationalized MFP, the GPs in consultation with the GS have appointed the Maharashtra State Cooperative Tribal Development Corporation (MSCCTDC) as an agent to procure the MFP.

Source: State responses

As seen from Table 5, bamboo is exclusively controlled by the Forest Department, with some involvement of the JFMCs. Cooperatives have been established for trading in tendu leaves and a few other MFPs in MP and Chhattisgarh, while in other States the trade in tendu leaf vests with government Corporations. In Chhattisgarh and MP, monopoly is exercised by the Cooperative Federation in case of major MFPs, besides tendu. In Andhra Pradesh and Gujarat, State Government Corporations exercise monopoly in 'other MFPs' in varying degrees. GCC in Andhra Pradesh exercise monopoly rights over all MFPs grown in the State while the Gujarat Corporation exercises monopoly in only a few items. In Maharashtra, the Corporation effectively exercises monopoly over all MFPs, (Reportedly, rethinking at state level is currently underway on this issue). In Orissa, Rajasthan, Jharkhand and HP, there is no government intervention in 'other MFPs' and in Orissa, a role is envisaged for Panchayats.

3.4 Mandate of State Agencies Involved in MFP Trade

The various agencies across States that trade in MFP have been set up mainly to protect the interests of MFP gatherers, as can be seen from their mandates given in Annexure7. The main objective of these agencies is to ensure fair remunerative prices to gatherers and reduce exploitation by eliminating direct dealings between the gatherers and the private traders.

3.5 Structure and Functioning of State Agencies

3.5.1. The structure and functioning of these agencies varies, and is given in detail at Annexure 8. As can be seen, the governing councils at the State and District level of the Madhya

Pradesh and Chhattisgarh Cooperatives are elected as per the Cooperative Act. There is a three tier structure of Primary Cooperatives of gatherers, and elected District and State level bodies. Management support is provided by the Forest Department. In other States, the governing bodies and management are appointed. The organizations in Madhya Pradesh and Chhattisgarh are therefore distinct from other States. These are gatherers' cooperatives and not simply government Corporations, though supported by the Forest Department. These Cooperatives need to be made more participative and autonomous.

3.5.2. All organizations except JHAMFCOFED have systems of outreach to the MFP gatherers with a common point of procurement between 3-4 villages. In Chhattisgarh and MP, the local centres are manned by 'phad munshis' who are elected by the gatherers. GCC on the other hand, has collection centres manned by its own employees. In Jharkhand, JHAMFCO procures through LAMPs, PACs and other members registered with the organization.

3.5.3. Adequate storage facilities with Corporations/Federations are missing in all States. This limits their ability to store MFP till better prices are available.

3.5.4. Generally, MFP Corporations/ Cooperatives deal only in MFP trade (procurement and sale) and some value addition to the procured MFPs. However, in Maharashtra, MSCCTDC also deals in agricultural produce. The Corporation has been increasingly suffering losses in trade of MFPs, and was more inclined towards purchase and sale of agricultural produce than MFPs. In AP, GCC runs fair price shops and has also provided loans. While GCC had been unable to recover its loans, the fair price shops were reported to be popular. GCC has also attempted to make available other products of daily use such as clothes, buckets, etc. at fair prices, and these were also bought by the tribals. GCC has thus attempted to replace, or at least provide a counter, to the local market. MSCCTDC and JHAMFCO also provide 'loans' to the tribal communities to support agricultural activities. These loans are generally not repaid.

3.5.5. In all States except Gujarat, MP and Chhattisgarh, the trade in tendu leaf and in 'other MFPs' are dealt by separate agencies. This means that by and large, the more profitable tendu trade and the less profitable trade in "other MFPs" is undertaken by different agencies. When trade in tendu is separated from other MFPs, then the organization dealing only in other MFP runs the risk of becoming unviable.

3.5.6. Regular government funding is available only to GCC in AP, where administrative costs are borne by the State Governments, and Corporations/Federations in rest of the States are expected to be self-financing. Corporations and Federations therefore tend not to deal with MFPs which do not bring immediate profits. For example in Madhya Pradesh, the Federation hesitates in taking up marketing of non-profitable MFPs under the pressure to show profits. The net result is that in some States, for a large number of MFPs, the gatherer is left to deal with the poorly developed market. In other States, Corporations dealing with 'other MFPs' give poor returns to gatherers.

3.5.7. The organizations vary widely in their turnover. The turn-over figure was not available for all the States but between MP and AP we can notice the huge difference between an organization that deals in trade of tendu leaves (turn-over of the range of Rs.750 Cr.) and one that does not (turn-over just about Rs.200 Cr) though the latter deals with a far larger number of MFPs.

3.6 Procurement and Sale of MFP by Government Corporations/Federations

3.6.1. A brief description of the process of procurement of MFPs from the collectors/ gatherers is provided in Annexure 9. There is no 'procurement' of bamboo from gatherers as it is harvested and traded by the Forest Department. Gatherers collect tendu leaves in all States, and sell these to 'phad munshis' appointed by contractors. In MP and Chhattisgarh, the gatherers select the 'phad munshis' through cooperatives. As far as other MFPs are concerned, these are either sold at depots or other designated points to the State agencies

at the Statutory Minimum Price (SMP) if the MFP is nationalized, or in case of non-nationalized MFPs, sold at open haats to local traders.

3.6.2. The agency entrusted with the task of fixing the procurement price for MFP and the procedure it follows in each State is given in Annexure10. Procurement prices of 'nationalized' or government controlled MFPs are fixed by various government committees or committees within Corporations/Federations. The sale price of the previous year is an important determinant of the price paid to gatherers.

3.6.3. Since the Corporations/Federations have to be financially self-sustaining, the price that they can pay to gatherers depends on their capacity to sell at lucrative prices. However, the Corporations are often unable to get the best possible sale prices. Although MFPs are sold by Corporations/Federations through open bids, there were reports in several States that Corporations did not sell to end users. Instead, they sold to intermediaries, who in turn made good profits selling to end users or even other intermediaries. These profits were obviously not passed on to gatherers.

3.6.4. Although tendu leaves are sold through bids (details in Annexure 11) in all States, there are variations in the role of the contractor. In Chhattisgarh, the responsibility of tendu leaf collection upto the *phad munshi* level is with the Federation. The contractor simply buys tendu leaves from the Federation. Wages are paid to the gatherers by the Federation and not by the contractors. In Gujarat and Maharashtra, units are taken over by the contractors who are responsible for all activities including regeneration, collection, transportation, etc. and payment of wages to *phad-munshi* gatherers.

3.7 Market Trade in MFP

3.7.1. For MFPs where there is no government control, the price is determined by the market, which is underdeveloped and unfavorable to gatherers. In fact, MFPs are sold through a chain of traders, which include petty traders, small traders, big traders, wholesalers,

commission agents etc., each retaining a share of the profits. The gatherer is often aware only of a village level trader, and simply does not know the price in bigger markets. Gatherers sell to village traders as they do not have storage facilities and cannot travel to larger markets. MFPs are sometimes also traded for other goods. In the most inaccessible areas, gatherers exchange MFP for salt and other goods, as per quantities decided by traders. Village level traders then sell to bigger traders, who have storage facilities who then supply to industries and commission agents. Traders at various levels collaborate to keep prices low.

3.7.2. Discussions with gatherers showed that there are wide variations in the price from year to year in these commodities. For example, in Jharkhand it was reported that prices for lac fluctuate a great deal, so that gatherers have difficulty in times when prices are low. The price also depends to some extent on the local availability of processing and value addition units. In Jharkhand, the gathering of sal seeds had become uneconomical as the nearest solvent extraction plant is in Chhattisgarh and the returns to sal seed gatherers are inadequate because of high transportation costs.

3.8 Role of Panchayats in Trade

In Orissa, Panchayats are authorized to trade in MFP other than bamboo and tendu. Panchayat Samitis fix prices for 'other MFP', but have no mechanisms for ensuring that the price fixed is followed, or offer to buy at the declared price. However, field visits showed that in spite of these limitations, the declaration of prices had some impact, as gatherers bargained for the declared prices. The method for fixing process was however, unsatisfactory. The price recommended by the DFO was usually accepted by the Panchayat Samiti. DFOs tended to simply increase the price by 10% or so from the previous year. The price in bigger markets was not known to anyone. Since the deregulation of MFP trade, prices of some commodities had risen while those of others had fallen or remained stagnant. For example in Kandmahal, the price of hill brooms was reported to have risen substantially but that of siyali leaf had not.

3.9 Profits to Gatherers

3.9.1. The extent to which profits from MFP are returned to gatherers by government Corporations/Federations are given in Annexure12. In case of bamboo, only in AP, there exists a provision of profit sharing with the tribal community and that too only in the areas where Van Sanrakshan Samities (VSSs) have been formed. Among the two villages visited, in Krishnapuram, 43,000 bamboos were cut in the previous year and a profit of Rs. 36,000 was declared. Out of this Rs. 18,000 was used for the village development fund and Rs. 18,000 was distributed among VSS members, which came to around Rs. 200 per family. In Dharsarai, the profits were around Rs. 1,500 per family. Orissa and Maharashtra keep aside some bamboo for the basket making community, but the quantity is very small. In Gujarat, it was brought to our notice that members of 'baans mandli' or Environment Development Committees are legally entitled to procure 500 bamboo stalks free of cost. Tribals however complained that this provision was not allowed to be exercised by the Forest Department.

3.9.2. In case of profits from tendu leaves, in all States, except Gujarat and Orissa, there are tendu cards with the gatherers according to which they get a share in the profits as bonus. This is generally found to be delayed by two years. In Orissa and Gujarat, profits are shared with Panchayats, and not gatherers, which can result in a raw deal for the gatherers. In Orissa, in Kandmahal district, for example, the production cost of tendu leaves was estimated at Rs. 7.15 crores, 90% of which was paid as wages to gatherers. There was an additional establishment cost of Rs. 2.5 crores. The tendu leaves were sold for Rs. 15 crores. Thus the wages paid to gatherers were around 6.43 crores, other production costs 0.72 crores, the administrative cost 2.5 crores and the profit was 5.35 crores. Notably, the profits are not returned to gatherers, who are some of the poorest people in the area. If the profits had been returned to gatherers their incomes would have gone up by 83%. Similarly, in Gujarat, in 2008-09, GSFDC sold tendu patta for Rs.23.82 crores, of which Rs.5.3 crores were paid to gatherers as wages. Another Rs.1.10 crores was spent on agents, transportation, etc. Rs.9.57 crores was spent on salaries. Profit of

Rs.7.84 crores was given to Panchayats. Notably out of the total sale value, only 22% was earned by the gatherers.

3.9.3. In AP, in case of 'other MFPs', while there is no system of sharing profits, there is a system of evening out profits over MFPs, passing on the profits of more lucrative MFPs to less lucrative ones. This means that returns to gatherers of more lucrative MFPs are lower than market returns, while those to gatherers of less lucrative MFPs are higher. For instance for Gum Karaya which has a good market and is mostly exported, the gatherer was at the losing end since profits were diverted to gatherers of MFPs such as Shikakai, which were selling poorly, thus helping gatherers of Shikakai. In Gujarat, the GSFDC has honey processing units established in some pockets of tribal areas. 2% of the total profit earned from sale of honey is distributed among the collectors. Apart from this there is no profit sharing with the gatherers. Jharkhand's JHAMFCO Federation works in competition with the private traders and reportedly keeps its price 2-3 rupees above the market price to benefit the gatherer.

NATIONAL-LEVEL INSTITUTION: TRIFED**4.1 Genesis of TRIFED**

Recognizing the importance of the need for livelihood generating activities based on locally available resources and in order to create gainful employment opportunities for local communities, the Ministry of Welfare (now Ministry of Tribal Affairs) established an organization at the national level for the purpose of undertaking marketing development activities for NTFP (non timber forest produce), alternatively called MFP. The Tribal Cooperative Marketing Development Federation of India Limited (TRIFED) came into existence in 1987 and was registered under the Multi-State Cooperative Societies Act 1984 and effectively started its operations a year later in 1988. The aim of TRIFED was to serve the interest of the tribal community and work for their social and economic betterment by conducting its affairs in a professional, democratic and autonomous manner for undertaking marketing of the tribal products.

4.2 Role of TRIFED

4.2.1. Since inception, TRIFED focused its activities on procurement of MFP gathered by the local (tribal) communities, with the intent of providing remunerative prices. The total procurement value of both MFP and agricultural produce, since inception (1988) until June 2002, is estimated to be Rs.877 crores. During the same period, the organization incurred a cumulative loss of Rs.84.95 crores. TRIFED was expected to be a commercial organization and generate profits. However, it became clear over time that the welfare goals of the organization could not be reconciled with commercial ones.

4.2.2. After the new Multi-State Cooperative Societies Act, 2002 came into force; TRIFED amended its bye-laws with effect from April 2003, and started functioning as a service provider, facilitator, coordinator and market developer for tribal products. It ceased to function as a procurer-cum-seller of MFP or agricultural produce.

4.2.3. The road-map of the 2007-08 to 2011-12 assigns the following four main functions to TRIFED:

- 1- Retail Marketing Development
- 2- MFP Marketing Development
- 3- Skill upgradation and capacity building of ST artisans and MFP gatherers
- 4- Research and Development/ IPR (institutional patent rights) activities

4.3 Present Organizational Structure and Functioning of TRIFED

4.3.1. TRIFED has its registered head office located in New Delhi. It has a network of 14 regional offices located in States with a substantial tribal population, and a Central warehouse in Delhi. The organizational structure of TRIFED is given in Annexure 13. TRIFED has Corporations/Federations trading in MFP on its Board, as 'member organizations'. TRIFED has also begun its venture into procurement and marketing of tribal arts and craft items through its retail outlets called 'TRIBES'.

4.3.2. TRIFED has undertaken marketing development strategies for MFPs such as mahuwa flower, lac, leaf cup and plate (dona pattal), tamarind and honey. In these businesses, self-help groups (SHG) are identified and trained on management of SHG and the best practices of collection, primary processing, grading, drying and storage of the particular MFP. Resource persons are sourced from institutes and hired for the purpose of training the master trainer(s), who directly train the beneficiaries. The implementing agency (institute) is provided financial assistance by TRIFED for imparting the training, with the assurance that the working capital required for procurement and marketing of MFPs would be the agency's own finance. Such projects are being implemented primarily

through the member organizations of TRIFED; MP MFP Federation is one such agency for implementing a project on mahuwa in the area of Shahdol. The budget for this activity for 2009-10 was Rs.6.21 crores.

4.3.3. TRIFED has also undertaken skill upgradation and capacity building of MFP gatherers, focusing on honey gatherers and gum pickers. The budget allocation for this specific activity is Rs.5 crores for the year 2009-10. Batches of tribals involved in either of the activities are imparted training for 4-5 days on the best practices of survey, use of protective dresses (as in the case of honey), scientific methods of gathering honey or tapping the gum, collection, drying/ bottling and other processes involved. So far TRIFED has engaged NGOs for imparting the training on skill upgradation as a norm, though it has also encouraged partnerships with member organizations and conducted programmes wherever possible.

4.3.4. TRIFED sponsors R&D projects on value addition in MFPs. Such projects have so far been assigned to the Indian Institute of Chemical Technology for developing bio candles and smokeless fuel from Sal fat, Bengal Engineering & Science University for isolating Sal starch and Tannin from Sal fat, Institute of Mineral & Material Technology (CSIR) for designing a hybrid biomass cum solar dryer for drying MFP items like mahuwa flower and seed, myrobalan seed, etc.

4.3.5. While TRIFED has begun relevant activities vis-à-vis MFP, the scale remains small, compared to the number of gatherers who earn their livelihood from MFP.

ROLE OF PANCHAYATS, GRAM SABHAS AND OTHER COMMUNITY BASED ORGANIZATIONS**5.1 Access of People to MFP**

Although the ownership of MFP vests with Gram Sabhas legally, in actual practice, access of the people to MFP remains contested. There is no free access to bamboo, though bamboo is defined as MFP as per FRA 2006. People are not allowed to harvest it for their own use. The harvesting of bamboo is planned, so that revenue to the government rather than people's needs, takes precedence. Though in some areas, JFMCs share in the profits, this practice is not universal. In addition, in several States, access to MFP in reserved and protected forest areas is restricted.

5.2 Barriers in Movement (Transportation) of MFP

Several barriers in inter-State and also intra-State movement of MFP prevail, and cause harassment of gatherers. In Orissa, these are causing special problems as the Forest Department no longer gives certificates for such movement, and the certificates given by the Panchayats are not recognized in other States. In Jharkhand, it was reported that obtaining transit permits from the Forest Department often entailed a long drawn process infested with payment of bribes and unnecessary delays.

5.3 Role of Gram Sabhas and Panchayats

5.3.1. The role played by Gram Sabhas and Gram Panchayats is extremely limited across States.

5.3.2. In Andhra Pradesh, the Gram Panchayats and the Gram Sabhas play no role in trade of MFP. There is an informal understanding regarding the ownership of trees and disputes, if any, are resolved within the village in the Gram Sabhas, but there is no accountability of the GCC to the Gram Sabha. Further, in the areas where VSSs (Van Sankrakshan Samitis) formed by the Forest Department operate, each VSS has an elected President who is said to have more powers than the Gram Panchayat Sarpanch. Gram Panchayat has no control over the VSS.

