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**STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT
(2005-2006)**

(FOURTEENTH LOK SABHA)

MINISTRY OF TRIBAL AFFAIRS

**Grants-in-aid to State Tribal Development Cooperative
Corporations for Minor Forest Produce Operations**

TENTH REPORT

Presented to Lok Sabha on 12.12.2005

Laid in Rajya Sabha on 12.12.2005



**LOK SABHA SECRETARIAT
NEW DELHI
December, 2005/Agrahayana, 1927 (Saka)**

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COMPOSITION

STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (2005-2006)

Smt. Sumitra Mahajan-CHAIRPERSON

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| 2. Shri A.K. Singh | - | Joint Secretary |
| 3. Shri R.K. Saxena | - | Deputy Secretary |
| 4. Shri Bhupesh Kumar | - | Under Secretary |
| 5. Km. M. Tunlut | - | Sr. Executive Assistant |

INTRODUCTION

I, the Chairperson of the Standing Committee on Social Justice and Empowerment (2005-06) having been authorized by the Committee to submit the Report on their behalf, present this Tenth Report on the subject “Grants-in-aid to State Tribal Development Co-operative Corporations for Minor Forest Produce Operations”.

2. The Committee took evidence of the representatives of the Ministry of Tribal Affairs on 24th September, 2004 and 25th May, 2005. The Committee wish to express their thanks to the officers of the Ministry of Tribal Affairs for placing before them the detailed written notes on the subject and for furnishing whatever information the Committee desired in connection with the examination of the subject.
3. The Committee undertook on the spot study visit to Adilabad district and interacted with beneficiaries of women Self Help Groups and the tribal people regarding the problems and difficulties being faced in the collection and marketing of minor forest produce. The Committee also held discussions with the District Collector, Adilabad and officials of ITDA. The observations of the Committee are based on the outcome of the oral evidence of the Ministry and deliberations during their study visit.
4. The Report was considered and adopted by the Committee at their sitting held on 8 December, 2005.
5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in **Appendix** to the Report.

New Delhi:
8 December, 2005
17 Agrahayana, 1927 (Saka)

SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Social Justice and
Empowerment

CHAPTER-I

INTRODUCTORY

1.1 The Committee have been informed that a Central Sector Scheme of Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce (MFP) Operations was introduced during 1992-93. Under the Scheme, funds were made available to State Tribal Development Cooperative Corporations/Forest Development Corporations/Minor Forest Produce (Trade and Development) Federations for:

- a) increasing the quantum of MFP handled by setting off operational losses, if need be;
- b) strengthening the share capital base of the Corporation for undertaking MFP operations thereby increasing the quantum of the MFP presently handled;
- c) setting up of scientific warehousing facilities, wherever necessary;
- d) establishing processing industries for value addition with the objective of ensuring maximum returns on the MFPs for the tribals;
- e) giving consumption loans to tribals; and
- f) supplementing Research & Development (R&D) efforts.

A. PROFILE OF MINOR FOREST PRODUCE IN THE COUNTRY

1.2 The Ministry have informed that Minor Forest Produce (MFP), also known as NTFP (Non-Timber Forest Produce) has been defined by an expert Committee set up in 1998 by the Ministry of Environment and Forests as 'forest produce, other than timber, harvestable on a non-destructive basis'. The list of such items is notified by the State Government and differs from State to State. The list includes Tamarind, Amla, Naramamidi Bark, soap, Nut, Nuxvomica, Pongam seed, Honey, Hill Grass, Marking Nuts, Mohwa Flower and seed, Addaleaf, Sheekakai, Maredugaddalu, Myrobalans, Chebulic Myrobalans, etc. The list of Minor Forest Produces found in various States is appended at Annexure – I.

1.3 The Ministry have further stated that MFP is central to the existence of tribal communities. A study by the Ministry of Environment and Forests (June 1999) has observed that 'some 50 million tribal people depend on MFP for meeting their subsistence consumption and income needs. MFP provides 60% of their food and medicinal needs and 60% of their income'.

1.4 A detailed profile of MFP in India has been furnished by the Ministry as under:-

Sl. No.	Products	Annual Production(MT)
1.	Wild edible products	101200
2.	Myrobalan	132250
3.	Sal seeds	709700
4.	Mahua seeds	697600
5.	Neem seeds	115000

6.	Other seeds	57500
7.	Essential oils	3160
8.	Gum Karaya	15000
9.	Resin from pine	45000
10.	Katha	5750
11.	Tans and dyes including cutch	222900
12.	Bamboo	4716600
13.	Fibres and Flosses	15000
14.	Beedi leaves	360000
15.	Lac	30000
	TOTAL	1,17,71,850

Source: Report of Expert Committee set up by the Ministry of Forests and Environment(1999).

