

Market promotion board/committee: whether a possible option for strengthening sustainable management and trade of NTFP in Orissa.

-A note for discussion

1. Introduction

Orissa has one of the largest tribal concentrations as compared to its neighbouring states, i.e. 22 % of its population belong to scheduled tribes. 40% area of the state comes under Scheduled V. More than 6 million tribal people depend heavily on forest produces for their subsistence. There are more than 29000 forest fringe villages in the state with a population of about 16 million. Many of them still make a living out of forest produces. Forest produces have been supporting tribal and other forest dwellers for more than 6-8 months a year both in terms of subsistence and cash benefit. The importance of this income is more so because of the fact that it comes in the agricultural lean season. Studies conducted by various organisations at different points of time show that poor and landless people heavily depend on NTFP. For poor around 50 per cent of annual income comes from forest. When agriculture is gradually ceasing to be reliable, NTFP sustains millions by providing an alternate source for food and income. The dependence is maximum on produces like honey, mushrooms, various fruits, nuts, herbs, tubers and leaves for steady supply of food, and on bamboo, kendu leaves, lac, resins, various oils and gums for cash income. In recent year there have been growing commercialisation of NTFP and medicinal species collected from the wild. Traders in most of the forested area play critical role in procurement and sale of NTFP and MAP (Medicinal and Aromatic Plants). The forest dependent population too have a strong dependency on the traders to sell of their forest produces. Because of the complex market mechanism and poor bargaining capacity, the primary collectors and producers continue to suffer at the hands of greedy and dishonest traders. Again the fast loss of forest cover/forest degradation has added further misery to their livelihood security. There are safety nets to protect the tribals and forest dwellers, but have become ineffective in the present context.

NTFP contribute substantially to the state's economy in many forms. They provide food

security, ingredients for health care, fodder, construction materials and above all cash income during the slack agricultural seasons. The income from NTFP for the State has been between 75 to 90 per cent of the forest revenue after ban on timber felling in 1990. Even between the 50s to mid 80s, NTFP accounted for 50 per cent of the revenue of the forest department. However, NTFP production is in downward trend during last decade because of many factors. Primary among them being products not procured from the forest because of lack of buyers in rural areas and absence of fair price, and unsustainable management of forest resource.

2. Current institutional arrangements for management and trade of NTFP

Currently Kendu Leaf, Sal seed and Bamboo are nationalised NTFP and are managed by the government through OFDC and TDCC. According to the policy of the government in 2000, 68 NTFP items have been handed over to the Gram Panchayats for ownership, control and management. Now the Gram Panchayat registers the traders operating in the panchayat area and provides them a licence to buy different NTFP from the primary collectors. Rest of the NTFP items are under the control of the Forest Department. Other than OFDC and TDCC, Orissa Rural Marketing Society (ORMAS) has been engaged in value addition and marketing of NTFP. At the district level DSMS works closely with the district administration, NGOs, CBOs and SHGs to market different NTFP.

The Panchayats have been endowed with the ownership of NTFP/MFP and they are supposed to control and manage NTFP based on the following principles:

- Harvesting of minor forest produce will be on non-destructive and sustainable basis.
- The members of the Gram Sabhas will be free to collect minor forest produce for their own consumption and for earning livelihood. The Gram Panchayat has to ensure fixation of fair prices of different NTFP and ensure proper payment of prices to the primary collectors. It would also work towards promotion of trade of NTFP.
- The manner, frequency and intensity of minor forest produce collection for any use other than bonafide domestic use by the members of the Gram Sabha will be in accordance with the prescriptions of a management plan prepared by Panchayat in conformity with the guidelines as may be notified by the government from time to time.

3. Issues in NTFP management and trade

Despite the changes in the government's policies and practices, technological development and commercialisation, NTFP are not yet been properly managed and traded, and its real potential is never exploited. Poor people subsisting on NTFP for their livelihood still face a diversity of problems in collection, processing and marketing of NTFP. Certain issues in management and trade of NTFP have been presented below:

3.1 Sustainable harvesting and value addition

- Forests have become degraded, and the primary collectors have to spend lot of time for collection NTFP and they cover long distance to procure and sell these produces.
- Seasonality related problems – availability of high value products within short time span, which sometimes leads to non-procurement of certain items.
- Most of the collection practices that are adopted at present are not technically appropriate and do cause damage to the process of natural regeneration. Inadequate efforts are being made to ensure quality production of NTFP which makes the NTFP of the area as low grade/value products in different markets.
- Value addition of NTFP is yet to receive greater attention by the primary collectors' organisations, market promotion agencies and the government, which leads to low income from NTFP and also limited employment generation opportunities.

3.2 Procurement and trade

- The primary collectors and their organisations such as SHGs, Forest Protection Committees etc. have poor access to market. Absence of market related information at the primary collectors' level reduces the individual negotiation skill as well as collective bargaining.
- Lack of mobility and connectivity - roads and transport facility – leads to high cost of transportation and also storage.
- Mostly women are involved in collection, processing and sale of NTFP. Lack of information, education etc makes them vulnerable to the traders and they are susceptible to exploitation. Sometimes they are not able to calculate the price, profit etc and are easily carried away by the traders. Because of ignorance, there is widespread cheating by the traders in weight and measures as well as under valuing the quality of the produces.