5.3.3. In Chhattisgarh, the Gram Panchayats and Gram Sabhas play no direct role in the procurement/ trading of MFP. The CG MFP Federation did report of intimating the members of Panchayats to be present at the time of distribution of wages as well as incentive wages (bonus) for collection of tendu leaves and sal seed. Members of Gram Sabha are also elected members of the Cooperatives of gatherers that manage trade of nationalized MFPs. However the elected members complained of excessive control by forest officials. In Madhya Pradesh, the situation was similar. These two States have attempted to create ownership of gatherers through the Cooperative structure rather than Gram Sabhas and Gram Panchayats.

5.3.4. In Maharashtra, where MSCTDC has the monopoly rights to purchase MFP from gatherers it has to pay @ Rs. 5/- per quintal for every MFP traded, as royalty to Zila Parishad. This amount is to be spent on development of the village from whose jurisdiction the MFP is collected. In Gujarat currently, the Gram Sabhas play no role at all in procurement and marketing of MFPs. But as MFP is a Panchayat subject, all profits from MFP trade are transferred to the District Panchayats by the Gujarat Corporation after deducting administration costs. It was reported that District Panchayats did play a direct role in trading of tendu from 2000-2003, but the arrangement collapsed because the District Panchayats could not handle the trade effectively.

5.3.5. In Orissa, as mentioned earlier, the Panchayat Samiti decides the purchase price for all MFP except tendu and bamboo. It is also reported that prior to the fixation of prices, the proposed selling price of each MFP is placed before the Gram Sabha for ratification. In

addition, all traders have to 'register' in the Gram Panchayats and pay a registration fee of Rs.100/-. But if a trader did not pay the price fixed by the Panchayat, the Panchayat could not penalize him and at the same time, was unable to buy the MFP from the gatherer. However, a field-visit to the GP in Kandmahal district showed that even though the Panchayat had no real power over the trader, gatherers in fact sold at the 'Panchayat price', which at least became a benchmark for fair and unfair dealings.

5.4 Accountability to People of Government Agencies

The various departments as well as Corporations and Federations trading in MFP lack accountability to the people. In spite of the provisions of PESA and FRA, the ownership of people over MFPs is continuously questioned. Corporations and Federations exercise monopoly and none of the government Corporations had ever attempted to explain their activities to the people and obtain their opinion. There are no mechanisms whereby people can question the activities of the Corporations/Federations, or give advice. This makes the whole process opaque, and encourages unfair practices.

5.5 Profits to Gatherers

In addition, the principle of returning profits to gatherers is followed only partly. Profits are not returned to gatherers for all produce, and may be given to Panchayats instead of the gatherers, as has been detailed in Chapter 3.

5.6 Impact of Active Participation by the People

While MFP trade is governed either along the principle of monopoly by State owned Corporations, or 'free market' in extremely poorly developed markets, there has so far been minimal attempt to involve gatherers in an active and organized manner, except by the Madhya

Pradesh and Chhattisgarh Federations. Attempts made by NGOs, however, show that as in the case of other livelihoods initiatives, organizing people to act in their own interests can have a very positive impact as illustrated by the case study below:

Box 1: Case Study of the JJBA intervention directly with the tribal communities in District Khunti of Jharkhand

The 'Jharkhand Jungle Bachao Andolan' works towards making the people at grass-root level aware of their rights under the PESA and FRA Acts and how to claim them with due procedure. After the FRA declared tendu leaf as an MFP and with the knowledge that MFPs' ownership rights vest with the Gram Sabhas in PESA areas, the volunteers of JJBA got residents of five villages of Gram Panchayat-Tilma (Khunti block in Khunti district) mobilized into collecting tendu leaves, drying them and selling them collectively, without the involvement of the Jharkhand Forest Development Corporation. The FDC is the sole authorized agent for purchase of tendu leaves through its licensees (private contractors licensed through open bidding).

Along with the volunteers of JJBA, the villagers (collectors) got involved with pruning, collecting, making bundles and drying the tendu leaf. They packaged them into kilos, instead of the 'standard bag' measurement used by FDC (1 std.bag= 50,000 leaves). Three trucks were hired for transportation of tendu leaves to district Jhalda in West Bengal, where tendu leaves were directly sold to a bidi factory owner. Each kilo fetched a price of Rs.30-45, depending on quality of the leaf. On an average, each member of the collection group earned a profit of about Rs.2000-2500 for one season. This was in complete contrast to earlier years, where pluckers/collectors earned Rs. 700-1000 on an average, as wages for collection.

CHAPTER 6

VALUE ADDITION AND REGENERATION OF MFP

6.1 MFP Resources

6.1.1. The MFP economy and incomes of gatherers are dependent on regeneration of forest resources and sustainable management of MFP. However, evidence that these resources are getting depleted was found in interaction with MFP gatherers in all the States, who reported fewer tamarind trees (AP), a declining crop of tendu leaves (Gujarat) declining lac production (Jharkhand) etc. and is also reported in recent studies (Basix 2010). Notably, the thrust of forestry in India has been on growing timber, which results in removal of material which could serve gathering needs, reduces forest diversity and consequently hurts MFP production. Visits to Andhra Pradesh illustrated this point: in the case of a family which earlier used to own 100-120 gum karaya trees, the number had come down to around 30. Another example was that of 'chironji' which was fast disappearing.

6.1.2. Where MFPs have good commercial value, extraction, rather than regeneration takes precedence. Tendu patta collection and trade in Chhattisgarh is a case in point. The first step in the process of tendu patta collection is pruning the bushes to generate growth, around the end of January. The State Society pays Rs. 25 per bag for this activity, which amounts to a very small amount, as low as Rs. 10 per day. Consequently, the shrubs are not pruned properly, which leads to a poor crop of leaves, and in turn reduces profits to gatherers. In Gujarat, the situation was found to be even worse, as private traders were expected to undertake regeneration activities for tendu, and the quantity as well as quality was declining rapidly. Similarly, as the demand for medicinal herbs was reported to be rising rapidly in the State, these were being plucked in large quantities, without a systematic regeneration plan. Production both in terms of quality and quantity is also affected by the practices for gathering MFPs.

6.2 Importance of Scientific Practices of Regeneration and Extraction of MFPs

6.2.1. In contrast, scientific practices of planting and extracting MFP can lead to significant increase in production as is illustrated by a project undertaken by the Kovel Foundation in Andhra Pradesh.

Box 2: Case Study of Kovel Foundation working towards regeneration of plantations in Andhra Pradesh

Kovel Foundation (a trust by the indigenous people for Research on Sustainable Technologies), Vishakhapatnam works in collaboration with GCC and corporate houses such as ITC. Kovel Foundation has organized gum pickers into Girijan Gum Pickers Association (GGPAs). The Foundation worked at eliminating the destructive practices in collection of gum karaya such as use of gum axes which injures the tree, extraction of gum from immature trees and mixing sand to increase the weight, which led to destruction of resources and poor product quality, besides low price.

Kovel Foundation initially focused on training for gum karaya extraction but subsequently expanded to other NTFPs, promoting a Forest-cum-Farm model where each land owning household has spared one acre of land to plant 30 gum karaya saplings on the border, some amla, some mango trees and so on. In about 8-10 years these are expected to mature into trees and start yielding returns. The Foundation has also promoted innovative techniques of irrigation, whereby rain water could be harvested and used. Similarly in case of honey, proper kits and body suits have been provided along with the training for better techniques of extracting honey without damaging the comb as well as taking proper precautions.

This approach of the Kovel Foundation has generated awareness about resource preservation, thereby getting better produce and consequently enhanced income for tribal communities.

6.2.2. Regeneration of MFP has so far not been given due importance nationally, though in some States, the Forest Department provides seeds, saplings, etc. and also training for better extraction and regeneration. However, the attempts in this direction are highly inadequate so far.

6.2.3. The dwindling resource base also reduces the profitability of government Federations/Corporations trading in MFPs, because they are not able to take advantage of economies of scale. For instance, in Maharashtra, a view expressed by MSCTDC officials was that very soon the organization would only trade in agricultural produce because the tribals were not collecting any good amount of MFP.

6.3 Extent of Value Addition

6.3.1. The extent of value addition before sale of MFP is critical in determining the income generated. There are several MFPs which have a great deal of potential for earning high revenue after value addition. For example, recently, there has been much discussion on the fact that very high quality wine could be made from mahuwa flower (reported in 'The Times of India', Ranchi edition, dated 27th November 2010). Similarly, honey and imli too have vast potential which remains untapped. There is also great demand for MFPs having medicinal value.

6.3.2. Gatherers usually make some value addition to MFPs before their sale. For example, mahuwa flower is dried to extend its shelf life. In the case of tamarind, the fruit is de-seeded since the seeds are separately sold for a value. However, these value addition activities are minimal and tradition-based. Much of the profitable value addition takes place outside the areas where MFP is grown and collected, and the tribal people get a very low price for the raw or nearly raw products. The lack of appropriate value addition for increasing the shelf life of the product reduces the bargaining power of tribals because they have to dispose off their produce within a stipulated time-period.

6.4 Value Addition Initiatives

6.4.1. The Committee found several instances of very basic value addition activities taken up by gatherers that had increased their incomes dramatically. For instance, PRADAN, an NGO

working towards livelihood enhancement in many States of India, has built capacity of 'siyali' leaf gatherers in Orissa, by training gatherers to stitch the leaves in the proper way. This has doubled their incomes. The following UNDP supported project in Jharkhand and an NGO initiative in Gujarat also illustrate the point:

Box 3: Case Study of the UNDP intervention under Private Public Partnership with the Jharkhand State Government

In Goalkera block, in Chaibasa district of Jharkhand there are some indigenous, low-cost Sal-leaf plate making and oil extracting machines made available under a UNDP supported project. Women SHGs are promoted under this program to work collectively. These groups have been encouraged to collect, process and market MFP collectively. They are now aware of the benefits of economies of scale and the potential of better prices through collective bargaining and trade. Different types of Sal-leaf plates are made and grading is done based on the quality of the end product. These are then packaged and loaded in trucks and transported to the 'Upper Bazar' where they hope to strike a good deal. A machine to extract oil is being promoted as easy to use by the women of the village.

Box 4: Case Study of an NGO's initiative towards value addition in Mahuwa in the State of Gujarat

Mahuwa is usually synonymous with alcohol in the context of tribal life and culture. However in the Dedia Pada block of Gujarat, it was observed that a grass-roots organization was successful in discovering other uses of the mahuwa collected by tribal communities. Drying of mahuwa flowers was done at the village level, where three machines for the purpose have been installed by the NGO. The organization called Jeevantirth was instrumental in motivating the tribals to sell their collections to local wheat mill owners, who ground the mahuwa into powder, which was then taken to bakeries to make mahuwa flavoured biscuits. These biscuits were packaged by the organization and sold at fairs organized by institutes like IIM, Ahmedabad. Other products like mahuwa flavoured ice-creams, brahmi snacks and herbal cosmetics were sold, which enabled, first, to link the tribal communities with larger markets and second, to earn monetary incentives out of the MFP. Most collectors have been organized into self-help groups of both men and women and are encouraged to take care of their own accounts.

6.4.2. Value addition activities were seen primarily in the making of sal/ siyali/ mahulan leaf plates with better techniques to enhance their longevity and strength, oil pressing machines to extract maximum and clean oil from mahuwa and other seeds, drying of mahuwa flowers and even powdering them to make biscuits, cookies and ice-creams, besides the honey processing units.

6.4.3. Some attempts have been made by the MP MFP Federation, which has launched a brand "Vindhya Herbals" to promote herbal cosmetics and food items processed from MFP like honey. Similarly, GCC in Andhra Pradesh has also taken several value addition activities, as has GSFDC in Gujarat ('Dhanvantri'-value addition of honey). Establishment of units for honey processing, deseeding of tamarind, awala processing and chironji processing have been reported by the CG MFP Federation. The Federation has also reported of undertaking activities of making mahuwa leaves' cups and sal plates. However, the scale of these activities is very limited.

INCOME FROM MFP TO GATHERERS**7.1 Problems in Assessment of Income from MFP**

The income from MFP to gatherers is extremely hard to assess, given that MFPs vary a great deal in terms of commercial value and for a single MFP, the amount collected varies depending on the crop yields, with some areas having sparsely distributed trees/ bushes and others having greater concentration of the same. The quality of produce and the subsequent price too varies and prices in bigger markets fluctuate from year to year. Further, the collection is seasonal, and combined with other activities, so that gatherers themselves are not aware of the income that they get from MFP collection.

7.2 Low Incomes from MFP

7.2.1. However, the Committee attempted to understand the broad range of the income from MFP by talking to gatherers, which was generally found to be much below the MGNREGA wages or minimum wages in agriculture. For example, with respect to tendu patta collection in Chhattisgarh, discussions with gatherers showed that a family of four or five people can gather around 100-150 bundles of leaves per day, for which the price paid in the previous year was Rs. 70 per 100 bundles. Subsequently, a bonus of Rs. 45 per 100 bundles was paid. The bonus is paid one to two years late. The average daily earnings of a family would therefore be around Rs. 105 per day, which would amount to a little over Rs. 3000 in a month. This average monthly income is for a period of less than two months, which is the normal duration of plucking tendu leaves.

7.2.2. Gatherers in several states reported that they were either not paid or inadequately remunerated for pruning of tendu leaves, which involved their considerable effort.

7.2.3. In Andhra Pradesh, discussions with gatherers showed that on an average, earnings for MFPs such as tamarind and gum karaya are only Rs. 25-30 per day, which is much lower than MGNREGA wages.

7.3 Popularity of MFP Collection

7.3.1. In spite of low incomes, many tribals continue to be engaged in MFP gathering. In Madhya Pradesh, despite the low earnings of gatherers from tendu leaf collection when compared with MGNREGA, they still preferred pruning and collecting tendu over MGNREGA activities. The reason given by them was that tendu patta collection was a traditional activity, so the comfort level is greater. Women and children could participate in it since it was physically less strenuous. Much of the work of MFP gathering such as collection and drying of leaves is done by women, children and the old because they were unable to work in MGNREGS or other labour intensive activities. Also, the wages (collection rates) of Rs. 60 for 100 bundles of tendu leaves, despite being low, were given by the *phad-munshi* within two weeks, though payment is supposed to be made on a daily or atleast weekly basis. In contrast, wages for MGNREGA activities were delayed. Ready cash, though in small amounts, was an important criterion for the gatherers to choose tendu patta collection over MGNREGA.

7.3.2. Maharashtra gave a mixed picture during the state visit. The tribals were seen to be heavily engaged in agriculture or MGNREGA activities in the western part of the State. Collection of MFP including tendu leaves was a miniscule subsidiary activity. However, in the Vidharba region, especially the Gadchiroli region which is also famous for its quality of tendu, tribals were engaged in it substantially.

7.3.3. A shift away from MFP gathering was visible in some areas. In Orissa, the tribals reported that since the MFP resources were decreasing, fewer people were engaged in MFP collection, particularly as better wages were available in MGNREGA activities.

Gatherers of MFP in Gujarat had moved to other productive activities like agricultural labour and MGNREGA activities. This is especially true of areas which are fairly well-connected to urban regions. For instance, a considerable rural (tribal) population of Chota Udaipur district (field-site) migrated to Ahmedabad after summers to work as wage labourers. But tendu leaf collection remains a preferred activity in the tendu collection season. It was reported by some tribal families that tendu and Mahuwa collectively constituted around 40% of their total income. In the Dangs region, which is a wholly PESA district and geographically distant from urban centres, the communities were reported to be engaged in MGNREGA activities or migrated to work in sugar mills established on the highway en route to Dang.

7.3.4. While MFP collection is not the only income earning activity for tribal communities even in far flung areas, it is an important one, providing a substantial income for tribal households and an important livelihood activity, especially for women, children and the aged. However the incomes from MFP remain low, often below the MGNREGA wages and minimum wages in agriculture.

AREAS OF CONCERN**8.1 MFP Economy, Community Ownership and Livelihoods**

As is clear from the forgoing discussion, the MFP economy provides poor returns to gatherers, who have limited bargaining power, as they either participate in markets that are poorly developed or are under conditions of monopoly. Therefore, the important question to be addressed with respect to MFPs is ensuring community control over resources, so that livelihoods of gatherers are protected and enhanced. In this context, the Committee identified some key areas of concern. These pertain to the depletion of resources, the characteristics of the MFP market, type of government interventions, inadequate value addition by gatherers and lack of empowerment of gatherers.

8.2 Private Trader Exploitation

8.2.1. While government supported Corporations and Federations trade in some MFPs, a large number are traded 'freely' in the market. But the 'free' market in MFPs works against the interests of gatherers in several ways.

8.2.2. MFP production is highly dispersed spatially, as MFPs grow in dense forests. Because of the poor accessibility of these areas, a competitive market does not exist, as the number of buyers is limited, and gatherers do not have a choice of several buyers. These buyers are therefore able to dictate terms. In fact, there is often one buyer at the village level, to whom the gatherers sell the produce. The buyer then sells the MFPs to other buyers, and there are a large number of intermediaries linking the gatherers to the end-users.

8.2.3. Gatherers are not aware of the price in larger markets and may be indebted to the buyers and thus forced to sell at low prices. Moreover, gatherers are mostly poor and unable to bargain for fair prices.