1.5 The Ministry have also furnished the following statement showing the tribal share of MFP market worked out by Insight Management Consultants in the year 2002:-

TRIBAL SHARE OF MFP MARKET			
	COMMODITY	TRIBAL SHARE	PROCUREMENT VALUE Rs. (in crore)
1.	Hill Grass	100%	150
2.	Tamarind	65%	60
3.	Sal+Mahua+Other tree borne oil	100%	100
4.	Mahua Flower	100%	15
5.	Tej Patta	100%	35
6.	Siyali Leaves	100%	35
7.	Shikakai	100%	10
8.	Honey	25%	15
9.	Myrobalan	100%	10
10.	Sericulture(Muga/Tassar)	100%	30
11.	Shellac (Lac)	100%	75
12.	Gum (Karaya)&Others	100%	15
13.	Other Commodities	100%	100
14.	Estimated Supply	95%	650

Source: Insight Management Consultants(2002)

1.6 On being asked about the existing potential of MFPs within the States, present level of exploitation etc., the Ministry have stated that the MFP-wise potential or the assessment of MFP-wise availability is not precisely quantifiable due to various factors such as age of crop, seasonal and climatic variations, pathogen attacks etc. Current enumeration and assessment technology even through remote sensing is unable to cover and provide authenticated potential. Being a natural produce of forests, there is apparently no certainty of production in terms of quantity. However, the existing potential of some MFPs within the States, present level of exploitation has been worked out as an exercise for its internal use by TRIFED.

1.7 The Committee have been informed that MFP collecting families have been collecting a variety of forest produce for self consumption as well as for commercial purposes. Earlier they used to collect more qualities for self consumption and less quantity for sale. But, as the prices for various MFP are increasing and there is scarcity of MFP resources, there is stiff competition among the tribal MFP collecting families which leads to collection of immature plant parts, leaves, flowers, fruits, barks, roots, tubers thereby causing damage to the mother plant and less returns to the forest dependent community.

1.8 The Committee also enquired whether STDCCs are aware of the existing potential of MFPs in their States and whether any specific action plan has been prepared by them/TRIFED to exploit the potential in a scientific manner. The Ministry have informed that State TDCCs/Forest Corporations have collected information on the existing potential of MFPs in the respective States. The States prepare their action Plans/proposals and accordingly undertake procurement activities on the basis of yearly assessed anticipated yield. Under the STDCCs scheme, States also send proposals to the Ministry for release of funds on annual basis for a few activities as provided under the scheme.

1.9 The Committee note that Minor Forest Produce is central to the existence of tribal communities. According to the Report of an Expert Committee set up by the Ministry of Environment and Forests in 1999, the amount of MFP produced annually is 1,17,71,850 MT. The study conducted by Insight Management Consultants in the year 2002 had estimated the share of the tribals in the MFP market, except for Tamarind and Honey, to be 100%. The Committee are, however, distressed to note that due to scarcity of MFP resources, there is stiff competition among the tribal MFP collecting families which leads to collection of immature plant parts, leaves, flowers, fruits, bark and roots thereby causing damage to the mother plant and less than optimum return to the forest dependent community. The Committee observe that MFPs are playing a pivotal role in the lives of the forest dependant tribal families but

express its serious concern that collection of immature plant parts and unscientific exploitation of MFP resources would ultimately lead to the destruction of the source of livelihood of these tribal families. The Committee are of the view that the existing potential of Minor Forest Produce should be exploited economically and scientifically so that they remain as a sustainable and renewable source of income for the tribal families. The Committee, therefore, recommend that the Ministry should pursue with the States to prepare specific action plan for harnessing the existing potential of MFP in their respective States in a scientific manner, provide technological inputs for value addition to Minor Forest Produces and undertake procurement activities with improved methods. The Committee also desire that the Ministry/TRIFED should lend their expertise to the States for preparation of specific action plans and in their procurement operations so that Minor Forest Produce continue to be a viable and self-sustaining source of income for the forest dependant tribal families for many generations to come.

B. SETTING UP OF STATE TRIBAL DEVELOPMENT COOPERATIVE CORPORATIONS

1.10 The State Tribal Development Cooperative Corporations(STDCCs) are State level Registered Bodies under the relevant Acts of the concerned State. The main function of these Corporations is to procure MFP. The STDCCs are functioning in the States of Andhra Pradesh, Orissa, Jharkhand, West Bengal, Maharashtra, Madhya Pradesh, Arunachal Pradesh, Gujarat, Rajasthan, Tripura, Meghalaya, Manipur, Kerala and Assam.

1.11 On being asked to state the reasons why STDCCs are not set up in the remaining States, the Ministry have stated that States are provided grants under the STDCCs scheme only when they send their proposals after establishing the Tribal Development Cooperative Corporations. Under the scheme the States are free to establish the Corporations and in fact, at the beginning of each financial year all the States are addressed to send their proposals.