- Traders buy only from those gatherers who can arrange delivery at convenient points, from where the products can be easily transported. Buyers those who come to their doorstep (in the remote villages) take the produces at whatever price quoted by them.
- Fragmented market creates dependency on middleman and number of intermediaries, which reduces the options for fair trade.
- Poor market promotion efforts by the government and private agencies lead to exploitation of primary collectors by the local traders, agents etc.
- Indebtedness and requirement of cash make the primary collectors fall prey to the traders, which lead to sale of NTFP at through away price.
- Bargain power of the primary collectors is often siphoned away by the prevailing barter system in the local haats.

3.3 Issues faced by GPs

- There is very limited awareness and understanding among the PRIs on MFP, rules and regulations on MFP etc.
- GPs are already over-burdened and they are not showing keen interest in management of MFP rather they are more interested for development programmes to be implemented in their Panchayat.
- The role of GP has been limited to only registration of traders and collection of registration fee of Rs. 100. Beyond this they don't monitor the activities of the traders in procurement of MFP in the Panchayat area. The GPs can't collect royalty or revenue other than Rs. 100. The traders by paying Rs. 100 take away truckloads of MFP from the area.
- The GPs can't penalise or take any action against the traders who exploit the primary collectors. They have to depend on the DFO for taking action against the offenders.
- It is very difficult to monitor the activities of the traders as they don't report to the GPs from where they are buying, what quantity and where they are storing the produces. The registered traders don't submit any report to the Gram Panchayat. GPs have no additional manpower to look into the management of MFP.
- Fixation of price is not done in time by the Panchayat Samitis and after fixation of prices it is not properly disseminated to the GPs. The GPs also don't take appropriate measures for informing primary collectors on the price fixed. There is no proper guideline for fixation of prices at the Panchayat Samiti level.

4. Possible options for addressing issues in NTFP management and trade

There is a need for collective intervention by the civil society organizations, business houses, financial institutions and the government to address various issues in NTFP management and trade. The most important intervention should be to ***build up the capacity and information base of the primary collectors and the Gram Panchayats on management and trade of NTFP***. At the same time priority of intervention has to be given to ***forest protection, quality production of NTFP, value added products instead of raw NTFP, market promotion and market development*** etc.

The Gram Panchayats and the civil society organisations would not be in a position to ensure better access of primary collectors to a fair market. In order to have a fair and competitive market for the NTFP the role of government is significant. There should be a collective effort at the state and district level by the government, civil society organisations, technical institutions, market promotion agencies etc to promote a qualitative and competitive market for NTFP.

5. Structure and function of MPB / Task Force

During discussions at various fora, many people have suggested for a district level apex organisation to look after NTFP management and trade. Efforts have been made here to present a probable structure and function of a district level organisation to deal with NTFP, which would form the basis for debate among various stakeholders.

5.1. Goals of market promotion initiatives at the district level

- To support NTFP gatherers/primary collectors and their organisations to overcome constraints both within business and wider trade environment.
- To create conducive environment for the primary collectors and their organisations for sustainable management of NTFP and participate in socially responsible trading process.
- To provide innovative, need based market solutions to primary NTFP gatherers.

5.2. Structure

Market promotion board or committee may be constituted with the representations of

- a) Government officials such as District Collector, DFO, Project Director, DRDA, DSWO and DWO, Assistant Registrar Cooperative Society, District Agriculture Officer, Project Director, WORLP etc,
- b) Financial institutions like NABARD, Lead Bank, micro finance institutions etc,
- c) PRIs such as representatives from Zilla Parishad,
- d) Civil society organisations such as NGOs, CBOs, Forest Protection Federations, SHG Federation etc,
- e) Market promotion agencies such as TDCC, OFDC, DSMS, RMC etc,
- f) Traders, Associations, representatives of processing industries etc.

5.3. Function

5.3.1. Regulatory function

- The district board/committee have to frame guidelines for sustainable management of NTFP and also develop quality control mechanism.
- The market promotion board or committee needs to develop price fixation guideline in order to help Panchayat Samities to fix the prices of MFP and should also monitor and regulate the prices offered by the traders to the primary collectors.
- The board should help GPs to regulate the operation of traders in their area.
- The district board should develop a plan of action for conservation, management and trade of NTFP.
- The district board should suggest necessary changes policies, programmes and practices for conservation of the resource and better returns to the primary collectors and producers.

5.3.2 Market promotion

- The district board should explore possibilities for setting up NTFP markets like that of Mandis and upa-mandis in Chhattisgarh and MP.
- The district board should organise exhibitions, fairs etc. to promote trade of NTFP.
- The board should negotiate with traders/ buyers/ industries etc for marketing of NTFP

and establish linkages between the primary collectors' organisations and traders/industries. If need be necessary steps may be taken for buy back arrangements.

5.3.2. Research and development

- The district board should estimate the NTFP status including potential and production figure, identify the endangered species in the region.
- It should develop a guideline for sustainable harvesting and regeneration of species.
- The board should document the traditional knowledge in conservation, processing and management of NTFP.
- The board should undertake or facilitate research and development for conservation of species, value addition and product development.

6. Creating a scope for larger debate on setting up MPB

There is a need for wider debates on setting up such boards at the district level. More and more discussion will refine the concept of market promotion, which is the need of the hour. Increased debate would clarify the structure, function and focus of market promotion initiatives at the district level. The note may be widely circulated and discussed. If there is a need for further information kindly drop a line to RCDC at the following address.

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