8.3 Monopoly

With respect to MFP where government supported Corporations/Federations undertake trade, the monopoly exercised by government Corporations/ Federations often does not allow gatherers to get better prices, even when these may be available. With the enactment of PESA that gives ownership rights of MFP to the Gram Sabhas, the continuation of monopoly by a Corporation or Federation is questionable. In fact, these rules are often flouted, and a host of 'illegal' practices flourish, in which the traders rather than the gatherers are the major beneficiaries.

8.4 Issues regarding Structure and Functioning of Corporations/ Federations

8.4.1. The functioning of Corporations and Federations engaged in the MFP trade is not optimal for various reasons. Firstly, with the exception of the Federations in MP and Chhattisgarh formed under the Cooperative Act, in other States, the Corporations are managed by appointed officials and are not accountable to the gatherers in principle. In practice, even the Federations were reported to be inadequately accountable to the Gram Sabhas or Panchayats. This means that the interests of the gatherers and Gram Sabhas are inadequately reflected in the decision-making process.

8.4.2. Secondly, the various Corporations and Federations often lack appropriate infrastructure and resources as well as requisite marketing and other skills. As has been noted, Corporations lacked adequate storage facilities, so that they had to sell even when prices were not remunerative. The financial resources of these Corporations are constrained and only in AP does the State Government provide funds to the Corporations. Even in AP, it was observed that new recruitments were not being done since past 4-5 years by GCC in

spite of posts lying vacant. These organizations have very limited marketing skills. They lack experts that can anticipate demand and sell to end users, with the result that they often get poor prices for the products.

8.4.3. The third important point concerns the perception of the goals of the Corporations. Whatever may be the stated goals of the various agencies, the assumption across States appears to be that these ought to be at least 'self-sustaining' and ideally, profit making. The performance of the State Corporations/ Federations is mostly judged on the basis of the profits they make or at least their ability to 'support' themselves. At the same time, the administrative costs of the Corporations tend to be quite high, partly because their operations spread over vast geographical areas. Consequently these Corporations/ Cooperatives take up the trade of only the more viable MFPs, leaving the rest for free trade or 'transferring' it to Panchayats.

8.5 Lack of Access and Barriers in Movement (Transportation) of MFPs

The lack of access to bamboo has been noted, as has the fact that in many States, access to MFPs in reserved and protected forests is limited. Several barriers in intra and inter-state movement of MFPs also prevail.

8.6 Extent of Value Addition

Most of the value addition to MFP takes place outside the regions where these are collected. Consequently, the tribal people get a very low price for the raw products. The lack of appropriate value addition for increasing the shelf life of the product reduces the bargaining power of tribals because they have to dispose off their produce within a stipulated time-period.

8.7 Ownership by People

8.7.1. The ownership by the Gram Sabha of MFP as per PESA & FRA is not reflected either legally or in practice.

8.7.2. As noted in previous chapters, the various departments as well as Corporations and Federations trading in MFPs lack accountability to the people. In spite of the provisions of PESA and FRA, Corporations and Federations exercise monopoly and none of the government Corporations/Federations had ever attempted to explain their activities to the people and obtain their opinion. This makes the whole process opaque and encourages unfair practices.

8.7.3 In addition, the principle of returning profits to gatherers is followed only partly. Profits are not returned to gatherer for all produce, and may be given to Panchayats instead of the gatherers. In the case of bamboo, the problem is especially acute. Though bamboo is defined as MFP as per FRA, it is simply not treated as such. People are not allowed to harvest it for their own use, and though in some areas JFMCs share in the profits, this practice is not universal.

8.8 Dwindling MFP Resource Base

The thrust on maximum extraction rather than sustainable harvesting has been a major reason for the dwindling resource base of MFP. As noted earlier, this is an important reason for low incomes from MFP. Since the thrust of the relevant departments has been on timber and the regeneration of MFP has not been given adequate importance. This stance needs to be changed urgently, especially in the light of the growing importance of forest produce other than timber, for instance the medicinal plants, for ensuring sustainable livelihoods of the tribal communities dependent on forests.

CHAPTER 9

RECOMMENDATIONS

9.1 Overall Goal

9.1.1. The Committee has arrived at its recommendations keeping in view the overall goals of ensuring people's rights over MFP as provided in PESA and FRA, and the need to address the issue of sustainable livelihoods. It is important to emphasize that profit and commercial exploitation of MFP are not the core issues. The key concern is instead, protecting and enhancing the livelihoods of people who depend on MFP, as these are among the poorest in the country. Further, though programmes such as MGNREGA offer new livelihood opportunities, income from MFP remains especially important for women and the less able bodied.

9.1.2. In cognizance of the fact that issues of tribal population are one and the same in Scheduled (PESA) and Non-Scheduled areas, the recommendations of the Committee, therefore, are as much applicable to the Non-Scheduled areas as the PESA regions.

9.2 Medium and Long Term Measures

The inadequacy of incomes to gatherers from MFP is a consequence of several factors, which have been elucidated in the previous chapters. These require long-term as well as short and medium term solutions. The Committee is of the opinion that in the long term, the development of the MFP market, and strengthening the gatherers' bargaining power in the market, are key. However, this cannot happen overnight. Strategic government intervention would therefore be necessary, in the short and medium term, to enhance incomes from MFP. At the same time, the government would need to take measures to develop markets, strengthen the bargaining position

of gatherers, enable Gram Sabhas to exercise ownership rights and to enhance livelihoods of gatherers.

9.3 Necessity of Government Intervention

MFP markets are poorly developed, with buyers having the upper hand. The high degree of exploitation of gatherers by traders has been noted. In the short and medium term, and at least over the next 5-7 years, government intervention in MFP trade is essential. Such intervention would ultimately lead to the development of markets. However, government Corporations and Federations need to shift from playing a controlling role to a supportive and facilitative one.

9.4 Minimum Support Price (MSP)

9.4.1 Need for MSP

The Committee recommends that a Minimum Support Price (MSP) be provided to gatherers by government agencies. In general, while government agencies would be obliged to buy MFP at the designated MSP, gatherers of MFP would be free to sell the same elsewhere if they get better prices. This would ensure a basic minimum income for MFP gatherers and would minimize trader exploitation. In particular, the MSP would provide critical support to gatherers living in areas with poor access, as it is in these areas that trader exploitation is most rampant. These are also areas where livelihood opportunities are limited and consequently the dependence on MFP is the greatest.

9.4.2 MSP to be Fixed Centrally

The MSP for major MFPs would have to be fixed at the National level. The Committee has considered the possibility of fixing of MSP by State level agencies. The argument in favour of State level agencies fixing MSP has been that the MSP can be fixed depending on local factors such as quality of produce. However, the Committee is of the opinion that if the MSP varies from State to State, there would be a great deal of cross State movement of MFPs in order to get

better prices, and this would be counter-productive. Notably, in case of agricultural produce too, the quality varies, but a central MSP is determined which can be varied taking into account the variations in quality. The Committee therefore recommends that the MSP for major MFPs be fixed centrally. As there are a very large number of MFPs in existence, the MSP may initially be fixed for the 14 most important MFPs in terms of livelihoods and value, namely bamboo, tendu leaf, tamarind, mahuwa flower, mahuwa seed, sal seed, myrobalan, chironji, lac, gum karaya, honey and seeds of karanja, neem and puwad. As soon as possible, MSP may also be fixed for other MFPs.

9.4.3 Agency for Fixing MFP

A National agency i.e. a Central Price Fixation Commission would have to be set up or designated to fix MSP for important MFPs with TRIFED functioning as its technical support wing. The Commission should comprise one chairperson who will be an expert in the field of tribal and rural development and three other members having experience in the relevant field. The broad functions of the Commission would be the following:-

- i. Fixation of Minimum Support Price as bench-mark and setting quality standards.
- ii. Formulation of broad guidelines for effective implementation of the MSP scheme.
- iii. Monitoring and evaluation of the aforementioned scheme; suggesting corrective measures from time to time.

While fixing MSP for each crop season, the Commission shall have in-depth consultations with the Ministry of Tribal Affairs (MoTA), Ministry of Panchayati Raj, Ministry of Environment & Forests, Department of AYUSH, tribal leaders from all the concerned regions, representatives of national level merchant/trade and industry associations dealing with MFP and state level agencies like the GCC, GFDC, MP MFP Federation, MSCTDC, etc. The administrative Ministry for the Commission will be MoTA.

9.4.4 Role of TRIFED

9.4.4.1. TRIFED can work as a technical support unit of the Central Price Fixation Commission and assist the Commission by providing relevant information like estimated production potential, crop seasons, list of *haats* where tribals bring the MFP for sale, trend in

prices (*haats*, terminal/retail market of MFP items) etc., providing quality standards/specifications of designated MFPs and formulating guidelines for procurement, storage and disposal, and other forms of technical support.

9.4.4.2. The Committee recommends that to play its new role, TRIFED should be strengthened considerably. A proposal given by the organization for its strengthening for the new role is at Annexure 13. TRIFED could also develop a nation-wide information network for speedy collection and dissemination of market information.

9.4.5 Basis for Calculation of MSP

9.4.5.1. For fixation of MSP for the 14 items of MFP mentioned above, the important factors to be considered are (i) labour time used in the collection, (ii) the prevailing wage rate, (iii) transportation cost, if any, (iv) market prices, and (v) demand-supply analysis. The existing minimum wages under MGNREGA or in the agriculture sector, whichever is higher, should form an important criterion in fixing the MSP, as for many MFPs, the market prices are depressed because the markets are poorly developed. Therefore, under no circumstances, should the gatherers of MFP be paid less than the existing minimum wages under MGNREGA/agriculture. If the MSP paid is below these wages, gatherers will be demotivated to collect and care for regeneration and sustainable management of MFP. When MGNREGA/agriculture wages are used as a benchmark, the MSP for each MFP would have to be based on standardized estimates of the amount of MFP that can be collected per day. In case market prices of MFP are higher than the MGNREGA/agriculture wage, then the MSP should be linked to the market price, to ensure maximum return to gatherers. Also, if the market price of any MFP is higher than the centrally fixed MSP at any time in any region, the designated procurement agencies at the State level should be allowed to offer one-time higher procurement price for that product for a specific season or year. While the gatherers would be free to sell MFP to any agency (government, private or co-operative), the MSP fixed by a Central Commission should be defended at all costs.

9.4.6 MFPs for which MSP is to be Provided

The present tendency of Corporations/ Federations is to trade only in profit making MFPs. This means that there is no government intervention precisely where it is needed, i.e., where the markets are most poorly developed. To address the issue of livelihoods, MSP support needs to be extended to a range of MFPs, including those that do not bring profits immediately, rather than only a few profitable ones. However, the number of MFPs grown across the country is very large, and it may not be possible to provide MSP for all the MFPs initially. To begin with, MSP may be offered for the MFPs which are gathered by the largest number of people, in order to ensure benefits to maximum people. The 14 MFPs for which MSP can be offered initially on the basis of volume, value, and livelihood dependence are: **bamboo, tendu leaf, tamarind, mahuwa flower, mahuwa seed, sal seed, myrobalan, chironji, lac, gum karaya, honey, and seeds of karanja, neem and puwad.** The MSP may be extended to other MFPs as soon as possible.

9.4.7 Professional Procurement Agency to defend MSP at State level

9.4.7.1. It would be obligatory for State Governments to ensure payment of MSP through their agencies. Offering MSP for MFP would require professional procurement agencies to defend it. Currently, most PESA and other States with significant forest area have designated some public sector Corporations or Co-operative Federations to fix Statutory Minimum Price for MFPs that are brought to the purchase centers of the designated agencies. While these agencies should continue to trade in MFPs, the centrally fixed MSP should be the bottom line to be offered to the gatherers, although the designated agencies can offer a higher price if they find it feasible and profitable to do so. In this context, all such government supported procurement agencies should function autonomously in a professional manner.

9.4.7.2. Transparency and accountability of Corporations/Federations can be enhanced by mechanisms such as placing of accounts in the Gram Sabha, information sharing & social audit.

9.4.7.3. As Corporations/Federations expand MSP support to a larger number of MFPs, simple 'profitability' will not be an adequate measure of performance. Instead, a range of parameters such as the following should be adopted:-

- i. percentage of administrative costs in relation to the total turnover
- ii. the number of MFPs for which MSP is provided
- iii. improvements in sale prices
- iv. regeneration and value addition activities promoted
- v. outreach to inaccessible areas

9.4.7.4. Also, the basic infrastructure (storage facilities) and manpower support along with training and capacity building of the staff engaged in the tasks of procurement and disposal in these agencies have to be provided by the State Government, with adequate Central assistance.

9.4.7.5. Corporations/Federations may also be encouraged to identify business advisors who will help them with marketing so that they can get maximum rates. There can also be an advisory group that suggests how more lucrative markets can be accessed. This aspect in improving the functioning of Corporations/Federations is critical, as in the long run, the Corporations/ Federations will be able to provide good MSP to gatherers only if they themselves are able to get good prices from the sale of MFP. This is important for efficient functioning of the Corporations/Federations.

9.4.7.6. Market information system will be needed for proper planning of the procurement, value addition and marketing of MFP by the stake-holders. The existence and dissemination of complete and accurate market information is the key to achieve both operational and pricing efficiency. Therefore, it is necessary to develop advanced information and communication technology based schemes, which may be called MFPNET, or any other nomenclature with the basic objectives to establish nationwide information network for speedy collection and dissemination of market information and data for its efficient and timely utilization. Building marketing intelligence would also

enable these procurement agencies to dispose the procured MFPs at competitive market rates and not suffer losses due to lack of information.

9.4.7.7. There is also a need to reexamine the fact that at present different agencies procure different types of MFPs in various States. For example, in AP and Jharkhand, different agencies trade in tendu patta and 'other MFPs'. While trade in tendu patta is profitable, that in 'other MFPs' is riskier. The Corporations dealing in 'other MFPs', therefore often suffer losses and are sometimes shut down, as in the case of Orissa. The Committee is of the opinion that if the trade of tendu patta, bamboo and 'other MFPs' is undertaken by the same Corporation/ Federation, it would be easier to reduce administrative costs and manage the whole system efficiently.

9.4.8 Profits to Accrue to Gatherers

In several States, profits accruing from tendu patta are returned to gatherers. This should be the norm for all MFP, including bamboo. Moreover, this process needs to be streamlined. In some States, the 'return' is not to the gatherers, but to Panchayats that may or may not use it for the benefit of the gatherers. The Committee recommends that profits should be returned to gatherers rather than Panchayats.

9.4.9 Funds for Providing MSP

9.4.9.1. In the discussions held with representatives of Corporations/Federations regarding the agencies buying MFPs at the designated MSP, the problem pointed out by agencies was that while gatherers were free to sell in the free market also, all the good quality and higher grade produce would be sold to the private traders and the State agency would be required to buy all the inferior quality produce at the procurement price and, thus, sustain losses. Clearly, in the short term, the Corporations/Federations cannot offer MSP for a wide range of MFPs and continue to make profits or even be self-sustaining.

9.4.9.2. To begin with, all administrative and operational costs of the Corporations/Federations should be borne by the government. This can be ensured under the first Proviso to Article 275(1) of the Constitution as well as other means. As Corporations/Federations

provide a centrally fixed MSP to a large number of MFPs, it may be necessary at times to compensate them for any loss incurred in the process of procurement and disposal of MFPs, which should also be ensured under Article 275(1) and other programmes/schemes. The Committee recommends that for the next five years at least, Corporations/Federations be funded for losses incurred in defending the MSP. This needs to be seen as essentially an anti-poverty measure, as it addresses the livelihoods of some of the poorest communities in the country. At the same time, the funding of these Corporations/Federations should be in a manner that inefficiencies are not supported, yet essential activities for providing an appropriate MSP are maintained. To ensure this, the performance criteria for Corporations/Federations can be strictly enforced and form the basis of reviews and performance assessment.

9.4.9.3. The existing budgetary provisions under article 275(1) of Constitution and under existing schemes of the Ministry of Tribal Affairs are committed. Support for the administrative costs, operational costs, compensating losses of State-level procurement agencies, support to strengthen TRIFED, administrative expenses on the proposed Commission for fixing MSP of MFPs shall come as additionally under the first Proviso to Article 275(1) of the Constitution or any other new budgetary provision.

9.5 Shifting away from Monopoly

9.5.1. At present, government intervention in MFP is largely in the form of monopoly. However, to ensure the ownership of Gram Sabhas as per PESA and FRA and enable gatherers to get better prices, there is a need to shift away from monopoly in MFP trade to the extent possible. This is essential to develop MFP markets in the long run, and to minimize inefficiency in trading by the Corporations/Federations. The Committee's interactions showed that, other than fearing losses, most agencies exercising monopoly rights over MFP in various States did not object to eliminating monopoly over MFP, provided financial support is provided to the agencies to defend the MSP.

9.5.2. With respect to tendu leaf, the situation is that gatherers cannot sell a few leaves at a time, and 'phad munshis' have to undertake several activities such as drying of leaves, making standard-sized bags etc. before these can be sold. Also, a large quantity of tendu leaves have to be gathered and traded in a short period of around one and a half month. The whole trade in tendu leaf has, therefore, to be organized by an agency and MSP cannot be offered to individual gatherers. However, gatherers must be paid the centrally fixed MSP, while the agencies may be initially allowed to charge fee for their services. Subsequently the SHGs or organized groups of gatherers will assume the role of an agency for defending MSP in tendu leaf.

