

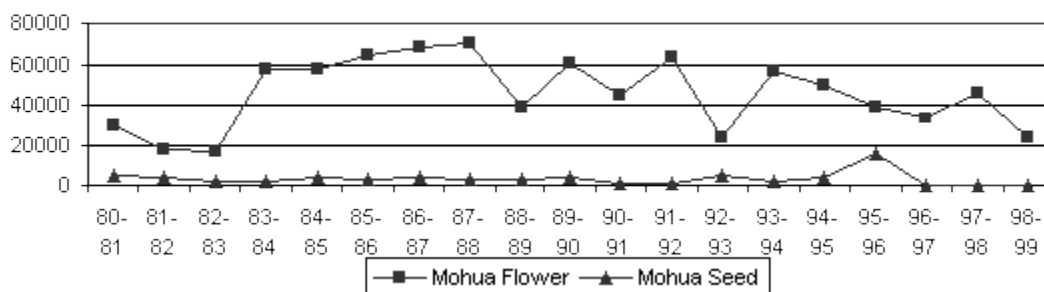
Mahua Flower (Madhuca Indica):

This is an important MFP with varied utility for tribal collectors. It is a food item for the forest dwelling population and is also used for brewing alcohol. Mahua flower grows in all districts except the coastal area. It is a seasonal forest produce that sheds its corollas during March-April. Though it is classified as a forest produce, most of the production comes from non-forest land in the agricultural fields and uplands.

Production and Pricing

Figure : Production of Mahua (in MT)

Fig.9. Production of Mahua (in MT)



In a particular season, price of Mahua is at its lowest in the initial collection period April - May. This is also the period when people do not have any alternate source of income and are desperate to sell. The price rises with the progressing harvesting season. Usually the price of Mahua in April - May is Rs. 1 - 3 lower than prices in June - July. However, primary collectors are unable to take advantage of this due to their desperation to sell.

Policy and its Impact

Mahua has always been controlled by the state excise laws except for a brief period when it was nationalised. The excise department issues permits for collection and storage by charging a nominal license fees. Mahua was nationalised in April 1991 to find outlets for its utilization as distilled liquor was banned in Orissa in 1990. TDCC and OFDC were entrusted to trade Mahua from April 1991. The corporation without undertaking detailed study on viability of the trade and also without exploring market linkages entered into the trade. The government fixed the purchase price at Rs. 3 per KG in the first year. However the prices ruled at Rs. 1 in the neighbouring state of Bihar (present Jharkhand). The government agencies were saddled with Mahua from the neighbouring state in addition to the production inside the state. But then ultimately it had to be sold in the Ranchi market. The agencies had to resort to distress sale at Rs. 0.5 to 1 a KG, while the total cost came to Rs. 5 including overheads. A substantial amount ended up as mere waste to save the government agencies storage cost. TDCC and OFDC sustained losses of Rs. 9 and Rs. 20 crores respectively. The only gainers were the agents who bought Mahua in Bihar and sold off in Orissa due to the price difference.

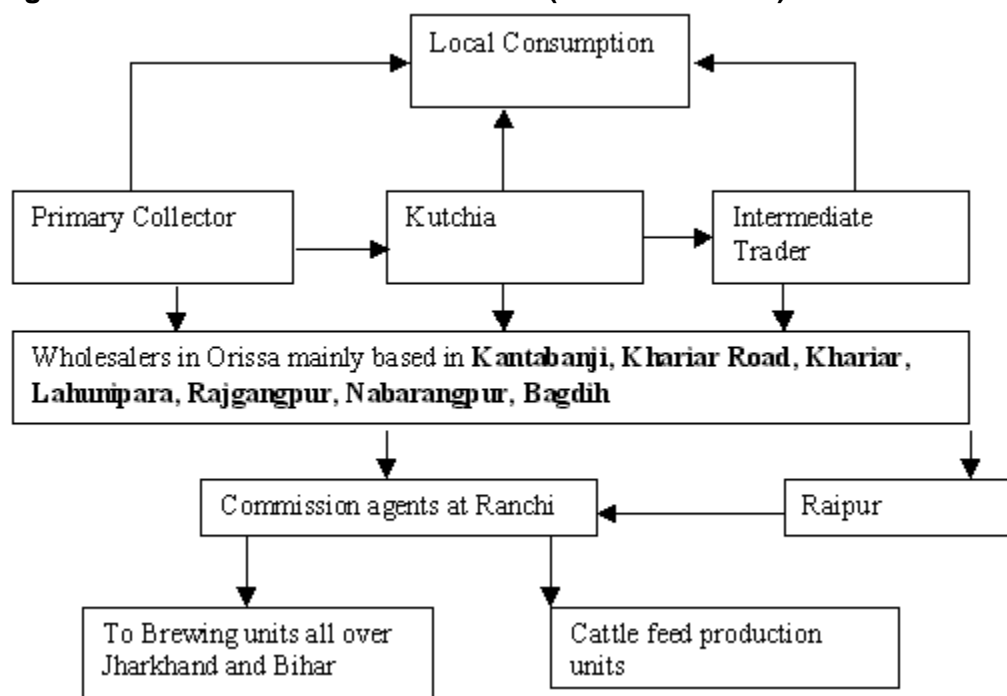
The situation was back to where it was earlier. Mahua procurement and trading again came under existing excise law from March 1992. Licenses were to be issued accordingly by the excise department for collection as well as trading as was being done previously. It is the private entrepreneurs who have been controlling the trade since years. Although government fixes the price of Mahua, primary collectors are forced to sell Mahua flowers at a lower price as nationalisation reduced the number of legal buyers. There is an additional tax on the produce. This is reason enough for the traders to trade the produce through illegal means. Most Mahua flowers are exported to Jharkhand and Chhatisgarh illegally.