1.12 When enquired how MFPs are procured and marketed in the absence of the STDCCs, the Committee have been informed that in some States certain MFP items are procured and marketed by State Forest Development Corporations, MFP Development Cooperative Federations, other State Government Organisations like MARKFED, LAMP Societies etc.

1.13 The Ministry have informed that the Central Government has nominated two officers on the Board of Directors of STDCCs to ensure better cooperation between the Ministry and TRIFED on one hand and the State bodies on the other.

1.14 The Committee desired to know whether the nominated officials from the Ministry have been attending the meetings of the Board regularly and how far they have been able to ensure better cooperation between TRIFED and STDCCs wherein they have been informed that the attendance of Central Government nominees in the Board meeting of STDCCs has not been very regular due to limited number of officials in the Ministry. However, representatives of member STDCCs on the Board of TRIFED do regularly attend Board meetings of TRIFED, which achieves coordination between TRIFED and STDCCs.

1.15 The Committee find that State Tribal Development Cooperative Corporations (STDCCs), whose main function is to procure MFPs, are functioning in fourteen States at present. In some States, certain MFP items are procured and marketed by State Forest Development Corporations, MFP Development Cooperative Federations, other State Government organizations like MARKFED, Large Area Multipurpose Projects (LAMPs) Societies etc. The Committee are not happy with this situation. They strongly feel that in the absence of STDCCs, the poor tribals would not be able to procure and market the produce effectively and would also not get remunerative prices. The Committee, therefore, urge the Ministry to vigorously persuade the remaining States to set up STDCCs in their States at the earliest so that MFPs are procured from the tribals and marketed at remunerative prices thereby benefiting them.

1.16 The Committee note that due to limited number of officials in the Ministry, the nominees of the Central Government have not been able to attend the Board meetings of STDCCs on a regular basis. The Committee are of the opinion that proper coordination is to be maintained between the Ministry and TRIFED on one hand and the State Tribal Development Cooperative Corporations on the other for their effective functioning. The Committee, therefore, desire that the nominated members of the Ministry should attend the meetings of the Board of Directors of STDCCs regularly, acquaint themselves with the overall functioning of the State bodies and ensure better coordination between the Ministry and STDCCs/TRIFED.

C. FINANCIAL PERFORMANCE OF STATE TRIBAL DEVELOPMENT COOPERATIVE CORPORATIONS

(a) Allocation of Funds

1.17 The Ministry have provided the details of funds released to the State Tribal Development Cooperative Corporations for the previous years along with the position of utilization of the funds as under:-

Rs. (in lakhs)

Sl.No	Name of the State	Year	Amount Released	Purposes for which grant released	Utilization
1.	Andhra Pradesh	2001-2002	520.00	i) Procurement of MFP Operations 400.00	UC received
				ii) Strengthening of share Capital 100.00	
				iii) Construction of Godowns/Warehouses 20.00	
		2002-2003	480.00	For procurement of MFP Operations	UC received
		2003-2004	30.00	For procurement of MFP Operations	UC received
		2004-2005	300.00	For procurement of MFP Operations	UC received
2.	Assam	2003-2004	30.00	For procurement of MFP Operations	UC awaited
3.	Arunachal Pradesh	2003-2004	30.00	For procurement of MFP Operations	UC awaited
4.	Chhattisgarh	2004-2005	144.00	For procurement of MFP Operations	UC awaited
5.	Kerala	2002-2003	225.00	i) Share Capital investment 400.00	UC awaited
				ii) Procurement of MFP Operations 100.00	
				iii) Construction of Godowns/Warehouses 20.00	
6.	Madhya Pradesh	2003-2004	300.00	Strengthening the share capital	UC received
		2004-2005	356.00	Strengthening the share capital and establishment of Pro Industries	UC awaited
7.	Meghalaya	2001-2002	47.00	Collection of MFP operations	UC received
		2002-2003	100.00	Collection of MFP operations	UC received

		2003-2004	30.00	For procurement of MFP operations		UC received
8.	Orissa	2001-2002	200.00	For procurement of MFP operations		UC received
		2002-2003	400.00	For procurement of MFP operations		UC received
		2003-2004	30.00	For procurement of MFP operations		UC received
9.	Rajasthan	2001-2002	251.61	For Strengthening share capital base for undertaking increased MFP Operations	50.00	UC received
				Share capital Investment	84.61	
				Processing units	7.00	
				Procurement of MFP Operation	110.00	
		2002-2003	119.37	Share Capital investment	98.20	UC awaited
				For go downs & warehouses	28.00	
				Total	126.20	
				Less unspent	6.83	
				Balance	119.37	
10.	Maharashtra	2001-2002	200.00	For procurement of MFP operations		UC received
11.	Tripura	2001-2002	62.06	For procurement of MFP operations		UC received
		2002-2003	122.00	For procurement of MFP operations	125.00	UC received amount of Rs. lakhs
				Less unspent	3.00	
				Balance	122.00	
12.	West Bengal	2002-2003	53.63	For collection of MFP operations		UC received

1.18 On being asked whether the funds have been adequate, the Ministry have stated that though the demands for funds from the States is larger than the allotment in the scheme, the inter-scheme allocations are made on the basis of the allocations given by the Planning Commission to the Ministry.