9.5.3. In the case of bamboo, Gram Sabhas/Panchayats should develop a plan for commercial cultivation and sustainable management of the crop, including its harvesting, in consultation with the Forest Department. The local people should have the right to organize its production, harvesting and trade in a sustainable manner for which both MSP and appropriate training should be in place. Also, rules may be made by the Gram Sabha regarding eligibility of each household for bamboo, method of extraction, do's and don'ts etc. and monitored by the Gram Sabha, in a participatory manner with assistance from the Forest Department.

9.6 Ownership and Management by the People

9.6.1 Strengthening Bargaining Position of Gatherers

In the long term, the bargaining position of gatherers in the market would need to be strengthened, so that they can get better prices and ensure sustainability of MFP. This would require increasing control of the Gram Sabhas, as well as organization and capacity building of gatherers.

9.6.2 Access to MFP and Rationalization of Transportation Barriers

In spite of the legal provisions in PESA and FRA, gatherers' access to MFP is restricted in many ways. Access is restricted most to bamboo, which is harvested under the control

of the Forest Departments, with JFMCs involved in a few States. Access to bamboo may need to be regulated, but it should be regulated by the Gram Sabha, with advice from the Forest Department. Some States also ban access to MFP in reserved and protected forests, which is not as per law. Access to MFP in these areas also needs to be ensured. Various types of the inter-State movement restrictions, such as delay in issuing transit passes or dishonoring Panchayati Raj certificates, etc. should be re-examined and rationalized, in order to streamline and smoothen the movement of MFP from one State to another.

9.6.3 Oversight by Gram Sabhas and Panchayats

9.6.3.1. Gram Sabhas and Panchayats can play an important oversight role in ensuring that MSP is in fact paid and practices for trading in MFP are fair. Laws as well as capacity building exercises should reflect this.

9.6.3.2. Accountability to Gram Sabhas and participative decision-making has to be built into the mandate and structure of all Corporations/Federations trading in MFP. All agencies that undertake trade in MFP have to be accountable to the Gram Sabha, which would include providing full information about the activities of the agency, placing accounts in Gram Sabha meetings, social audit etc. It should be mandatory for the local representatives of these agencies to attend Gram Sabha meetings to help sort out problems that MFP gatherers may be facing.

9.6.3.3. The role of the Gram Sabha is key in the case of bamboo. Rules and regulation regarding harvesting of and entitlement to bamboo need to be made and monitored by the Gram Sabha, with support from the Forest Department.

9.6.3.4. The District Panchayat can become a focal point for monitoring of the activities of Corporations/Federations, including redressal of grievances.

9.6.4 Organizing Gatherers for Improved Livelihoods

9.6.4.1. The organization of gatherers into SHGs, producer companies, cooperatives or other collectives can be a key initiative to strengthen their position for participation in the market. These collectives can be linked to more lucrative markets and play an important role in cutting out the long chain of middlemen and ensuring better prices to the gatherers. In addition, they can take up regeneration and value addition activities. They would also be able to access finance from banks.

9.6.4.2. The government should support such collectives through NGOs, who can act as facilitators for a range of activities. The importance of this aspect cannot be over-emphasized, as gatherers' organizations can form the basis of all later activities. Under Government of India's National Livelihoods Mission, livelihood projects in Schedule V Areas can be taken up on priority. These can focus on a range of activities related to MFP, including building organizations of gatherers, regeneration of resources, market linkages, value addition, etc. which can help improve the livelihoods of gatherers.

9.6.5 Training of Gatherers

Appropriate training to gatherers for resource regeneration, improved practices for extraction and value addition are vital for strengthening their potential to earn. At present, TRIFED funds such initiatives. The extent of training programmes, however, needs to be upgraded substantially. Training has to include issues related to regeneration and sustainability as well as marketing and profit-making.

9.7 **Value Addition to MFP**

Experience shows that even the simplest value addition activities can lead to substantial increases in income. Once collectives of gatherers are formed, they can be supported in undertaking appropriate value addition activities. Value addition activities can also be taken up by government agencies, especially before appropriate mature organizations have been formed, but it has to be ensured that appropriate quality control and marketing

strategies are evolved. Private players can also be encouraged to take up value addition activities within the area, involving local people.

9.8 **Amendment in State Laws and IFA**

9.8.1. State laws, as well as the Indian Forest Act 1927 need to clearly reflect the ownership of MFP by the Gram Sabha. Further, the definition of MFP as per FRA which includes bamboo, needs to be incorporated in all laws. The FRA is a substantive statute, which vests 'forest rights' in communities and individuals as existing on a cut off date.

9.8.2. FRA vis-à-vis IFA

Forest rights are listed in Chapter II and include: "right of ownership, access to collect, use, and dispose of minor forest produce, which has been traditionally collected within or outside village boundaries (3 (c)). The IFA provides a regime of acquisition, settlement and prohibition. Under the Act, MFP is not defined. However, it provides an activity-based definition of timber and a broad definition of tree, which includes bamboo. Section 26, lists acts, which are prohibited in the forests, which have been acquired and settled. These include "felling any tree or cutting or dragging any timber."

9.8.3. FRA vis-à-vis State Legislations

In addition, State Governments have enacted legislations to define minor forest produce in their territories. The FRA being a Union statute under List III, Entry 17 A, will as a matter of course override any State statute, unless the State legislates a new statute, with the permission of the President.

9.8.4. FRA section 13 ("the provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.") must be read subject to the Constitutional regime and Article 252 must be harmoniously interpreted. It would be a wrong interpretation to take the view that the rights vested by the Parliament (under

FRA) were intended to cease to exist from the very moment they were passed, or were to be subject to state forest regimes. It is therefore for the Union to make clear:

- a. Minor Forest Produce is a ownership right vested by Parliament under FRA and all state forest authorities are obliged to respect this provision;
- b. The prohibitory provision of IFA must be read harmoniously so as not to render the Parliamentary purpose of FRA nugatory.
- c. It is within Union Government's power to secure and give effect to MFPs provision and its inclusion of bamboo under rule making power (section 14).

9.9 **Expanding the Knowledge Base on MFP**

9.9.1. The vast variety of MFPs listed in Annexure2 have different uses, shelf life, require different types of processing and possibilities in terms of value addition at various levels. To ensure appropriate regeneration, marketing and value addition, detailed information about the MFPs is needed. However, a systematic data base on these MFPs does not exist. Even State agencies are not fully in the know of all the MFPs grown in the State. At the very least, a listing of MFPs grown in various districts may be begun. Gram Sabhas can play an important role in creating such a data base. Further, at least all the major MFPs in each State need to be studied in terms of occurrence, possible end use, marketing and regeneration.

9.9.2. The Committee therefore recommends that the knowledge base on MFPs be upgraded on a significant scale. Creating a knowledge base about MFPs would require a multi-pronged approach with the help of research institutions concerned with forestry, project development and marketing. Further, findings emerging from the field would have to be documented and disseminated. A National initiative in this regard would be necessary and may be taken up by Ministry of Tribal Affairs in collaboration with Ministry of Environment and Forests. TRIFED can be a nodal agency for this initiative with the purpose of collecting as well as disseminating knowledge.

9.10 Sustainability and Regeneration of MFP

9.10.1. Sustainable regeneration of MFP is critical to enhance livelihoods and protect biodiversity. This aspect needs to be given priority, since MFP productivity for later years will depend on regeneration activities encouraged now. Regeneration of MFPs has to be a major focus area in forestry programmes. Appropriate nurseries could be set up to provide seeds and saplings to gatherers. Improved varieties of tamarind, mahuwa, medicinal plants, etc. should also be promoted. It is recommended that regeneration of MFPs be made an integral part of the Forest Working Plans.

9.10.2. MGNREGA projects can fund MFP regeneration activities for which special sensitization and training campaigns for Gram Sabhas, Panchayats and JFMCs can be taken up. It is important to ensure maximum participation from the community in all regeneration activities. Further, MFPs need to be harvested in a sustainable way, for which the best practices need to be documented and disseminated. For various MFPs, 'dos and don'ts' in terms of sustainability would also have to be defined and can be incorporated in policy, to be followed by government, non-government agencies and the people. The Gram Sabhas ought to have an advisory role in deciding which MFPs to sow for regeneration in a local/regional context, to ensure that the MFPs regenerated serve the purpose of earning incomes and sustaining their livelihoods.

STATE-WISE SCHEDULE TRIBE POPULATION

State	ST Population	ST population as % of total
Andhra Pradesh	50,24,104	6.6%
Arunachal Pradesh	7,05,158	64.2%
Assam	33,08,570	12.4%
Bihar	7,58,351	0.9%
Chhattisgarh	66,16,596	31.8%
Goa	566	0.04%
Gujarat	74,81,160	14.8%
Haryana	0	0
Himachal Pradesh	2,44,587	4.02%
Jharkhand	70,87,068	26.3%
Karnataka	34,63,986	6.6%
Kerala	3,64,189	1.14%
Madhya Pradesh	1,22,33,474	20.3%
Maharashtra	85,77,276	8.9%
Manipur	7,41,141	34.2%
Meghalaya	19,92,862	85.9%
Mizoram	8,39,310	94.5%
Nagaland	17,74,026	89.1%
Orissa	81,45,081	22.1%
Punjab	0	0
Rajasthan	70,97,706	8.4%
Sikkim	1,11,405	20.6%
Tamil Nadu	6,51,321	1%
Tripura	9,93,426	31.1%
Uttar Pradesh	1,07,963	0.1%
Uttaranchal	2,56,129	3%
West Bengal	44,06,794	5.5%
TOTAL=	8,29,82,249	

Source: Census of India, 2001

ANNEXURE 1B

LIST OF PESA DISTRICTS (V SCHEDULE AREAS)

States	PESA Districts	
Andhra Pradesh	Partly Covered under PESA	Fully Covered under PESA
	Adilabad	None
	East Godavari	
	West Godavari	
	Mahabubnagar	
	Vishakhapatnam	
	Warangal	
	Srikakulam	
	Vizianagaram	
	Khammam	
Total	9	
Chhattisgarh	Partly Covered under PESA	Fully Covered under PESA
	Bilaspur	Surguja
	Durg	Korea
	Raipur	Bastar
	Dhamtari	Dantewada
	Raigarh	Korba
	Rajnandgaon	Jashpur
	Narayanpur	Kanker
	Bijapur	
Total	8	7
Total		15
Gujarat	Partly Covered under PESA	Fully Covered under PESA
	Surat	Dang
	Bharuch	
	Valsad	
	Vadodra	
	Panchmahal	
	Sabarkantha	
	Banskantha	
Total	7	1
Total		8
Himachal Pradesh	Partly Covered under PESA	Fully Covered under PESA
	Chamba	Lahaul & Spiti
		Kinnaur

Total	1	2	
Madhya Pradesh	Partly Covered under PESA	Fully Covered under PESA	
	Dhar	Jhabua	
	Khargone (West Nimar)	Mandla	
	Khandwa (East Nimar)	Dindori	
	Ratlam	Barwani	
	Betul		
	Seoni		
	Balaghat		
	Hoshangbad		
	Shandol		
	Umaria		
	Sheopur		
	Chindwara		
	Sindhi		
Total	13	4	
Total		17	
Maharashtra	Partly Covered under PESA	Fully Covered under PESA	
	Thane	None	
	Pune		
	Nashik		
	Dhule		
	Nadurbar		
	Jalgaon		
	Ahmednagar		
	Nanded		
	Amravati		
	Yavatmal		
	Gadchiroli		
	Chandrapur		
Total	12		0
Total			12
Orissa	Partly Covered under PESA	Fully Covered under PESA	
	Korapur	Malkangiri	
	Sambalpur	Nawarangpur	
	Konjhar	Rayagada	
	Boudh-Khondmals	Mayurbhanj	
	Ganjam	Sundargarh	
	Kalahandi		
	Balasure		
Total	7	5	

Total	12	
Jharkhand	Partly Covered under PESA	Fully Covered under PESA
	Palamu	Ranchi
	Gharwa	Lohardaga
	Godda	Gumla
		Simdega
		Latehar
		West Singhbhum
		East Singhbhum
		Saraikela Kharsawan
		Dumka
		Jamtara
		Sahebganj
		Pakur
	3	12
Total		15
Rajasthan	Partly Covered under PESA	Fully Covered under PESA
	Udaipur	Banswara
	Sirohi	Dungarpur
	Chittorgarh	
	3	2
Total		5

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LIST OF MINOR FOREST PRODUCE

STATE – ANDHRA PRADESH

- | | | |
|----------------------|----------------------------|--|
| 1. Addaleaf | 11. Myrobalans | 20. Honey Wax |
| 2. Hill Broom | 12. Mohwa Seed | 21. Gum Karaya |
| 3. Wild Brooms | 13. Mohwa Flower | 22. Tamarind-Shell, seeded, de-seeded, green, seed |
| 4. Shikakai | 14. Marking Nuts | 23. Teripods |
| 5. Amla Fruit & Seed | 15. Nuxvomica Fruit & Seed | 24. Mareduddedaalu |
| 6. Cleaning Nuts | 16. Pungam Seed & Fruit | 25. Sugandhipala |
| 7. Chiranj | 17. Naramamidi Bark | |
| 8. Rock Bee Honey | 18. Raulphia Serpentine | |
| 9. Apiary Honey | 19. Soapnuts | |
| 10. Kusum Oil Seed | | |

STATE – MADHYA PRADESH

- | | | |
|--------------------|------------------------|---------------------|
| 1. Akol Seed | 57. Chheend | 113. Raal Dhoop |
| 2. Amaltash Phali | 58. Jungli Haldi | 114. Reetha |
| 3. Atibala | 59. Jungli Pyaz | 115. Laxman Kand |
| 4. Apamarg | 60. Jamun Fruit & Seed | 116. Lac |
| 5. Arandi Seed | 61. Jhar Root | 117. Laajbanti |
| 6. Ararni Mool | 62. Dikamaali | 118. Lemon Grass |
| 7. Adusa | 63. Dedhawal | 119. Lengar Seed |
| 8. Adusa Panchang | 64. Teekhur | 120. Vagnakhi |
| 9. Ashwagandha | 65. Tulsi Seed | 121. Vajradanti |
| 10. Achaar Guthli | 66. Tendu Seed | 122. Van Haldi |
| 11. Ajwain | 67. Dughi Badi | 123. Van Tulsi |
| 12. Arjun Chhaal | 68. Dughi Chhoti | 124. Van Gobhi |
| 13. Anant Mool | 69. Dhawai Fruit | 125. Varun Chhaal |
| 14. Anantmool Kala | 70. Dhawada Gond | 126. Vidari Kand |
| 15. Amla Green | 71. Nagdon | 127. Vidhara Mool |
| 16. Aak Seed | 72. Nayi Booti | 128. Honey |
| 17. Aam Guthli | 73. Naagar Motha | 129. Shatavar |
| 18. Aama Haldi | 74. Nirgundi Leaf | 130. Shankpushpi |
| 19. Imli | 75. Nirmali Seed | 131. Shivlingi seed |
| 20. Kaknasar | 76. Nivoli | 132. Sanaya |
| 21. Kamar Kas | 77. Neem Leaf & Seed | 133. Sarpandha |
| 22. Kadujeera | 78. Patol Panchang | 134. Sarpoka |
| 23. Kadusuretha | 79. Palash Gond | 135. Safed Musli |
| 24. Karanj | 80. Palash Fruit | 136. Sabai grass |
| 25. Kalihari | 81. Patha Panchang | 137. Salai Gond |
| 26. Kaweet | 82. Paataal Kumbhada | 138. Sahdevi |
| 27. Kateri Badi | 83. Piyavaans Panchang | 139. Sahijan |
| 28. Kateri Chhoti | 84. Peet Paapra | 140. Saalam Mishri |
| 29. Kaalmegh | 85. Punarnava | 141. Saalparni |

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|--------------------|--------------------------|----------------------|
| 30. Kali musli | 86. Prishthaparni | 142. Siyari |
| 31. Kans | 87. Phool Bahari | 143. Mahul leaf |
| 32. Kungai | 88. Bach | 144. Misotar Blake |
| 33. Kutaj Chhaal | 89. Bachgaanth | 145. Bhurwa Mool |
| 34. Kullu Gond | 90. Baroomd | 146. Wax |
| 35. Kusum Seed | 91. Babool Chhaal | 147. Mentha |
| 36. Kevach Seed | 92. Babool Gond | 148. Ratanjot Seed |
| 37. Kevach Root | 93. Barali Kand | 149. Ram Datoon Root |
| 38. Khas Root | 94. Baheda | 150. Sitaphal |
| 39. Gwar Patha | 95. Baibhidag | 151. Har Judi |
| 40. Gataran | 96. Bauch | 152. Harshringar |
| 41. Ganger Root | 97. Bal Panchang | 153. Harra |
| 42. Giloy | 98. Benchadi | 154. Hansraj |
| 43. Guggul | 99. Bel Gooda | 155. Hingot |
| 44. Gudbach | 100. Ber | |
| 45. Gudmaar | 101. Brahmi | |
| 46. Gokharu | 102. Bharraggi Chhaal | |
| 47. Gokharu Chhota | 103. Milwa Fruit | |
| 48. Gorakhmundi | 104. Bhui Aamla | |
| 49. Ghatbeer | 105. Bhringraj | |
| 50. Chanpul | 106. Mandukapadni | |
| 51. Chandrasur | 107. Makoye | |
| 52. Chirayata | 108. Majishtha Chhaal | |
| 53. Chirota | 109. Marod Phali | |
| 54. Chitrak Mool | 110. Mahaneem Chhaal | |
| 55. Chuniya Gond | 111. Mahua Flower & Seed | |
| 56. Chharaita Root | 112. Maal Kangni | |

