

## Guideline for the panchayat Samiti for price fixation of MFP.

### Introduction

After the enactment of PESA in 1996, Orissa amended the Orissa Gram Panchayat Act, 1964, Orissa Panchayat Samiti Act, 1959 and Orissa Zilla Parishad Act of 1991 in December 1997. Rules have been framed thereafter to enable the Gram Panchayats to own, control and manage MFP in March 2000 and November 2002. The transit rules have been modified to lift the restrictions on the movement MFP handed over to Gram Panchayat. No other forest acts and rules have been amended to endow the ownership rights over MFP to the Gram Sabha. In March 2000 (Resolution no – 5503/F & E, 31-3-2000), the Forest Department brought out an executive order named as NTFP policy, which classified the forest produces into NTFP, MFP, Lease bar items, Tree borne oil seeds etc. This policy handed over 60 items to Gram Panchayats for ownership, control and management. In May 2000 (Resolution no – 8131/GP, 26-5-2000) the Panchayat Raj Department came out with a guideline for registration of traders and management of MFP by the GP, role of forest officials, TDCC and OFDC. Thereafter the Forest Department again brought one resolution in August 2000 to hand over 7 more MFP to the Gram Panchayat (Resolution no – 13285/F&E, 23-8-2000). The state Panchayati Raj Department circulated a draft rule namely, Orissa Gram Panchayat (Minor Forest Produce Administration) Rules 2002 in July 2002 and finally the rules were declared in November 2002. Latest amendment to the rules came in December 2002 i.e. Orissa Timber and other Forest Produces Transit Rules 2002 by which MFP can be transported without a Transit Permit. Orissa Gram Panchayat (Minor Forest Produce Administration) Rules 2002 mention that the GPs have ownership right over 68 MFP.

The rule has developed guideline for fixation of price of MFP at the Panchayat Samiti level.

Some of the points mentioned in the rule regarding the guideline have been mentioned below:

1. In the month of September every year the Panchayat Samiti shall, by adopting a resolution to that effect, fix up minimum price of procurement of different MFP payable to the primary gatherers during the next trading year, which shall be applicable to all gram panchayats within the block.

2. The representative of DFO, TDCC, OFDC and Tribal Co- operative Marketing Development will be part of price fixation committee at the Panchayat Samiti level.
3. The minimum price fixed shall be notified in the notice board of the Panchayat Samiti and copies shall thereof be circulated to the Collector, DFO, District Panchayat Officer, Sub-Collector and all the Gram Panchayats within the block.
4. If at any time or in any case it appears to the Collector that a Panchayat Samiti has failed to fix the minimum price for procurement of MFP, the Collector shall convene a special meeting of the Panchayat Samiti preferably in the month of October to fix up the minimum price of procurement of MFP.
5. On receipt of information regarding minimum price for procurement of MFP, Gram Panchayat shall place the same before the Gram Sabha in its next meeting for ratification.

The above points are some of the tips prepared by government of Orissa to fix up the minimum procurement price of MFP by Panchayat Samiti. But in practice it is seen that it is quite a difficult process for the Panchayat Samiti to fix the minimum price and the traders are not following the same. So the proposed guideline may be able to make Panchayat Samitis more comfortable for fixing the prices of MFP.

Before convening the meeting to fix up the minimum prices of MFP in September, Panchayat Samitis should have the following information with them.

#### **A. Steps may be taken up at the GP level**

- I. GP to assess the potentiality of MFP/NTFP in the GP area. This can be done engaging the Ward Members, SHGs, local NGOs/youth clubs & Kutchias/local traders.
- II. GP to collect and compile collection/procurement price of different NTFP in the previous year(s) in the village shops, local haats, neighbouring haats, etc.
- III. GP to organise meetings with traders/Kutchias, in the area/neighbouring areas in order to decide the volume of transactions and procurement price. A meeting with the local traders may be organised otherwise the functionaries of GP may have individual interaction with the traders to know their involvement and prices of different NTFP.
- IV. GP to interact with neighbouring GPs to decide on the collection price of different NTFP, traders operating in the area and strategies to mutually help one another to control the trade of NTFP.

- V. GP to discuss with villagers and SHGs to decide the procurement arrangement and collection price.
- VI. The functionaries of the GP to compile all information generated through the above process and present it in the GP meeting. Decide the collection/procurement prices of different NTFP
- VII. Send the suggested to Panchayat Samiti.

#### **B. Steps may be taken up at the Panchayat Samiti level to fix up the prices**

- I. Panchayat Samiti to write letter to GPs requesting them to furnish potentiality of MFPs and suggest procurement prices. This may be done in early August.
- II. PS has to interact with the traders operating in the area to know the market demands and procurement prices (a meeting of traders may be organised in early September)
- III. PS to coordinate with neighbouring PSs to know the prices of different MFPs.
- IV. Panchayat Samiti to interact with the DSMS, TDCC, other market promotion agencies to know the market situations and the prices of MFPs.
- V. GPO or any other in the PS to compile all the information collected from different sources and also from the GPs.
- VI. Convene of price fixation committee in September involving the following persons/institutions
  - DFO/ACF/RO
  - TDCC
  - TRIFED
  - OFDC
  - Traders
  - DSMS
  - NGOs
  - SHG Federation
  - GPs
  - Any other

Discuss the report prepared and the data collection from different sources and fix the prices.

VII. After fixation of price PS to circulate the prices immediately to the following persons/institutions

- Gram Panchayats
- District Administration
- Traders
- Members of the price fixation committee
- SHG Federation
- Neighbouring Panchayat Samitis
- Media- at least the local newspaper

VIII. After fixation of price the GP has to circulate the prices to the following persons/institutions and adapt other measures for ensuring the payment of prices fixed to the primary collectors.

- Ward members
- SHGs
- Local traders/Kutchias
- Notice board of GP
- Villages(for fixing in a common place in the village)
- Announce the prices in the villages through 'Dengura' or drum beating
- Put the prices in the Registration Certificates of traders issued by GP
- Monitor payment of prices by the traders during the procurement of MFP in the villages.
- Review the situation during the monthly GP meeting
- Revise the prices if necessary and in consultation with local people and SHGs and then intimate PS on this revision
- Circulate the revised prices.