1.19 When enquired whether the matter of allotting more funds has ever been taken up with the Planning Commission, the Committee have been informed that the

Ministry had written to the Planning Commission for overall enhancement in the budgetary allocation. During 2005-06, the overall budgetary allocation has been enhanced by more than Rs. 352 crore; of the enhanced allocation Rs. 230 crore is earmarked for development of forest villages and Rs. 50 crore for providing irrigation facilities in tribal areas only. Allocation under the Post Matric Scholarship scheme has also been increased due to enhanced rates of scholarships. As a result, the allocation under other schemes including the scheme of STDCCs has either been kept at par with 2004-05 or has been reduced.

1.20 The Committee desired to know whether STDCCs are not receiving sufficient funds from the State Governments for their MFP operations and whether they have approached their State Governments in this regard. They have been informed that although there is no specific complaint from any STDCCs, it has been found that in some cases even the funds released by the Ministry under the scheme are released by the State Governments to their Corporations in a delayed manner. Whenever such instances have been reported, the Ministry have addressed the respective States for expediting release.

1.21 The Committee enquired whether the grants-in-aid to STDCCs should be enhanced to make them financially viable thereby improving their performance. The Ministry are of the view that the grants in aid for STDCCs scheme should be enhanced to cover the potential of MFPs in the States and make them financially viable. The same can, however be done within the overall allocations given to the Ministry on a year to year basis. The Ministry urged that the Committee may like to recommend suitably in this regard. Implementation of the provisions of Panchayats

(Extension to Scheduled Areas) Act 1996, denationalization of MFPs, agricultural costing and sharing of market intelligence would go a long way to increase the trading volumes of MFPs.

1.22 The reasons for non release and non receipt of utilization certificates from various States from the year 2002-03 to 2004-05 have been furnished by the Ministry as under:-

Non release of funds:

- (a) Kerala, Rajasthan, Maharashtra: During 2003-04, funds could not be released due to non-receipt of UCs for earlier years.
- (b) Tripura and West Bengal: Despite receipt of the proposals from these States the overall performance of the Corporations did not qualify for any further release.
- (c) During 2004-05 funds could not be released to the States of Assam, Kerala and Rajasthan due to non-receipt of UCs for earlier releases. Proposal from Arunachal Pradesh was not received.

1.23 So far as Orissa, West Bengal and Tripura are concerned, their overall performance did not qualify for any further release during 2004-05. The proposals received from Meghalaya and Maharashtra were found to be deficient in some respects and the States were addressed accordingly.

Non receipt of Utilisation Certificates:

- (a) Kerala and Rajasthan: The States have been repeatedly requested to provide the UCs.
- (b) Assam and Arunachal Pradesh: The funds released to Assam were in turn released by the State Government to their Corporation till January, 2005 for which the Ministry has taken up the issue with the State Government. So far as Arunachal Pradesh is concerned, they have been requested to furnish the UCs.

(b) Separate funds for Establishment Expenses

1.24 The Ministry have informed that there is no separate provision for the establishment expenses of the STDCCs including TRIFED. Since the salaries etc. have to be paid, most of the funds of the Corporations are spent on salaries etc. Therefore, to make the scheme viable, there should be a separate provision for meeting establishment costs (through Plan or Non-Plan budget). Unless this is done, the financial conditions of the Corporations cannot improve.

1.25 The Secretary, Ministry of Tribal Affairs also stated during evidence:

“Coming to the funds made available, first of all a sum of Rs. 18 crore made available to the Tribal Development Corporations, I would submit before the Hon. Committee, is not at all sufficient. That is our view. If you would kindly see our submissions, the States are not giving funds regularly to the Tribal Development Corporations. They expect the State level Tribal Development Co-operative Federations or Corporations to procure the minor forest produce. But passing of most of the funds, if at all they are made available, to the Corporations is delayed. Whatever they are passing on, that amount is eaten away in the shape of salaries to the employees of the corporations. We have repeatedly been requesting them to meet the establishment cost. We are no better in the case of TRIFED. Most of the amount made available to them are eaten away in the shape of salaries to the employees. Whatever money we have given here has been spent on meeting establishment costs. So is the case with the State level Development Corporations. We have repeatedly been writing to them about this. We have the copies of the letters here and we could submit them to the hon. Committee. We have been requesting them to use this amount for procurement. Whenever we are releasing the limited amount at our disposal we are requesting them to use that fund for procurement. But what are they doing? They are spending it on the payment of salaries to their employees.”