STATE - MAHARASHTRA

- | | | |
|----------------------|----------------------|-------------------|
| 1. Myrobolan | 12. White musli | 23. Jequrily |
| 2. Gum | 13. Black musli | 24. Cashew nut |
| 3. Mohwa Flower | 14. Ceylin oak | 25. Hill Broom |
| 4. Mahwa Seed | 15. Physicnut | 26. Vavading |
| 5. Chironji | 16. Foetid Cassia | 27. Baphali |
| 6. Amla Seed | 17. Purple Floabane | 28. Mango Kernel |
| 7. Cleaning Nuts | 18. Indian Bedellium | 29. Neemseed |
| 8. Beleric Myrobolan | 19. Nuxvomica | 30. Tamarind seed |
| 9. Pongam Seed | 20. Shikakai | 31. Basterd Teak |
| 10. Indian Laburnam | 21. Soap Nut | 32. Dry Grass |
| 11. Tamarind Pulp | 22. Marking Nut | |

STATE - JHARKHAND

- | | | |
|-------------------------|----------------------------------|---------------------------|
| 1. Amra (hog plump) | 17. Jangali adrakh (wild ginger) | 30. Marking nuts (Bhelwa) |
| 2. Anant muli | 18. Kaju fruits and kernel | 31. Neem fruits and seeds |
| 3. Anola or Amla fruits | 19. Karanj seed | 32. Phul jharu |
| 4. Arrowroot | 20. Kastha chhata (Mushroom) | 33. Rittha phal |
| 5. Bahera nut | 21. Kathal fruits and seeds | 34. Sabai grass |
| 6. Bamboo | 22. Kendu leaves | 35. Sal seed and leaves |

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|----------------------------|---------------------------------|------------------------------|
| 7. Bel | 23. Khajur Patta | 36. Semal cotton |
| 8. Ber | 24. Kujur fruits | 37. Shikakai |
| 9. Cane fruits | 25. Kusum seed | 38. Tamarind fruit and seeds |
| 10. Chironji fruits (Pyar) | 26. Mahalan leaves/ chop (bark) | 39. Tar of Tal fruits |
| 11. Dhak seed | 27. Mahua Flower | 40. Thatch Grass |
| 12. Dhoop / resin | 28. Mahua seed | 41. Van Haldi |
| 13. Gum Karaya | 29. Mango kernel/ mango (Aam) | 42. Van Tulsi/ Tulsi |
| 14. Harra nut | | |
| 15. Honey | | |
| 16. Jamun fruits and seeds | | |

STATE – ORISSA

- | | | |
|---------------------------------------|--------------------------------|----------------------------------|
| 1. Tamarind, deseeded | 24. Jungal Jada or Gaba | 50. Aundi Lai |
| 2. Tamarind & Tamarind seeds | 25. Palasa Seed | 51. Khelua Lai |
| 3. Mahua Flower | 26. Siali Seed | 52. Suam Lai |
| 4. Hill Brooms | 27. Indra Jaba (Korai Seed) | 53. Eksira Fruit |
| 5. Thorn Broom (Jhadu or Ghoda Lanji) | 28. Gila (Seed and Coat) | 54. Katha Chhata (Mushroom) |
| 6. Broom Grass | 29. Benachera | 55. Mat Reed (Sapa Masina Grass) |
| 7. Nux Vomica (Kochila seseds) | 30. Bana Haladi | 56. Anania Mula |
| 8. Hardad | 31. Gaba | 57. Antia Pata |
| 9. Bahada | 32. Basil | 58. Nageswar Flower |
| 10. Anla | 33. Bana Kalatha | 59. Mankad Kendu |
| 11. Soap Nut (Ritha Phal) | 34. Makhena Seed (Kanta Padma) | 60. Atundi Fruit |
| 12. Marking Nuts (Bhalia) | 35. Tala Makhma Seed | 61. Mahula Seed |
| 13. Cleaning Nut (Nirmala) | 36. Bela | 62. Kusum Seed |
| 14. Honey | 37. Chiraita (Bhui Neem) | 63. Karanja Seed |
| 15. Siali Leaves | 38. Khajuripata | 64. Neem Seed |
| 16. Sabai Grass | 39. Riohini Fruit | 65. Char Seed |
| 17. Mango Kernel | 40. Baidanka Seeds | 66. Chakunda Seed |
| 18. Thatch Grass | 41. Baghanakshi Seeds | 67. Bbul Seed |
| 19. Simul Cotton | 42. Kamala Gundi Fruit | 68. Baibirand Seed |
| 20. Arrow Root (Palua) | 43. Landa Baguli | 69. Sal Seed |
| 21. Dhutuki Flower | 44. Bhurunsunga Leaves | 70. Bamboo |
| 22. Putrani | 45. Phenaphena Fruit | 71. Kendu Leaves |
| 23. Sikakai | 46. Rasana Root | |
| | 47. Sidha Fruit | |
| | 48. Sethabari | |
| | 49. Ktha Lai | |

STATE - GUJARAT

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|-------------------|-----------------|----------------------|
| 1. Timru Leaves | 47. Arduv | 93. Kasid |
| 2. Mahuda flowers | 48. Salvan | 94. Rain Tree |
| 3. Mahuda Doli | 49. Pithavan | 95. Arduso seeds |
| 4. Kadaya Gum | 50. Satavari | 96. Mindi Aval Seeds |
| 5. Dhavada Gum | 51. Chitral Mul | 97. Mardasing seeds |
| 6. Bavai Gum | 52. Marnejavo | 98. Sarpandha |

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|----------------------------|------------------------|----------------------------------|
| 7. Moina | 53. Bhangaro | 99. Akkalgro seeds |
| 8. Salai | 54. Gokharu | 100. Tulsi seeds |
| 9. Gugal | 55. Sankhapushpi | 101. Rosh Grass seeds |
| 10. Prosopis Gum | 56. Jambu seeds | 102. Lemon Grass |
| 11. Gorad Gum | 57. Ashwagandha Seeds | 103. Harda Seeds |
| 12. Khair | 58. Jethimadh | 104. Baheda Seeds |
| 13. Khakhhar Gum | 59. Brahm | 105. Baheda Minj |
| 14. Puwad Seed | 60. Bhoymali | 106. Dhamn Grass |
| 15. Amla Pulp | 61. Lindippipar | 107. Stylo Grass |
| 16. Musli | 62. Vavding red | 108. Bor Clin (Minj) |
| 17. Charoli | 63. Malvi Puwad | 109. Aval seeds |
| 18. Honey | 64. Dhamaso | 110. Amba Kernel & Nirmali Seeds |
| 19. Karanj Seeds | 65. Jivanti-kadavadoli | |
| 20. Ariha | 66. Gorakhmudi | |
| 21. Harda | 67. Nagarmoth | |
| 22. Baheda Fruit | 68. Bamboe seeds | |
| 23. Indrajav | 69. Garamala seeds | |
| 24. Wax | 70. Garamala Gol | |
| 25. Ratanjot | 71. Sharpankh | |
| 26. Chanothi | 72. Kusum Seeds | |
| 27. Neem Seeds | 73. Amla Seeds | |
| 28. Vadhvadhia Seeds | 74. Charoli seeds | |
| 29. Kanchaka Seeds | 75. Boda Gokhru | |
| 30. Kaucha Black and white | 76. Teak seeds | |
| 31. Chimed | 77. Deshi Babul Seeds | |
| 32. Kusum Lakh | 78. Deshi Mango Karnal | |
| 33. Pilu seeds | 79. Gunda Seeds | |
| 34. Khakhhar Lakh | 80. Rayan Seeds | |
| 35. Keshuda flowers | 81. Saragavo seeds | |
| 36. Ashitra Leaves | 82. Mahuda Seeds | |
| 37. Billa Garbh | 83. Khair Seeds | |
| 38. Baheda Pulp | 84. Limbu seeds | |
| 39. Bor Lakh | 85. Badam seeds | |
| 40. Khakhara Seeds | 86. Kaju seeds | |
| 41. Mardasing | 87. Khati Amali seeds | |
| 42. Deshi Bor | 88. Goras Amali seeds | |
| 43. Sitaphal Seeds | 89. Rinzdo | |
| 44. Galo Neem | 90. Sishu | |
| 45. Malkangani | 91. Siras | |
| 46. Arjun Chhal | 92. Gulmohar | |

STATE – RAJASTHAN

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|--------------------------|-------------------------|--------------------------|
| 1. Honey | 15. Adusa Leaves | 29. Aloevera (Gwar Pata) |
| 2. Wax | 16. Palal seeds/ leaves | 30. Marod phali |
| 3. Anwal Chhal | 17. Dhaturi | 31. Harsingar flower |
| 4. Mahua Flower | 18. Puwad | 32. Kat Karanj |
| 5. Oil Seeds like Dolma, | 19. Safed Musli of | |

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|--|---|----------------------|
| Ratanjot | different categories | 33. Shikakai |
| 6. Wild medicinal Plants like Shatawari, Chitrak Chhal, Bilva Guda | 20. Nimboli | 34. Amaltas Ghalli |
| 7. Amla Fruit | 21. Kanaj | 35. Naami |
| 8. Bahera | 22. Gum Dhawada& Gum Kher | 36. Karonda |
| 9. Areccha | 23. Achar Seed (Chironji) of different categories | 37. Sitaphal |
| 10. Jamun | 24. Nagbel | 38. Molsari |
| 11. Khurmi | 25. Kalmegh | 39. Negad seed |
| 12. Aam | 26. Kher Seed | 40. Kutaj Seed |
| 13. Ber | 27. Tulsi Seed | 41. Lemon Grass |
| 14. Lasoda | 28. Chirmi | 42. Barks |
| | | 43. Grass and Fodder |

STATE – CHHATTISGARH

- | | | |
|-------------------|-----------------|-----------------|
| 1. Anantmul | 26. Giloy | 51. Mango |
| 2. Aak | 27. Gudmar | 52. Marorphalli |
| 3. Akarkara | 28. Hathjod | 53. Mehandi |
| 4. Alsi | 29. Honey | 54. Nagarmotha |
| 5. Amaltash | 30. Harra | 55. Neem |
| 6. Aonla | 31. Indrajau | 56. Nirgundi |
| 7. Arandi | 32. Kalmegh | 57. Nirmali |
| 8. Ashwagandha | 33. Karanj | 58. Nishod |
| 9. Babul | 34. Kateri | 59. Palash |
| 10. Baheda | 35. Kewanch | 60. Punarnava |
| 11. Baibiding | 36. Kosa | 61. Ritha |
| 12. Baichnadi | 37. Lac | 62. Salparni |
| 13. Bans | 38. Lal Gunja | 63. Safed Musli |
| 14. Ber | 39. Mahua | 64. Sarphok |
| 15. Bhilwa | 40. Jamun | 65. Sal |
| 16. Bhringraj | 41. Jatrophra | 66. Satavar |
| 17. Bhui Aonla | 42. Jhadu Grass | 67. Shikakai |
| 18. Bidari Kand | 43. Kaju | 68. Sinduri |
| 19. Buch | 44. Kala Dana | 69. Tamarind |
| 20. Charota | 45. Kali Musli | 70. Tendu |
| 21. Chironji | 46. Kalihari | 71. Thikur |
| 22. Dhawai flower | 47. Mahul | 72. Vanjeera |
| 23. Dhawada | 48. Makoy | 73. Van Tulsi |
| 24. Ghokchur | 49. Malkangani | |
| 25. Ghont | 50. Mandekparni | |

STATE – HIMACHAL PRADESH

- | | | |
|-----------------------------|-----------------|-----------------|
| 1. Talis Patra | 27. Amla | 53. Padmakasht |
| 2. Vatsnabhi/ Mohra | 28. Somlata | 54. Daru/ Amar |
| 3. Atis/ Patis/ Karvi Patis | 29. Bichhu Buti | 55. Kainth |
| 4. Miha Telia/ Miha Patis | 30. Van Haldi | 56. Sarpagandha |
| | 31. Patishan | 57. Revandehini |

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|----------------------------|----------------------|--------------------|
| 5. Bach/ Bare/ Bharian | 32. Juffa | 58. Talis Patra |
| 6. Basuti/ Bansa | 33. Khurasami Ajwain | 59. Brash |
| 7. Damtuli/ Hansraj | 34. Kharaera/ Basant | 60. Kashmiri Patta |
| 8. Bael | 35. Dudhia Bach | 61. Thuth |
| 9. Khanor | 36. Hauber | 62. Riha |
| 10. Sathjalori | 37. Bether Patta | 63. Kuth |
| 11. Kosh Cones | 38. Dhoop | 64. Bhutkesi |
| 12. Chora | 39. Charola | 65. Chirata |
| 13. Jungli Kuth | 40. Jangli Padina | 66. Birmi |
| 14. Seski | 41. Gichhi | 67. Harar |
| 15. Balladona/ Jharka | 42. Mithi Nim | 68. Mamiri |
| 16. Shatavari/ Safed Musli | 43. Jamansi | 69. Banajwain |
| 17. Kashmal/ Daruhaldi | 44. Ban Tulsi | 70. Giloe/ Guduchi |
| 18. Patharchat | 45. Pine Needles | 71. Bari Phool |
| 19. Bhoj Patta | 46. Karoo/ Kutki | 72. Mushakbala |
| 20. Kalajeera | 47. Chilkoza | 73. Banafsa |
| 21. Deodar Rosette | 48. Kail Cones | 74. Ashwagandha |
| 22. Tejpatra | 49. Kakarsingi | 75. Dhatic/ Dhai |
| 23. Bindi Phool | 50. Bankakri | 76. Tirmir |
| 24. Ban Haldi | 51. Salam Mishri | |
| 25. Salam Panja | 52. Dori Ghas | |
| 26. Singli Mingli | | |

ANNEXURE 3

TEN MOST IMPORTANT MFPS, IN TERMS OF LIVELIHOOD, AS REPORTED BY PESA STATES

S. No.	MFP	Andhra Pradesh					Maharashtra					Jharkhand											
		Yr.2007-08	Yr.2008-09	Yr.2009-10	Proc. Qty. (in qtls.)	Proc. Value (in rs.lak ho)	Yr.2007-08	Yr.2008-09	Yr.2009-10	Proc. Qty. (in qtls.)	Proc. Value (in rs.lak ho)	Yr.2007-08	Yr.2008-09	Yr.2009-10	Proc. Qty. (in qtls.)	Proc. Value (in rs.lak ho)							
*	Bamboo	37942	NA	2819	80.0	NA	3220	50.0	NA	Bamboo	Information not received					Bamboo	Information not received						
1.	Tendu**	60631	3.64	3728	83	3173	69.4	268	1.21	Tendu**	Information not received					Tendu**	7497	5053	5653	4338	5680	4817	
2.	Tamarind	46819	.9	NA	8.9	NA	3727	9.4	NA	Hirda	1361	8390	1830	2323	4358	2792	1690	640.0	0	0	2000	0	NA
3.	Myrabala	4750	87	NA	9551	NA	3943	41	NA	Gum	13.0	6310	29.0	1593	83.00	3.0	1537	8.00	0	0	1000	0	NA
4.	Cleomisa	2321	7	NA	2258	NA	429	75	NA	Chironji	0.0	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0	0	2000	0	NA
5.	Adla leaf	6820	95	NA	3901	NA	1505	69	NA	Bibba	1.0	91.60	24.0	7687	3.0	1159	0	0	0	0	2000	0	NA
6.	Gum Karaya	3713	97	NA	2317	NA	2367	45	NA	Nuxvomica	0.0	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0	0	2000	0	NA
7.	Pungam seed	2847	9	NA	3346	NA	569	22	NA	Amla seed	9.0	8489	0.0	0.00	0.00	0.00	0.00	0.00	0	0	1000	0	NA
8.	Nuxvomica	1103	31	NA	3014	NA	3027	25	NA	Mohua seed	17.0	1372	0.0	0.00	0.00	0.00	0.00	0.00	0	0	2000	0	NA
9.	Nararium di bark	8751	6	NA	1778	NA	945	5	NA	Bebada	7.0	790.0	14.0	1614	6.0	783.0	0	0	0	0	5000	0	NA
10.	Mohua flower	6183	32	NA	5337	NA	763	43	NA	Mohua flower	1291	906	67.0	5232	1613	1761	784.0	0	0	0	2000	0	NA

S. No.	MFP	Madhya Pradesh						Chhattisgarh						Orissa								
		Yr.2007-08		Yr.2008-09		Yr.2009-10		Yr.2007-08		Yr.2008-09		Yr.2009-10		Yr.2007-08		Yr.2008-09		Yr.2009-10				
		Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)			
*	Bamboo	State response states that bamboo is harvested departmentally, hence 'procurement value' cannot be indicated												Procurements and sale of all other MFPs decentralized to Gram Panchayats.								
1.	Tendu**	2421	3736	1825	2101	2009	3270	Tendu**	NA	743.0	NA	945.0	NA	726.0	Bamboo	9959	1494	6433	1351	5445	1144	
		300.0	41.00	60.0	90.0	90.0	5.60		NA	1143	8.00	NA	1080	8.82	1267	4822	1363	4491	4073	1426	300.0	
2.	Sal seed	NA	NA	89.0	1.13	7659	7.0	Sal seed	NA	3154	89	NA	903.4	6	9274	73	NA	NA	NA	NA	NA	NA
3.	Kailu Gum	235	19.82	232	25.13	71.0	4.24	Harra	NA	138.9	2	NA	203.6	7	106.6	NA	NA	NA	NA	NA	NA	NA
4.	Lac Resin	NA	NA	NA	NA	334	0	28.72	Gum	NA	76.59	NA	153.6	4	186.6	2	NA	NA	NA	NA	NA	NA
5.																						
6.																						
7.																						
8.																						
9.																						
10.																						