Post March 2000 no significant change has been observed in the ground realities with regard to Mahua. Though the ownership rights was transferred to the Panchayat, the Excise Department still continues to hold control over the licensing and hence it is only a very few powerful private players with big financial muscle who control the trade.

Trade route

Ranchi is the most important market for Mahua flowers. It is the node of the traders' cartel where prices are fixed and produces move only after getting a signal from the city. Though, Mahua also goes to undivided MP and Maharastra from Orissa, the hold of Ranchi cartel is complete.

Fig. 10- Trade Route For Mahua Flower (Madhuca Indica):



Mahua trade through SHGs

Durgeswari mahila sanchay samittee was started by some of the enthusiastic women of the village with the help of Manav Adhikar Seva Samittee (A Sambalpur based

NGO). The SHG decided to get into NTFP trade in 2001. MASS extended a grant in aid of Rs. 2500/-. With some contributions from the group, they decided to procure Mahua, an important forest produce in the region. They procured 9 quintals of Mahua flower at Rs. 5 - 6. Once the collection was over, the real hurdle started in disposing the produce. Local Kirana shop owners and Bhattiwallahs wanted Mahua to be sold to them. The local traders even threatened the SHG members. However, the rate offered did not fulfil expectation of the members. Therefore, they waited for a long time and were not able to sell the produce. Now they have no option as no other trader is coming to the village. Nevertheless, the group is determined to carry on the practice for years to come.

Following figures depict the channels that Mahua flower follows from various parts of the state after procurement. There are some features one can observe from below -

1. The produce invariably ends up at Jharkhand, the biggest market of the produce.
2. There are channels that go through Raipur, even though in absolute terms Ranchi might be nearer than Raipur to the procurement or storage point. This indicates the importance of Raipur and the hold of its traders in the NTFP market. In some cases, the produce might not travel physically.

Channel costing Mahua Flower

Channel	Case-One		Case-Two		Case-Three	
	Selling Price	Margin Realised	Selling price	Margin Realised	Selling price	Margin Realised
Primary collector	Rs. 4	Rs. 4	Rs. 4	Rs. 4	Rs. 4	Rs. 4
1st Middleman (Kutchia)	Rs. 4.50	50 paise	Rs. 4.50	50 Paise	Rs. 4.50	50 paise
2nd middleman			Rs. 5.30	80 paise		
Big traders (Inside State)	Rs. 9	Rs. 4.50	Rs.10	Rs. 4.70	Rs. 9	Rs. 4.50
Commission agent	Rs. 9.50	50 paise				
Big traders (Outside State)						
End Users						

At the village level, it is mostly the Kirana shop owners who buy Mahua from the villagers. The Kirana shop owners sell it to the country liquor processors (called Bhattiwallahs) in nearby places. These are the ones who pay license fees to process liquor.

Fig.11- Village level trade channel of Mahua Flower

1. Mahua seed is used as edible oil in certain parts of Chattisgarh
2. Mahua seed cake is used to make soaps.

Channel costing of Mahua seed:

Channel	Case-One		Case-Two		Case-Three	
	Selling Price	Margin Realised	Selling price	Margin Realised	Selling price	Margin Realised
Primary collector	Rs. 7	Rs. 7	Rs. 7	Rs. 7	Rs. 7	Rs. 7
1st Middleman (Kutchia)	Rs. 7.50	50 paise	Rs. 7.50	50 Paise	Rs. 7.50	50 paise
2nd Middleman			Rs. 8.50	Rs. 1		
Big traders (Inside state)	Rs. 13	Rs. 5.50	Rs. 13	Rs. 4.50	Rs. 13 (Processing)	
Commission agent	Rs. 13.50	50 paise				
Big traders (Outside state)						