1.26 When asked whether the Government is contemplating any steps in this regard, the Ministry have stated that meeting the expenditure on establishment and administrative matters is the responsibility of the States. The funds meant for establishment expenses may be drying up though the situation differs from State to State. Nonetheless, Corporations have reported turnovers indicating procurement of

MFPs. The Ministry does not have any plan to supplement establishment cost of STDCCs.

1.27 The Committee enquired whether the Ministry have advised the States to allocate adequate funds for financing their MFP activities as well as make separate provisions for meeting the establishment expenses, the Committee have been informed that procurement of MFP is a State specific subject and States provide funds for this operation within availability of funds in their respective State plans and in order of priority accorded by the State Government. Since the Ministry do not provide assistance for establishment expenses, it is for the State to decide adequacy and means of financing non-plan funds for their employees, including various Corporations. The Ministry, however, provides funds for a few activities as prescribed under the STDCCs scheme to the States.

(c) Bank Loans for MFP operations

1.28 The Ministry have also stated that depending on their needs, STDCCs obtained loans from Banks so as to increase their presence in the trade of MFPs including Haat Bazars.

1.29 On being asked whether it is feasible to obtain loans from banks and repaying them with interest in the long run, the Ministry have informed that feasibility of taking loan from Banks depend on the commercial viability of a particular MFP and the effectiveness in application of borrower funds, according to the prudent practices of business.

1.30 The Committee note that during 2005-06 the overall budgetary allocation of the Ministry has been enhanced by more than Rs.352 crore. However, out of the enhanced allocation, Rs.230 crore has been earmarked exclusively for development of forest villages and Rs.50 crore for providing irrigation facilities in tribal areas. Also allocation under the Post Matric Scholarship Scheme has been increased due to enhanced rates of scholarship. As a result allocation under other schemes including the schemes of STDCCs has either been kept at par with 2004-05 or has been reduced. The Committee further note that though the demand for funds from the States is larger than the allotment under the scheme, the inter-scheme allocations are made on the basis of the allocations given by the Planning Commission to the Ministry. The Committee further note that in some cases even the funds released by the Ministry under the scheme are released by the State Governments to their Corporations in a delayed manner. The Committee are of the view that grants-in-aid for STDCCs Scheme should be enhanced adequately to cover the potential of MFPs in States and make them financially viable. The Committee, therefore, recommend that the Ministry should approach the Planning Commission to give due priority to the STDCCs Schemes by allocating more funds specifically for Corporation's schemes within the overall budgetary allocations of the Ministry. The Committee desire that the Ministry should ensure that the grants-in-aid released to the States are actually utilized for procurement of minor forest produce. The Committee also urge the Ministry to pursue with the States to provide funds to their Tribal Development Cooperative Corporations without any delay as well as submit proposals

complete in all respects and utilization certificates of earlier funds released to them in time and regularly.

1.31 The Committee are constrained to note that most of the funds of the STDCCs are spent on salaries as there are no separate provisions for the establishment expenses of the STDCCs including TRIFED. The Committee have been apprised that meeting the expenditure on establishment and administrative matters is the responsibility of the States. The Committee, therefore, urge the Ministry to persuade the State Governments to make separate provision for meeting establishment costs either through Plan or Non-Plan budget and ensure that the funds released to the STDCCs are utilized in MFP operations.

1.32 The Committee regret to note that STDCCs are obtaining loans from Banks and repaying them with interest to increase their presence in the trade of MFPs including Haat Bazars. The Committee express apprehension that this practice will not be in the best interest of the poor tribals depending on collection of MFP for their livelihood. The Committee, therefore, urge the Ministry to impress upon the States to examine the commercial viability of MFPs thoroughly before taking loans from Banks and strictly adhere to prudent business practices.

D. COMMERCIAL OPERATIONS

1.33 The Committee found that some States are enjoying monopoly rights for collection of MFP whereas in other States, MFP are not nationalized and enquired whether monopoly rights for collection of MFPs to STDCCs will be more beneficial

to the tribals engaged in collection of MFPs. The Ministry have stated that the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) gives the rights of ownership of MFP to the respective Gram Sabhas and is applicable to all the scheduled areas. The views of the Ministry on this issue are that ownership of MFPs should be passed on to Gram Sabhas in terms of the PESA and the STs should be allowed to collect and sell MFPs through cooperatives or Self-Help Groups (SHGs) as the contractors tend to extract more than the carrying capacity of forests so as to maximize returns in fixed time. It is, therefore, desirable that SHGs of STs themselves collect MFPs and State agencies play the role of facilitator and accordingly provide infrastructural support.

1.34 When asked whether the STDCCs have utilised the services of grass root level agencies to procure MFP directly from village Haat, the Ministry have informed the States have devised varying procedures of procurement through different agencies at the grass root level including Large Area Multipurpose Projects(LAMPS) and other primary level cooperative societies and even direct procurement from the weekly Haats.