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S. No.	MFP	Gujarat						Rajasthan						Himachal Pradesh					
		Yr.2007-08		Yr.2008-09		Yr.2009-10		Yr.2007-08		Yr.2008-09		Yr.2009-10		Yr.2007-08		Yr.2008-09		Yr.2009-10	
		Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)	Proc. Qty. (in qphs.)	Proc. Value (in rs.lakhs)
*	Bamboo	Information not received												Information not received					
1.	Tendu**	177	750.6	9	1.70	765.0	603.7	Tendu	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
		SBs	9	SBs	9	SBs	8		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Mahua flower	166	86.1	7	NA	171	85	NA	2165	69	NA	Mahua flower	NA	NA	389	3.89	0.0	0.00	Chakri
3.	Mahua seed	529	91	NA	968	82	NA	456	53	NA	Dodna	NA	NA	157	2.51	2.94	0.41	Dorigas	
4.	Gums	240	56	NA	278	10	NA	470	16	NA	Karaja	182	94	NA	91.7	1.10	188	1.88	Tharth
5.	Honey	300	435	NA	2070	27	NA	969	78	NA	Aritha	132	15	NA	98.9	0.40	58.2	0.23	Somlata
6.	Pinda seeds	381	4.44	NA	140	0	NA	1638	45	NA	Ratanjo	47.4	8	NA	2072	31.11	1184	99.64	Iharkechi
7.	Ratanjo	57.4	0	NA	36.7	0	NA	576	83	NA	Powad	998	72	NA	2587	12.77	2100	12.38	Pine nut
8.	Amia Pulp	12.7	6	NA	27.6	5	NA	455	32	NA	Amh	NA	NA	60.5	0.11	9.22	0.19	Lichens	
9.	Baheda	12.1	0	NA	117	60	NA	347	49	NA	Honey	NA	NA	3.55	0.21	0.13	0.008	Patishan	
10.	Galo	NA	NA	123	7	NA	71.8	8	NA	Baheda	132	02	NA	0.20	0.003	20.7	0.04	Mushakbala	

Source: State Responses

* Bamboo is recorded as a separate item in the table because it is yet to be recognized as MFP by State Governments despite the FRA legislation, which clearly defines bamboo as a MFP.

** Procurement value of tendu is given in 'standard bags' (SBs) instead of quintals. In every state, 1 SB= 1000 bundles of tendu leaves (1 bundle= 50 leaves approx.)

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ANNEXURE 4 A

PROCUREMENT VALUES AND SALE VALUES OF MFPs:2008-09 AND 2009-10

	State	Procurement values (in Lakhs)		Sale values (in Lakhs)	
		2008-2009	2009-10	2008-2009	2009-10
1	*Orissa	36.77	40.24	30.46	24.58
2	**West Bengal	130.84	206.42	192.01	186.31
3	Andhra Pradesh	1302.26	900.34	1624.93	1284.99
4	Madhya Pradesh	21915.11	28953	20861.84	26799.57
5	Karnataka	267.078	117.7	107.67	148.81
6	Jharkhand	2347.78	104.71	2089.65	114.23
7	Gujarat	907.03	798.012	516.75	758.44
8	Maharashtra	233.59	52.7	126.49	448.7
9	Rajasthan	52.47	114.79	67.25	29.63
10	Chhattisgarh	12304.79	23949.18	21424.76	30478.39
	Grand Total	37149.94	55237.092	44952.16	59873.65

Source: TRIFED report, September 2010

* Data on MFPs pertaining to Orissa include only Tendu leaves.

** Although West Bengal is not a PESA state, it has been included because it is one of the key states in terms of procurements and sale values.

- Procurement and sale values of all states mentioned in the Table include tendu leaves. None of them, however, include bamboo since it is under the exclusive regime of respective State Forest Departments. State FDS do not furnish data to TRIFED.

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ANNEXURE 4B

PERCENTAGE PROCUREMENT AND SALE VALUE OF TENDU LEAVES AND OTHER MFP (2008-09 AND 2009-10)

STATE	(% Procurement Value of total)				(% Sale Value of total)			
	2008-09		2009-10		2008-09		2009-10	
	Tendu Leaves	Other MFPs	Tendu Leaves	Other MFPs	Tendu Leaves	Other MFPs	Tendu Leaves	Other MFPs
Madhya Pradesh	99.9	0.001	96.4	3.6	99.9	0.10	98.3	1.68
Chhattisgarh	89.6	10.4	56.6	43.3	92.2	7.8	84.1	15.9
Gujarat	84.3	15.6	75.6	24.4	50.2	49.8	78.9	21.1
Orissa	NA	NA	NA	NA	NA	NA	NA	NA
Maharashtra	NA	NA	NA	NA	NA	NA	NA	NA
Andhra Pradesh	NA	NA	NA	NA	NA	NA	NA	NA
Jharkhand	NA	NA	NA	NA	NA	NA	NA	NA
West Bengal	97.1	2.9	83.8	16.2	99.5	0.5	97.0	2.8
Rajasthan	NA	NA	NA	NA	NA	NA	NA	NA

Source: TRIFED data. For many States data is not available with TRIFED

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ANNEXURE 5

STATUS OF MFP IN STATE PANCHAYATI RAJ ACT AND SUBJECT ACTS

- GP= Gram Panchayat
→ GS= Gram Sabha

State	Panchayati Raj Act	Subject Acts
Andhra Pradesh	According to Sec.242 I(1)(b) of the A.P.P.R.A. ownership of MFPs is with GPs.	As per the AP Minor Forest Produce (Regulation of Trade) Act, 1971 and the AP Scheduled Area Minor Forest Produce (Regulation of Trade) Regulation, 1979, trade in MFP is declared as State Monopoly .
Madhya Pradesh	No provision made in the Act.	Section 4 of the Tendu Patta Act, 1964 provides that the State Government can appoint agents for collection and marketing of Tendu Patta.
Maharashtra	Section 54A(f) of the Bombay Village Panchayat Act, 1958 provides for issuing directions by GS to Panchayats with regard to regulation, management and trade of MFP vested in it. The GPs are provided with ownership rights on 33 MFPs occurring on government land excluding national parks and sanctuaries, according to Sec.4 of the Maharashtra Transfer of ownership of MFP in Scheduled Areas and the Maharashtra Minor Forest Produce (Regulation of Trade) (amendment) Act, 1997.	The Maharashtra Tribals Economic Condition (Improvement) Act, 1976 authorizes the TDC for monopoly purchase of all (33) items of minor forest produce.
Jharkhand	Section 75 A(8) provides that GP has the power for collection, processing, storage and marketing of MFPs. Under Section 76A(8)(d), the Panchayat Samiti has the power of integrated management and supervision of collection, storage, processing and marketing of MFPs.	No role of GS in Kendu leaves (Control of Trade) Act. All control with State Govt.
Orissa	Section 44(2)(b) of the OGP Act, 1964 provides that in the Scheduled areas, subject to the control and supervision of the Gram Sasan, the GPs shall exercise such powers and perform such functions as may be prescribed in respect of the ownership of MFP.	A policy on MFP, notified by the Forest & Environment Department vide their resolution no.5503 F&E dated-31.3.2000, transferred ownership of 68 MFP items to GPs except MFPs growing in Reserve Forest, Sanctuaries and National Parks. Three items, namely Kendu leaf, Sal seed

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State	Panchayati Raj Act	Subject Acts
		and Bamboo, were not included as MFPs. However with notification no.7220, dated-18.7.2006 issued by E&F Department, Sal seed got included in this list and as a result, GPs have ownership over 69 MFPs currently.
Gujarat	Under Section 108(5)(a) of the Gujarat Panchayat Act, 1993 ownership of MFPs (including nationalized MFPs) is vested with Village Panchayats except MFPs found in the areas of national parks or sanctuaries.	As per the Gujarat Minor Forest Produce Trade Nationalization Act, 1979, work of nationalized MFPs has been entrusted to Gujarat State Forest Development Corporation. Vide Government Resolution No. GVP-2002-1051 Part I-G, dated-4.3.2006, proceeds of nationalized MFPs are being transferred to Gram Sabha.
Rajasthan	According to Section 8E (I) of the Rajasthan Panchayati Raj Act, the GS has the power of management of MFPs. The ownership and management of MFPs have been transferred to GP vide a Government Order No.F.15(35) Forest/97 dated-17.7.2003.	No amendment in Rajasthan Forest Act, 1953. Powers are with the State Government.
Chhattisgarh	No provision made in the Act.	Section 4 of the Tendu Patta Act, 1964 provides that the State Government can appoint agents for collection and marketing of Tendu Patta. As per this provision, they have appointed the MFP Federation as their agent. Also, the State Govt. under Section 76 read with Section 41 and 42 of the Indian Forest Act, 1927 has exercised its rule making power and made the Chhattisgarh Transit (Forest Produce) Rules, 2001 for regulating transit of forest produce. According to Rule 2, the transit pass for transporting timber and fuel of following species, shall be issued by the Panchayats: i. Babul ii. Siris iii. Neem iv. Ber v. Palash vi. Jamun vii. Reunjha

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ANNEXURE 6

SUMMARY OF GOVERNMENT ORDERS/CORRESPONDENCE OF GOVT. OF MAHARASHTRA RELATING TO OWNERSHIP OF MFP.

- Letter No. 10198/1699 from Principal Secretary (Forests) dated 09.03.2011 refers to Government Order No.45 of 1997 by which ownership and management rights of 33 notified MFPs has been given to Gram Panchayats with effect from 10.12.1997.
- Government Resolution dated 29.04.2001 which transfers monopoly trading rights of 33 notified MFPs in Scheduled Areas to the Maharashtra State Cooperative Tribal Development Corporation (MSCTDC).
- Government Resolution dated 18.01.2010 states that MSCTDC's monopoly trading rights over 33 MFPs will continue till September, 2010.

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State	Panchayati Raj Act	Subject Acts
Himachal Pradesh	Section 97 I(1)(a) of the HP Panchayati Raj Act, 1994 vests the ownership of MFP with the GP or, as the case may be, with the GS.	No amendment in Mandi Minor Forest Produce Exploitation and Export Act, 1997. Under HP Forest Produce (Regulation of Trade) Act, 1982 State Govt. has the power to appoint agents. Notification has been issued by the State Governor whereby Pradhans of Gram Panchayats have been appointed as Forest Officer to carry out the purposes of Rule 11 of the HP Forest Produce Transit (Land Routes) Rules, 1978 for issuance of pass for transport of MFP collected from forests in the concerned Panchayats.

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ANNEXURE 7

MANDATE OF THE STATE ORGANISATIONS INVOLVED IN TRADE OF MFP IN PESA STATES

State Organisations	Mandate/ Objective
Andhra Pradesh: Girijan Cooperative Corporation (GCC)	<ul style="list-style-type: none"> To procure MFP collected by tribal communities and pay to them fair remunerative prices, taking up value addition wherever possible for better returns Supply essential commodities under PDS through the network of D.R. Depots To support agricultural activities by extending credit to tribal farmers
Madhya Pradesh: MP State Minor Forest Produce Co-operative Federation Ltd. (MP MFP Fed.)	<ul style="list-style-type: none"> Eliminating the contract system from the trade of nationalized MFPs, to ensure fair price to the collectors of MFP and getting the task of collection done through cooperative societies. Organizing the various activities of research and development relating to MFPs on cooperative basis to ensure a system of sale and purchase of MFPs in such a manner so that all its members (collectors) get the maximum benefit. Making all necessary arrangements for realizing the aforesaid objectives Giving guidance and assistance in the trade of non-nationalized MFPs also to primary cooperative societies.
Maharashtra: Maharashtra State Cooperative Tribal Development Corporation Ltd. (MSCTDC)	<ul style="list-style-type: none"> To work as an effective agency to prevent economic exploitation of the tribal farmers, artisans and labourers; To offer fair remuneration to maintain tribal livelihoods; To promote the economic development of tribals by implementing the direct assistance schemes
Jharkhand: JHAMFCO Federation Ltd	<ul style="list-style-type: none"> To purchase MFPs through competitive pricing modus operandi. To provide agricultural inputs to farmers, i.e. seed and fertilizers etc.

	<ul style="list-style-type: none"> To provide short term loans for agricultural production.
Orissa: KL Organization of Forest Department (OFDC)	<ul style="list-style-type: none"> State level facilitating agency to work for the benefit of the collectors engaged in collection of kendu leaves and bamboo from the forests.
Gujarat: Gujarat State Forest Development Corporation Ltd. (GSFDC)	<ul style="list-style-type: none"> To undertake commercially viable and ecologically sustainable forest based enterprises. To eliminate exploitation from private trade of forest dwellers in general and the tribal in particular, who derive sustenance through collection of Minor & other Forest Produce (MFP). To maximize benefit percolation from such trade to the tribal.
Rajasthan: Rajasthan Tribal Area Development Cooperative Federation Ltd. (RAJAS SANGH)	<ul style="list-style-type: none"> To provide services to tribals in its area of work and protect the people from exploitation by moneylenders and traders. To procure, market and add value to MFP with the help of affiliate organizations. To provide financial help and guidance. To lessen development gap, facilitate infrastructure development in the TSP region. To function as an agent of State government or state cooperatives or self-governing bodies for exchange of food grain, consumer goods, seeds or fertilizers.

Source: State responses

ANNEXURE 8

STRUCTURE AND FUNCTIONING OF STATE AGENCIES TRADING IN MFP IN PESA STATES

	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh of Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
Structure	Head office in Vishakhapatnam, a Regional Office in Hyderabad and 10 Divisional Offices. It has 43 D.R Depots and 1104 employees.	3-tier structure: Block level: primary co-op societies(1066) which collect nationalized MFPs. District level: MFP Co-op Union (60), which coordinates the efforts of the primary societies and act as link between the apex body and primary societies. There are 92 regular employees and 16 officers on	Head Office in Nashik, 10 regional offices at district level, 35 sub-regional offices at taluka level and 456 purchase centres at village level. HO supervises and coordinates activities at the regional level. Fortnightly reports regarding procurement are submitted by the 10 regional offices to the HO.	Head Office in Ranchi. The Federation procures through LAMPS, PACS and other co-operative societies and NGOs spread across the state at district and block levels. 62 members of the supporting staff. It has around 2800 employees at present	The organizational hierarchy begins with the Managing Director at the apex, followed by General Manager, Divisional managers and the supporting staff. It has around 2800 employees at present	All gatherers are members of the Primary Vanopaj Samiti at the block level which collects the Nationalised MFPs. 11 persons are elected from among these as Board of Directors. The Block Level Committees in turn elect 11 members to the District Level Committee. Each block level committee has an appointed manager. A State Level Committee is elected from among the District Level Committees. The District Forest Officer is the CEO of the District Level	Gujarat State Forest Development Corporation Ltd. Head Office in Gandhinagar. The organizational hierarchy consists of a management council at the apex, which oversees the functioning of the organization. The Council is headed by the Chairman, followed by the Managing Director. It primarily has representatives from Forest & Environment department and one Tribal Area representative	Established in 1976, it functions in 29 panchayat samities and 23 tehsils through 268 LAMPS. The organization has 179 sectioned posts, out of which 107 work in the parent body, 71 work in tribal hostels managed by TADA and 1 functionary is with Rajasthan Breweries Corporation. The Commissioners, Tribal Area Development is

	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh of Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
Management	Managing Director is appointed. Others are employed through the State Services Examination.	Elected as per the Cooperative Act. Each Union has the respective Dist. Forest Officer as its ex-officio Managing Director.	Appointed	Nascent organization. Not many employees, all on deputation. Managing Director is appointed from the State Co-operative services by the State government.	Appointed	Elected as per the Cooperative Act.	Appointed	Appointed
Outreach	839 D.R. Depots, each catering to 4-5 habitations	Local collection centres ('phadis') at village level. One 'phadi' may be a congregation of 2-3 villages.	456 purchase centres at village level.	No own collection centre. Procures through LAMPS and PACS	194 collection points spread all across state.	Collected by a 'Phad Mumshi' at the local level who then makes it available to the Block Level Society.	Exclusively for tendu, local collection centres ('phadis') at village level. One 'phadi' may be a	RAJAS SANGH has 18 storage ware houses at block level spread over the 5 districts of Udaipur, Banswara,

	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
		A phad munshi is appointed for each phad.					congregation of 3-5 villages. the Corporation has a few godowns of its own and a few are hired on rent from Forest department (rent is paid by the private trader).	Dungarpur, Pratapgarh and Sirohi.
Storage Facility	All pucca depots, Cold Storage facility inadequate	'Phad' may be small pucca structures or structures with thatched roofs. The Federation has 232 go downs and primary societies have 353 go downs across states.	Information not made available.	No own godowns. Use existing godowns of its member societies.	For tendu, phadi-houses are used at village level. Other MFPs are stored in individual house-holds.	'Phad' may be small pucca structures with thatched roofs	45 godowns for storage of all kinds of MFPs procured.	Procurers have storage ware houses. LAMPS have temporary storage facility from where MFP is transported to the 18 RAJAS SANGH storage points, existing at block level.
Scope of	Buying and	Purchase and	Purchasing MFPs	Procured a few	Supervising	Procurement and	Collection of	Procurement of

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	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
activities	selling MFPs (other than tendu and bamboo) brought by tribals; essential commodities such as subsidized rice etc. are sold; sale of non-subsidized commodities such as buckets, clothing, etc. GCC had also given loans to tribals which have not been repaid. GCC has also undertaken various value addition activities.	sale of Nationalised MFPs (including tendu) and ensuring maximum benefit to collectors. Also Value addition of certain MFPs (Vindya Herbals).	(barring bamboo tendu), procuring agricultural items, providing assistance (called "loans" but not expected to be repaid) to families for sustenance in lean periods to the extent of Rs.2000/- for a family of four members. The loan is divided into cash-kind disbursement in a ratio of 30/70, 30% cash and 70% as food ration.	MFPs in the previous year.	bamboo felling, procuring tendu leaves and sale of bamboo and tendu..	sale of nationalized MFPs including tendu leaf. Provision of insurance to gatherers.	MFPs either directly through its purchase centres or indirectly through its collection agents. Processing of some MFPs like honey and marketing them. Employment generation in remote Forest & Backward area by manufacturing products from wood and develop wood working skill among the tribal workers. Procurement and trading in wood charcoal	MFPs either directly through LAMPS/ VFPMC, providing financial assistance to gatherers, value addition activities like oil pressing, honey processing and awla candies.

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	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
Government Funding	State Government pays salaries of GCC staff. GCC is also exempted from paying forest rentals, VAT, market cess and income tax on MFP. The average staff salary paid to GCC is around Rs. 18-21 lakh per annum. In 2009-10, the government subsidy was Rs. 2 lakhs less than the staff salary.	No funding by the State. All costs of Federation met through sale of Tendu leaves and other nationalized MFPs.	The Corporation is expected to be self-financing and the loss is compensated by the State Govt. after evaluation and verification.	JHAMFCO was given a seed money of Re. 1Cr	No funding by the State.	No funding by the State. All costs of Federation met through sale of Tendu leaves and other nationalized MFPs	The Corporation gets no grant or budgetary support from the Government.	No financial aid/ support from State govt. of GOI provides grant-in-aid which is approx. 24 per cent of the value of the collected MFP.
Commodities dealt	The mandate of GCC is to buy all the MFPs brought by tribals. However, there are some items which the	Tendu leaves, Sal Seed, Kullu Gum, Lac Resin	33 notified MFPs and agricultural produce.	Mahua, Tamarind, Gum, Chiranjui, Anchoor and Kusum.	Tendu Leaves and Bamboo Gum.	Tendu leaves, Sal seed, Harra and Gum.	The Corporation has exclusive trading rights in tendu, mahua flower and doli	From 1977-2003, RAJAS SANGH had monopoly procurement and trading rights over all

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	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MP State Co-operative Federation Ltd	MSCTDC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
	GCC does not consider viable. Out of the 25 listed MFPs, the main trade of GCC is in 10-12 MFPs. These are: tamarind, gum karaya, honey, molwa flower/ seed, myrobdans, naxvomica, hill brooms, naramamidi bark, naredegadalu, sheekakai, amla, marking and cleaning nuts						(embryo) and all kinds of gum (nationalized MFPs). It also purchases other non-nationalised MFPs in competition with private traders.	MFPs, except tendu and bamboo. Since 2003, Gram Panchayats has such rights, again excluding tendu and bamboo. RAJAS SANGH still purchases MFPs through LAMPS/ VFPMC.
Total turnover (2009-10)	Rs. 200.66 Cr	Rs. 747.09 Cr	NA	Rs. 1.10 Cr	NA	NA	NA	Accounts yet to be finalised
Financial situation	GCC realized a profit of Rs.5.81 Cr in the year 2009-10. Staff salary is funded	The corporation realized a profit of Rs.	NA	The federation earned a profit of Rs 10 lakhs from the sale of MFPs in the	OFDC earned a profit of Rs. 356 lakh in 2009-10.	NA	Accounts yet to be finalised

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	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MFP State Co-operative Federation Ltd	MSCDTC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
	by the state govt. In 2009-10, the government subsidy was Rs. 2 lakhs less than the staff salary.	210.12 Cr in 2008. The accounts for the year 2009 were yet to be finalized at the time of visit.		year 2009-10.				
Monopoly Rights	Monopoly of GCC over 25 MFPs	Federation has monopoly in trade of nationalized MFPs.	Monopoly over Bamboo, Tendu leaves and Apta leaves as well as 33 notified MFPs (which after being given to gram sabha were transferred back to MSCDTC on the grounds that Gram Sabha was unable to manage them.)	Does not have monopoly rights	Monopoly over kendu leaves.	Monopoly over Tendu leaves, Sal seed, Harra and Gum.	Monopoly over tendu leaf, mahua flower and doli and all kinds of gum.	Monopoly rights ceased since 2003. Now, RAJAS SANGH is one of the purchasers of MFPs besides, private traders and cooperatives.
Observations and comments	GCC is trusted by the tribals.	No payment done for pruning of plants.	Tribals prefer selling to private traders as they get better rates for the produce. Also MSCDTC seemed more inclined towards purchase and sale	Nascent organization, people not yet aware of the federation.	Profits from Tendu leaves are shared with the Panchayats but are not returned to the gatherers.	In order to evade taxes, many traders buy Tendu leaves directly from the gatherers at higher prices. Dissatisfaction regarding the amount paid for	An on-going dispute was reported between the GSFDC and the Panchayati Raj department over the fact	--

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	ANDHRA PRADESH	MADHYA PRADESH	MAHARASHTRA	JHARKHAND	ORISSA	CHHATTISGARH	GUJARAT	RAJASTHAN
	Girijan Co-operative Corporation	MFP State Co-operative Federation Ltd	MSCDTC Ltd.	JHAMFCO Federation Ltd	OFDC Ltd.	Chhattisgarh Laghu Vanopaj Sangh Chhattisgarh MFP Federation	Gujarat State Forest Development Corporation Ltd.	RAJAS SANGH
			of agricultural produce.			pruning of plants. There is a demand that trade of Tamarind, Mahua also be organized through the MFP federation.	that salaries of Corporation staff are included under operational costs, which are deducted from the net profits earned from sale of MFPs. The Corporation's defence is that of all its employees, 107 are dedicated for Vth Schedule areas whose salaries are deducted.	

Source: State responses and field observations

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ANNEXURE 9

STATE-WISE PROCUREMENT PROCESSES OF MFP

STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
<i>Andhra Pradesh</i>	Area under bamboo is managed in two ways: 50% by the Van Sanrakshan Samitis (VSSs) and 50% where there are no VSSs, directly by the Forest Department. The VSS is elected by the people of the villages that are near the forest/ bamboo. In a village visited (Krishnapuram), two members from each family formed part of the VSS. There is a managing committee of the VSS, which includes the Forest Guard of the area. The VSS makes an action plan for the area which includes various activities for regeneration and preservation as well as extraction of bamboo.	The tendu leaves collected by the collectors (Beedi Leaves Labourer) will be purchased as the notified khallas of the units as per the collection rates fixed by the Government.	There are weekly shandies in which thousands of people come and sell their produce especially in the months from January to May. MFP is bought by GCC agents from these shandies.
<i>Chhattisgarh</i>	Information not available	Tendu leaves are plucked and bundled by tribals and collected by a 'Phad Munshi' appointed by the society at the local level, who makes them available to the Block Level Society. The Phad Munshi is paid an	Other nationalized MFPs are also collected by the phad munshi as for tendu. For the rest, gatherers sell their collections in local haats/ weekly shandies to private traders.

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
		honorarium of Rs. 12-14 per 'bag' (1000 bundles). This is reported to be highly inadequate.	
<i>Maharashtra</i>	The entire area is divided into sections, which are leased out to paper mills or other industries by the Forest Department. The industry brings its own labourers or hires local people (most often tribal communities) and pays them labour (wage) rates to harvest bamboo from the leased out section. The FD also allows around 150-200 bamboo stalks per family to be harvested by the burood or basod communities. These communities are also allowed to collect bamboo shreds to make bamboo products. Bamboo collection for any other purpose by the local communities is strictly prohibited.	Entire tendu collection area is divided into units based on the quality of the leaves. After auction, which ends by February, the contractor or licensee has to make arrangements for appointment of 'phad-munshi', who collects form the primary collectors. Presently, primary collectors are paid Rs.105/- for every 100 bundles (1 bundle= 70 leaves) of tendu leaves by the contractors. The contractor also pays the phadi-munshi (approx. Rs.4000/- in 2010), transportation charges, rent for go-downs, besides the auction amount (termed 'royalty').	At the village level, 'adivasi' societies of MFP gatherers have been formed under the Societies Cooperative Act. MDITDC procures through 456 purchase centres in Schedule V areas along with other agricultural commodities from the 'adivasi societies' at the gram level. The gatherers can also deposit their daily collections at the purchase centres. At the centres, all items procured are graded by the designate 'Grader' or 'Marketing Inspector' (MSCDTC employee). Each purchase centre has a Centre Incharge (Cooperative Society employee), who submits daily reports at Sub-regional Office
<i>Madhya Pradesh</i>	Information not available	Tendu harvesting areas are leased out to the private traders through open	- Nationalised MFPs namely sal seed, kullu gum and lac resin are procured

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
		bidding system. The traders (contractors) then make arrangements for collection of tendu leaves in their designate areas. "Phad Munshis" in MP are chosen by the gatherers and not the private contractor and are usually trusted persons of families traditionally engaged in the work. The Munshi is paid by the contractor (payment for 2010 was Rs. 14 per standard bag). His responsibilities include procurement of tendu leaf bundles from collectors on daily basis during the season, drying of the bundles, making standard bags (1 std.bag= 1000 bundles or 50,000 leaves) and making entries of payments made to collectors in the 'tendu patra' cards. The collections are then transported to go downs by the private contractors. These go downs are either taken on rent by private	exclusively by MP State MFP Cooperative Federation in a similar manner to the procurement of tendu, except that tenders are not issued for these MFPs. The gatherers directly sell these MFPs to the Federation at the designate centres. All other non-nationalised items are open for free trade in the markets.

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
		contractors or they may be the Cooperative Societies' own go downs. Cost of transportation is also borne by the contractor	
<i>Jharkhand</i>	The ownership rights of bamboo are vested with Jharkhand Forest Development Corporation. Since 2003, however, the JFDC can harvest bamboo from forest areas subject to approval of working plans by the Centre. These working plans made by the State Forest department have yet not been approved, hence harvesting of bamboo has officially been put on the hold. The traditional bamboo-weaving community in Jharkhand called the 'turis' have to obtain permits from the respective District Forest Office to harvest bamboo from forest areas. Whether, at present, they could manage to obtain permits without hassles could not be confirmed from field-observation.	Kendu leaves are plucked by the tribals, bundled and brought to the 'khalihan' where the 'Munshi' collects. The 'Munshi' supervises the drying of the leaves and keeps an account of the daily collection. The process of drying takes around 9-10 days after which standard bags are made, each consisting of 1000 bundles. Ten 'khalihans' report to one depot and from there the payment is disbursed for the 'khalihans'. The trader who has won the bid for the area makes the payment to the gatherers at the site of the 'khalihan' in the presence of the Ranger and the Munshi. The Munshi keeps a record of the payments made to each family,	Open for free trading in the markets. Collectors bring their collections to local haats which normally function once a week. Payments in the form of kind (barter) were reported to be prevalent. Exploitation by private traders is also reported. For example, half a kg of chironji would be exchanged for three fistful of salt. (Chironji has a huge export value in the middle-east). JHAMFCO Federation (government agency) has begun purchasing of MFPs from tribals at local haats, through their network of cooperative societies. The societies play the role of 'middle-men', purchasing MFPs from collectors at rates decided by the Federation and then

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
		a copy of which is submitted to the Ranger	transporting it to the storage go downs. The societies are reported to get immediate payments from the Federation.
<i>Orisa</i>	Bamboo is cut and traded departmentally through the District Bamboo Development Agency. In some parts of the State, Joint forest management committees (JFMCs) are also involved. The bamboo is then handed over to the Forest Corporation, which sells it to paper mills through tenders	Tendu leaves are collected at local centres called 'podhis'. These may be thatch- roofed structures or even small <i>pucca</i> structures. A 'podhi munshi', engaged by the State Forest Department, mans the place. The munshi along with 2 labourers dries the leaves (duration is about 8 man days for proper drying), grades and bundles them into 5 kg. bundles each. 12 such bundles make 1 standard bag. Thus each standard bag = 60 kg. Subsequently, these are transferred to go downs and delivered to the OFDC. Tendu leaf plucking is banned in sanctuary area, which goes against the spirit of PESA as well as FRA. In these areas, the leaves are smuggled	Since 2002, the remaining 69 MFPs have been 'transferred' to Panchayats. This in effect means that private traders buy the same. However, the price is fixed by the Panchayat Samiti, and traders have to register with the Gram Panchayat, which charges a registration fee of Rs. 100 per trader. There is a long chain of middlemen in the sale of MFPs (usually at least three). There is one person within the village who collects all MFPs, and then supplies them to traders. However for Siyali leaf, which is collected in large quantities, better marketing avenues are available at the district level and gatherers sell at the district level, not to the village trader.

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
		out and sold to private traders	In some areas, pharmaceutical companies have begun to buy MFPs that have medicinal value directly from the traders ⁴
<i>Gujarat</i>	Managed by the Forest department through its JFMCs. A total of 324 JFMCs exist of which 155 have bank accounts. 60% members of each JFMC are the village residents, the rest coming from the Forest dept. Field visit to Dang district (largest quantity of bamboo is harvested here) revealed that the JFMCs or 'baans mandli' are formed by village residents on payment of RS.55 as registration fee. One mandli on average has 55 members. Bamboo harvesting begins after diwali (autumn) and continues for 4-5 months. The harvested bamboo is primarily for JK paper mill located in Songadh, Tapi dist. Each harvester earns Rs.400-500/- plus Rs.400 (paid by paper mill) for 1 tonne	The phad-munshi, here, is a hereditary appointee. He is paid by the private trader who has won the auction for the particular area. In Gujarat, entire family gets involved during the collection period. Collectors bring their collections (fresh leaves) to the 'phadi' in the form of "podis". (1 podi= 50 leaves). Phad munshi supervises drying of leaves and then bagging them i.e. arranging them into lots of 1000 podis which make 1 std.bag. Children are employed for the task of drying the leaves (Rs.3 is earned for drying	Mohua flower and seeds and all varieties of gums are procured exclusively by the GSFDC. They have appointed collection agents in villages, who earn 10% commission for the procurement made from the tribals on behalf of the Corporation. The remaining MFPs are open for free trade. Tribal communities are free to sell them to the GSFDC or the private traders. Trading for these MFPs is usually done at weekly haats.

⁴ Earlier, monopoly in the purchase of these MFPs was exercised by the Agency Marketing Corporation Society. It has now become defunct. The poor functioning of this agency and losses incurred by it appears to have been an important consideration for transfer of these MFPs to Panchayats. The lack of assured markets for these products and the possibility of incurring losses is an important reason for government agencies to stay away from trade in these MFPs. Similarly in 1992-93, the Tribal Development Cooperative Corporation had bought mahua flower but had been unable to sell it. Subsequently, the Corporation became sick.