1.35 On being asked whether varied markets (both national and international) have been explored by the Ministry and STDCCs for marketing of MFPs, it has been stated that the State TDCCs/local agencies generally sell their produce locally within the States without much value addition in most cases. The markets explored by the State Corporation are generally local and national in nature. The Ministry has not laid down guidelines for exploring the National and International markets as the State Level Corporations are independent to take their-own decisions based on sound commercial grounds. However, as an outfit of the Ministry, TRIFED has, to some

extent, played a role in the international trade of commodities including niger seed, gum karaya, mustard DOC etc.

1.36 As regards the efforts made by the Ministry and the STDCCs to expose the tribals to marketing channels, market knowledge regarding weights and measures, costing and quality control, it was informed that the STDCCs conduct awareness generation programmes from time to time depending on the needs which are location specific. In addition, TRIFED has also organized various awareness and skill improvement programme relating to collection, processing, value addition, grading, packing, storage, marketing of MFPs.

1.37 In reply to a query, the Ministry have stated that by adopting the following broad strategies/policies & programmes, TRIFED would be able to play a greater role in marketing of MFPs collected by STDCCs in National and International markets:

- a) Provide them market intelligence about their products
- b) Lay down the norms for standard parameters for quality specifications for various MFPs collected by STDCCs
- c) Provide information about good collection practices, packing and storages
- d) Provide training on the elementary value addition at the point of collection/storage.
- e) Provide technological inputs for value addition.
- f) Vocational Training Centres are proposed to be set up in the tribal areas. Export Facilitation Centres proposed to be set up at Mumbai will be open to all STDCCs and all required export related services can be provided to them. The STDCCs can store their products in the godowns of TRIFED at Mumbai. TRIFED can secure export orders for their products.
- g) TRIFED proposed to form the consortiums of STDCCs so as to strengthen their bargaining power and organise sale of their products through auctions in systematic manner so as to fetch better rates for their products.
- h) For limited products TRIFED can get involved in direct selling in the country through outlets of TRIBES under a national brand.
- i) TRIFED can organise Buyer Seller Meets at periodic intervals so as to bring together the STDCCs and the big buyers of the MFP which can go a long way in boosting the trade of MFP.

1.38 The Committee note with concern that most of the States are enjoying monopoly rights for the collection of MFPs. The States have devised varying procedures of procurement through different agencies at the grass-roots level, including Large Area Multi-purpose Projects and other primary level cooperative societies. The Committee are, however, of the firm view that the poor tribal collectors of MFPs will be optimally benefited if they are allowed to collect and sell MFPs through Cooperatives or Self Help Groups formed by them. The Committee, therefore, urge the Ministry to direct the States and their Corporations to assist the tribals in forming Cooperatives or Self Help Groups while providing the infrastructural support and acting as a facilitator for the marketing of the MFPs.

1.39 The Committee note that markets explored by the STDCCs are generally local and national in nature and MFPs are sold without much value addition. TRIFED has, to some extent, played a role in the international trade of commodities including Niger Seed, Gum Karaya, Mustard DOC etc. The Committee desire that the Ministry/TRIFED should assist the STDCCs in educating the tribals about marketing channels, market knowledge regarding weights and measures, costing and quality control and also explore the avenues for sale of MFPs in international markets on a larger scale. The Committee, therefore, urge the Ministry to play a proactive role in the marketing of MFPs by providing market intelligence about their products, rendering export related services, opening of Export Facilitation Centres to enable the STDCCs to sell their products and adopting direct selling through outlets of TRIBES under a

national brand. The Committee also desire the Ministry to lay down guidelines for exploring the national as well as international market to expand the scope for the supply of MFPS and export of the same to other countries.

CHAPTER –II

A. COMMON MINIMUM PRICE FOR MINOR FOREST PRODUCE

2.1 The Ministry have informed that in most of the States the price of the various MFP items are fixed by the State Government by taking into consideration various factors that affect the price. The method of price fixation varies from State to State. Generally, the District Authorities fix the price of the MFP through their Price Fixation Committees in consultation with the relevant bodies including the representatives from the STDCCs/FDCs etc.

2.2 On being asked the criteria for fixing the price of MFPs, the Ministry have stated that fixation of the price of MFPs is State specific subject. The pricing policy differs from State to State. There is no uniformity at all. TRIFED is not associated in the process of price fixation. Details of price fixation Committees are not available with the Ministry as well as TRIFED.

2.3 The Ministry have further stated that in Gujarat, the State Government has appointed the State Advisory Committee and based on their recommendation, the State Government fix up the price of nationalized MFPs. In West Bengal, the price of MFPs is fixed after comparing them with the other States and also local market. In Rajasthan, prices are fixed based upon the trend of the rate in the area of collection which is further compared with the prevailing mandi price.