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ANNEXURE 10

**STATE-WISE DESCRIPTION OF AGENCY RESPONSIBLE FOR FIXING
PROCUREMENT PRICE OF MFP AND THE MECHANISM FOLLOWED TO
FIX PRICE**

STATE	Agency(s) responsible for fixing the procurement price of MFPs	Method followed to fix the procurement price
Madhya Pradesh	State Cabinet for tendu leaves Inter-Departmental Committee headed by the Forest Dept for Sal seed, Kullu Gum and Lac	Procurement price depends on the prevailing wage rates and market rates.
Andhra Pradesh	GCC head office at Vishakhapatnam fixes prices for centralised items, while Divisional Manager, GCC, fixes prices for decentralised items	Prevailing market rates, crop position and expected yield and previous year's sale performance are taken into account. Advance tenders for expected procurement are called.
Maharashtra	A nine-member committee constituted every year recommends the procurement price for tendu leaves and apta leaves to State Cabinet. The SMP for all the 33 notified MFPs traded by MSCTDC is decided by the Collector of the district.	For tendu and apta leaves, the last three years' price is taken into account along with the minimum wage rate. Similar process adopted for fixing SMP for MFPs traded by MSCTDC, except that last five years' average is taken.
Jharkhand	State Govt in case of Kendu leaves For rest of the MFPs, price is initially fixed by big buyers depending upon demand and availability of the produce. Based on this JHAMFCO Federation fixes prices at which it buys.	On the basis of the advisory in case of Kendu leaves For rest of the MFPs, average of the prevailing rates in different markets is taken and enhanced by Re.1-2/-
Orissa	KL Advisory Committee in case of tendu. Empowered Committee, headed by Chief Secretary, Govt. of Orissa for bamboo. Panchayat Samiti in case of other MFPs. The Samiti is guided by the DFO.	Information not made available officially. However on discussion with OFDC officials, it was learnt that last 3-5 years' prices are taken into consideration for deciding the current year's price for Kendu. Other MFPs- The prices are decided based upon previous year's demand and sale. Comparative rates existing in other districts/ states are considered negligibly.
Rajasthan	Tendu and bamboo – Forest Department internally decides on the price mechanism.	Details of process not made available.

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STATE	MINOR FOREST PRODUCE		
	Bamboo	Tendu leaves	Other MFPs
	bamboo cut. Payment made by the paper mill is deposited in the joint account of a nationalized bank. The account is jointly held by the president of the mandli and the Range Forest Officer. There is a provision for each of the mandli members to get 500 bamboo stalks free from the Forest dept. However it was reported during interactions that none of the members received this benefit.	of 1 podi). Phad munshi keeps a 'kachcha record' of the daily payments made to collectors. Unlike Maharashtra, Jharkhand and MP, tendu patta cards are not distributed among the collectors. Therefore no proof of earnings available with the collectors. On an average collectors earn Rs.2800/- for a fortnight of collection (average period of tendu leaf plucking) i.e. they earn Rs.200/- approx. per day (@55 paise per podi)	

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STATE	Agency(s) responsible for fixing the procurement price of MFPs	Method followed to fix the procurement price
	Other MFPs – A committee comprising the CCF, CAO of RAJAS SANGH or TADA, Marketing Manager (RAJAS SANGH), BAIF representative, DLO and Regional Manager, RAJAS SANGH decide about the price and disposal.	Other MFPs – Last year's procurement and sale of various MFPs are taken into consideration, and price is consequently decided.
Gujarat	A 6-7 member advisory committee for tendu and other nationalized MFPs. The committee consists of MD-GSFDC, E&F secretary, PCCF, Development Commissioner, etc.). Final approval is given by the Forest Minister. Non-nationalised MFPs - sold at open haats by collectors (tribals) at prices negotiated between the collectors and the traders.	Advisory Committee recommends the 'upset price' for tendu and SMP for other nationalized MFPs after looking into prevailing market prices, output expected and outreach of the Corporation. Once decided, prices remain constant for the entire year. However in cases of non-nationalised MFPs, the MD of GSFDC has powers to revise the recommended price.

Source: State responses

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ANNEXURE 11

STATE-WISE DESCRIPTION OF TENDERING PROCESSES OF MFP

State	Tendering Process
Madhya Pradesh: MP State Minor Forest Produce Co-operative Federation Ltd	After fixing and declaring the Statutory Minimum Price of Tendu leaves, bids are invited. Advertisements are published in local dailies. The highest bidders winning the auctions make arrangements for collection and transportation of tendu patta from here on.
Andhra Pradesh: Girijan Co-operative Corporation	Advertisements are given in national dailies and tenders are invited by GCC. Advertisements are put on the GCC website as well.
Maharashtra: MSCTDC	Advance tender for Tendu leaves is issued in December end. The bidders (known as "licensees" of the Forest department) have to submit tenders in a prescribed format, stating the number of units they wish to bid for. <i>(As mentioned earlier, entire tendu collection area is divided into units based on the quality of the leaves).</i> There are usually two-three rounds of bidding. The entire process is completed by beginning of February. The Forest department collects the auction amount in installments of 10-30-30-30 (=100%) per cent. The initial 10% of the total auction amount is paid as advance, with the remaining three installments being paid to Forest Department as and when the contractor withdraws his stock from the go-down. In case the stock rots or for any other reason the contractor is not able pay any of the installments, the Forest department exercises the right to mortgage the contractor's assets
Jharkhand: Jharkhand State Forest Development Corporation	Nationwide advance tender for Kendu leaves is called in the month of December-January by the Jharkhand State Forest Development Corporation Ltd for the collection that is done in the months of April-June. A seven member advisory committee decides the 'Reserve Price' keeping in mind the inflation, labour wages etc. If the bid for a particular 'lot' is below RP then it is not sold as it would affect the three-year average that is considered while calculating the RP for the next year.
Orissa:	<i>(Detailed process of tendering for either tendu or bamboo not provided).</i>

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State	Tendering Process
Orissa Forest Development Corporation	Regarding other MFPs, the prices recommended by the DFO are usually accepted by the Panchayat. These are based largely on the rates in the previous year and the current crop. Neither the Panchayat Samiti, nor the DFO or the gatherers are aware of the price in the bigger markets. Ultimately however the rates have to be in consonance with what the local traders are willing to pay, as there is no alternative mechanism for purchase.
Chhattisgarh: Chhattisgarh State Minor Forest Produce (Trading & Development) Co-operative Federation Ltd	The mechanism followed is the same as that practiced in Madhya Pradesh.
Gujarat: Gujarat State Forest Development Corporation Ltd.	Entire tendu procurement area is divided into 'units' based on the quality of tendu leaves. (1 unit= 5-20 phadis). Centralised auction takes place in January, advertisements of which are earlier given in national/ regional dailies. The successful bidders buy 'units'. After procurement from collectors via the 'phad munshi', the bidder transports his collection to storage godowns (owned by SFDC or the Forest dept.) from where he withdraws his collection in installments.

Source: State responses

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ANNEXURE 12

PROFITS ACCRUED TO GATHERERS FROM VARIOUS MFPs ACROSS PESA STATES

STATES	Bamboo	Tendu leaves	Other MFPs
MADHYA PRADESH	Profits are apparently distributed (as reported by FD official, details of profit disbursement and its mechanism is awaited)	The collectors are given bonuses: 60% is directly given as cash, 20% is reserved as village development fund and 20% for regeneration of forests. There is a system of 'tendu patta cards' to determine how much bonus each primary collector has earned.	Sil seed, Kullu gum and lac resin along with lac are traded through the Cooperative. Profits are however not distributed among the collectors of these items.
ANDHRA PRADESH	The profits are returned to the VSSs where these exist. 50% is distributed among the VSS members and 50% are used for regeneration of forests. Notably, the profits are shared among all VSS members, whether or not they are involved in bamboo cutting etc. In areas where VSSs have not been formed, the profits go to the Forest Department.	After deducting the administrative costs, profits are distributed among all the collectors in proportion to the collections made by each collector (that is, collector's family).	The GCC prepares its profit and loss accounts taking all the MFPs together. Among these MFPs, some might be profit-making and others loss-incurring. In this process, no profits or bonuses are passed on to the gatherers of profit making MFPs.
MAHARASHTRA	Profits not distributed among baroods or based communities. They are only allowed collect 150-200 bamboo stalks (per family) for building roofs for their houses.	The Forest Department after deducting administrative charges (approx. 10% of total revenue earned from auction) and cost escalation calculated @12%, declares bonus, distributed among primary collectors in proportion to quantity collected.	MSCTDC does not distribute profits to gatherers for the 33 items for which it is the monopoly procurer.
JHARKHAND	Bamboo harvesting stalled for the time-being, pending approval of working plan from state government.	There is a provision for redistribution of profits to the gatherers but it has not been done so far. Tendu Patta card distribution and record making is underway. An amount of Rs.5 Cr. has been kept aside by the Corporation since 2008 to be distributed as bonus amongst the gatherers.	No profits have been returned so far.

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STATES	Bamboo	Tendu leaves	Other MFPs
ORISSA	Profits are not shared. A very small amount of bamboo, however, is kept aside for bamboo workers	Profits from Tendu Patta are shared with Panchayats. However, how the Panchayats use them is upto the Panchayats.	Private trade
GUJARAT	Profits are not distributed.	Profits are distributed in the ratio of 60% to gram panchayats, 15% for forest development, 15% for development of gatherers and 10% kept at State level in case of requirement of loan, etc. Profits are distributed after deduction of all administrative and operational costs, including salaries of SFDC employees engaged in Fifth Schedule areas.	Profit, earned from other MFPs is not distributed among gatherers. However, in the case of honey, a fixed amount on every unit (bottle) of honey sold in the market is handed over to the gatherers.
CHHATTISGARH	Profits are not distributed.	Of the profits from tendu patta, 30% is paid back to the gatherers as bonus, 5% is kept in a reserve fund to pay staff salaries etc., and 15% is kept aside for trading in other MFPs. The bonus however, is delayed by as much as 2-3 years	Profits are not distributed.

Source: State responses

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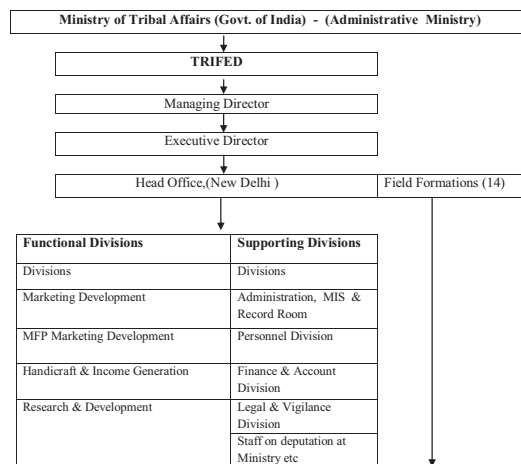
ANNEXURE 13

STRENGTHENING OF TRIFED AS PROPOSED BY TRIFED

1. Present Structure

The present structure and man power strength of TRIFED for undertaking the different sectoral activities defined in its Road Map for the 11th Five Year Plan (2007-08 to 2011-12) is given below:

Present Functional Structure



1	2	3	4	5	6	7	8	9	10	11	12	13	14
RO Ahmedabad	RO Bangalore	RO Bhubane shwar	RO Bhopal	RO Dehra dun	RO Delhi	Delhi Ware house	RO Gang tok	RO Guwahati	RO Hydera bad	RO Jagdal pur	RO Jaipur	RO Mum bai	RO Ranchi

• Employees strength : 323

Classes	Head Office/Ministry	Field Formations	Total
Group A	26	39	65
Group B	03	-	03

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Group C	62	147	209
Group D	16	30	46
Total	107	216	323

The present strength of officers & staff of TRIFED are fully engaged in the designated activities in the respective divisions.

2. TRIFED's additional manpower and fund requirement for taking up the specific responsibilities in connection with the proposed MSP Scheme for MFPS

The existing MFP Division and set-up in TRIFED dealing with MFP sector, needs to be strengthened by creating the following dedicated sub-units for specific jobs and providing additional manpower for such sub-units so as to perform various responsibilities as broadly outlined in the Committee's report:

- MSP Operational Unit (Policy Making)
- Marketing Intelligence Unit
- Knowledge based expansion Unit (Survey & Research)
- Monitoring & Inspection Unit
- MFP gatherers' Training and capacity building Unit
- R&D Unit (Strengthening the existing Division)
- Finance and Accounts Unit (Strengthening the existing Division)
- Personnel Unit (Strengthening the existing Division)
- Administration Unit (Strengthening the existing Division)
- Field formations in all PESA States (Strengthening the existing field Units).

The broad functions proposed for new units:

(i) MSP Operational Unit (Policy Making):

- Formulate operational guidelines for procurement, storage & disposal of each commodities covered under MSP operation.
- Assist the Central Price Fixation Committee in formulation of broad criteria for fixation of MSP.
- Scrutinizing the proposal of States & preparation of the annual action plan for MSP Operation.
- Convene the meeting of State Level Procurement Agencies and finalize the action plan.

(ii) Market Intelligence Unit:

- Collection of data with regard to potential, procurement price, season of procurement, list of village haats where MFPS are brought and sold, disposal price, terminal market price etc.
- Electronic linkages with the stake holders.
- Collection & dissemination of market information.
- Conducting market research & development of market intelligence.

(iii) Knowledge Base Expansion Unit (Survey & Research):

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- Conducting the study in terms of occurrence, possible end use, marketing, regeneration & management of all the major MFPS by involving expert institutions.
- Finding the uses of untapped/ under tapped MFPS which are available in plenty in tribal areas.
- Development of new products from the MFPS which are of economic important for the livelihood & income generation of tribals.
- Development of quality standards for MFPS.

(iv) Monitoring & Inspection Unit:

Monitoring and Inspection of MSP operations, training, etc.

(v) Capacity Building & MFP Trainings Unit:

- Development of training module on each MFPS with regard to improve practices for extraction, value addition, re-generation, storage, marketing etc.
- Organizing the training of the MFP gatherers for sustainable collection, primary processing, grading & marketing of MFPS.
- Organizing the MFP gatherers to take up the sustainable collection & marketing of MFP in Self Help Group/ Cooperative Mode.
- Organizing training to the Self Help Groups on value addition activities by using simple tool kits.

(vi) Finance & Accounts Unit for MSP:

- To scrutinize the accounts of the State Procuring Agencies and recommendation for reimbursement of losses.
- Preparation of guidelines with regard to maintenance of records of procurement, storage, sales etc.
- Other financial control as per instruction of Ministry.

(vii) Other units - The existing R&D, Personnel and Administration units to be strengthened .

(viii) Field Implementation Units in all PESA States: Coordination with State Agencies with regard to MSP operation ,training ,value additions ,collection of market information and other associated relevant work.

3. The requirement of additional manpower for each Unit/Cell is given below :

Unit/ Field Formation	Detail of additional officers/ staffs required						
	GM/ DGM	SM	DM	AM	Supporting staff (Sr.Asstt./Asstt.)	Helpers (Peon)	Driver
MSP operation Unit*	1	2	2	-	4	3	1
Marketing Intelligence Unit	-	1	-	1	2	1	-
Knowledge based expansion Unit	-	1	1	-	2	1	-

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(Survey & Research)							
Monitoring & Inspection Unit	-	-	2	2	4	1	-
MFP gatherers Training and capacity building Unit	-	1	1	1	4	2	-
R&D Unit*	-	1	1	-	2	1	-
Finance and Accounts Unit*	1	1	1	2	5	2	1
Personnel Unit*	1	1	1	1	4	1	1
Administration Unit*	-	1	1	-	2	1	-
SUB TOTAL (A)	3	9	10	7	29	13	3
Field formations in all PESA States :							
Andhra Pradesh	1	-	1	1	1	1	1
Bihar / Jharkhand	1	-	1	-	2	1	1
Chhatisgarh	1	-	1	1	2	1	1
Madhya Pradesh	-	-	1	1	2	1	1
Maharashtra	-	-	1	1	2	1	1
Gujarat	1	-	1	1	2	1	1
Orissa	1	-	1	1	2	1	1
North Eastern States	1	-	1	1	2	1	1
Rajasthan	1	-	1	1	2	1	1
SUB TOTAL (B)	7	-	9	8	17	9	9
TOTAL (A+B)	10	9	19	15	46	22	12
GRAND TOTAL					133		

*Strengthen of the existing units.

4. Expenses details for facilitation of MSP Operations :

A. Recurring annual expenses :

Sl.No.	Heads	Amount (In Rs)
1	Salary & allowances	83178960.00
2	Provisions for Office Premises (on rent) @ Rs 1 Lakhs pm	1200000.00
3	Training & primary value addition expenses	20000000.00
4	Survey , Research, Market Intelligence, Value addition etc	20000000.00
5	Misc /Contingencies	3000000.00
6	Administrative expenses @ 5% of above	6368948.00
	Sub total (A)	133747908.00

Say Rs 13.40 Crores

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B. Estimated Capital expenses: (Non -recurring) :

Sl .No.	Heads	Amount (In Rs)
1	Field Vehicles (12 Nos)	8400000.00
2	Provisions for Office Premises (on rent) @ Rs 1.5 Lakhs pm	1800000.00
3	Computers /laptop (40 Nos)	2000000.00
4	Office Equipments	600000.00
	Sub total (B)	12800000.00

Say Rs 1.30 Crores

Summary

As per the guesstimate of potential of MFPS and their importance for the livelihood of tribals, 14 major MFPS of estimated value of Rs 2000 Crores approx. have been identified. They are tamarind, mahuwa flower, mahuwa Seed, sal seed, tendu,bamboo,karanja seed,marabalan,chironjee,lac, gum Karaya ,honey ,puwad seed & neem seed .

The tentative cost towards facilitation of MSP operations, market intelligence development, knowledge base expansion, training, strengthening of TRIFED etc would be about Rs 14.70 Crores approx for the first year thereafter Rs 13.40 Crores each year with appropriate cost escalation .

Working capital = Rs 1000 Crores (Corpus fund)
Reimbursement of losses/admin cost = Rs 500 Crores (Annually)
Facilitation expenses = Rs 14.70 Crores for first year thereafter Rs 13.40 Crores each year with appropriate cost escalation

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