2.4 The Committee also desired to know whether the Ministry have made all out efforts to persuade the States to adopt uniform (as far as possible) minimum support

price for the MFPs wherein they have been informed that in view of divergent views of the States and variation in local conditions, the adoption of uniform minimum support price has not yet been resolved.

2.5 When asked to state the steps taken to provide minimum support price for the MFPs of the tribals as is available to other commodities in the agricultural sector through Agricultural Price Commission as well as the views of the States in this regard, the Ministry have stated that the issue regarding the provision of minimum support price for the MFPs, being a forestry matter, was taken up with the Ministry of Environment & Forests who have stated that the issue concerns States and thereafter had directed TRIFED to take up the issue with the States. However, the matter was also taken up with the States on receipt of the Fifth Report of the erstwhile Standing Committee on Labour and Welfare and there was no unanimity of the decision of the States. TRIFED has recently taken up the issue with the Ministry of Agriculture as well (Agriculture Price Commission).

2.6 Queried further, the Ministry have informed that the Ministry of Agriculture is yet to respond to the proposal regarding provision of minimum support price for the MFPs.

2.7 The Committee are constrained to note that there is no uniformity in fixing the price of MFPs amongst the States. Generally, the District Authorities fix the prices of the MFPs through their Price Fixation Committees in consultation with the relevant bodies, including the representatives from the STDCCs/FDCs, etc. However, the details of the price fixation Committees are not available with the Ministry as well as TRIFED. The Committee desire that

members of tribal community should also be represented in the Price Fixation Committees proportionately and the States should adopt (as far as possible) common minimum prices for the minor forest produce of the tribals and urge the Ministry to pursue the matter with the States so that the issue is resolved and implemented at the earliest.

2.8 The Committee express serious concern over the fact that minimum support price is not available for the MFPs of the tribals as is available for other commodities in the agriculture sector through Agricultural Price Commission. TRIFED has recently taken up the issue with the Ministry of Agriculture as well but they are yet to respond to the proposal. The Committee feel that there is an urgent need to bring the minor forest produce under the ambit of minimum support price as they are the main source of livelihood and income for a majority of the tribal people. The Committee, therefore, urge the Ministry to earnestly pursue the nodal Ministry, i.e. Ministry of Environment and Forests and also the Ministry of Agriculture to fix minimum support prices for the MFPs of the tribals, in consultation with concerned State Governments so that the tribals could get proper value for the forest produce collected by them.

B. OWNERSHIP OF MINOR FOREST PRODUCE

2.9 On being asked whether tribals living in the forests are enjoying any ownership rights of the MFPs the Ministry have informed that the tribals living in the forests are not entirely enjoying ownership of the MFPs. The major issue in this regard is that the term “Minor Forest Produce” has not been clearly defined.

2.10 When asked whether any step is being taken to define the term “Minor Forest Produce” clearly so as to avoid any ambiguity, the Ministry have stated they have

formulated a draft “Scheduled Tribes (Recognition of Forest Rights) Bill, 2005” to recognize and vest the forest rights and occupation of forest land in the forest dwelling Scheduled Tribes who have been residing there for generations and who are integral to the very survival and sustainability of forest eco- system including wild life but whose rights could not be recorded so far. It is proposed to define the term “minor forest produce” also in the draft Bill. The Bill is, however, still a tentative Bill and has been placed on the website (tribal.nic.in) of the Ministry for comments/views of public/experts, etc.

2.11 As regards the steps and efforts being made in the matter of vesting the ownership rights of MFPs with the tribals, the Ministry have informed that the Panchayats (Extension of Scheduled Areas) Act, 1996 (PESA) gives the rights of ownership of MFP to the respective Panchayats/Gram Sabhas and is applicable to all the scheduled areas.

2.12 The views of the Ministry of Tribal Affairs on this issue are that ownership of MFP should be passed on to Panchayats/Gram Sabhas as per the provision of Panchayat (Extension to Scheduled Areas) Act, 1996 and STs should be allowed to collect and sell MFP through cooperatives or Self Help Groups. The Panchayats, however, should not tender the entire area under their control as the same again amounts to parceling it off to contractors who again, in turn, employ STs as wage earners for collecting MFP. Further, the contractors tend to extract more than the carrying capacity of forests so as to maximize returns in fixed time.

2.13 The Ministry of Tribal Affairs have requested the Ministry of Environment & Forests that the provisions of the PESA Act should be implemented in the right spirit and that the respective Gram Sabhas should be given the right of ownership of all the

MFPs. There are still a number of cases, such as, in case of Tendu leaves, where trading is being done by Forest Corporations through contractors. The Ministry of Tribal Affairs have brought this to the notice of the Ministry of Environment & Forests and requested them to remove middlemen, including monopoly of the State Corporations.

2.14 The Ministry have further informed that they have written to the State Governments on 18.6.2004 to confer ownership rights in respect of MFP, including tendu patta, on the scheduled tribes after deciding about the definition of MFP, which should include all the traditional produce being produced by all the tribals, by amending the concerned State legislations.

2.15 It has further been stated that the Ministry of Environment & Forests have now advised the State Governments to bring about appropriate legislations conferring ownership rights on people from weaker sections working in forests. The Ministry of Environment and Forests is also in the process of finalizing a Model Bill for conferring ownership rights in respect of MFP on forest dependent communities.

2.16 The Ministry have informed that with the enactment of various Acts of the Central Government like Forest(Conservation)Act, 1980, the Wild Life Protection Act, 1972 etc, the Forest dwelling Scheduled Tribes who are residing in the forest for years and are dependant on MFP for their livelihood have been labeled as encroachers of forest land. The Ministry of Tribal Affairs have been mandated to formulate a Scheduled Tribe (Recognition of Forest Rights) Bill, 2005 with the main objective to undo this historical injustice by recognising and vesting the forest rights and occupation in forest land in forest dwelling Scheduled Tribes who have been residing there for generations but whose rights could not be recorded.

2.17 The Committee further enquired about the present status of the Bill and whether there is a tussle between the Ministry of Tribal Affairs and Ministry of Environment and Forests over the provisions of the Bill and also whether the Bill is facing stiff opposition from Conservationists. The Ministry informed that they had circulated the draft Bill amongst the concerned Ministries including the Ministry of Environment and Forests for their comments. The draft Bill has by and large been accepted with suggestions by the concerned Central Ministries, except the Ministry of Environment and Forests. The comments of the Ministry of Environment & Forests who were involved in the process of drafting the Bill, have been duly answered by the Ministry and included in the Cabinet Note. The Ministry have sent a Note for the Cabinet along with the draft Bill to the Cabinet Secretariat. The matter is yet to be considered by the Cabinet. The Bill has in the meantime been placed on the web site of the Ministry (tribal.nic.in) for comments/views of the public/experts. The Bill will be finalized as per the established procedure.

2.18 The Committee are dismayed to note that the forest-dwelling Scheduled Tribes, who have been residing there for generations and are dependant on MFP for their livelihood are still not enjoying ownership of their MFP mostly due to ambiguity in the definition of the term ‘Minor Forest Produce’. The Ministry have informed that they are in the process of finalizing a draft “Scheduled Tribes (Recognition of Forest Rights) Bill, 2005” to recognize and confer ownership rights to the forest dwelling Scheduled Tribes. The Committee urge the Ministry to clearly define the term “Minor Forest Produce” and bring within the ambit of the term ‘MFP’ all the traditional minor forest produce in the Bill.

The Committee further desire that in order to recognize and vest the forest rights and occupation of forest lands to the forest-dwelling Scheduled Tribes, the Ministry should finalise the “Scheduled Tribes (Recognition of Forest Rights) Bill, 2005”, in consultation with the Ministry of Environment and Forests and concerned Departments/States and bring it to the Parliament at the earliest.

2.19 The Committee further note that for finalizing a Model Bill for conferring ownership rights in respect of MFP on forest dependant communities, the Ministry of Environment and Forests have sought the comments of concerned Ministries, including the Ministry of Tribal Affairs in this regard. Keeping in view the fact that the Ministry of Tribal Affairs is the nodal Ministry concerned with the welfare and development of the Scheduled Tribes, majority of whom live in forests and depend on MFP for their sustenance, the Committee urge the Ministry to lend their expertise to the Ministry of Environment and Forests and actively involve themselves in the drafting of the Bill.

2.20 The Committee note that though the Panchayats (Extension to Scheduled Areas) Act, 1996 gives the rights of ownership of MFP to the respective

Panchayats/Gram Sabhas and is applicable to all the Scheduled areas, yet it has not been implemented by the States in the right spirit. The Committee, therefore, urge the Ministry to pursue the States to amend their legislations in accordance with the PESA Act, 1996 so that ownership rights of MFPs is conferred on the Panchayats/Gram Sabhas and the poor Scheduled Tribe families living in the forests are not deprived of their source of livelihood.

C. MONOPOLY OF MFP MARKETS BY PRIVATE TRADERS/MIDDLEMEN

2.21 The Ministry have stated that the control of MFP market through direct Government intervention is only around 25-40%. The private traders virtually control the supply market(legally and illegally). As much as 60% of the transactions are unaccounted.

2.22 During the briefing on the subject, the Secretary, Ministry of Tribal Affairs also stated as under:

“There is Rs. 650 crore worth of minor forest produce available in the country. Out of that, 60 per cent is going into the hands of the unorganized sector and the traders. They are dealing with it. Not even 30 per cent is procured by the Government agencies”.

2.23 The Committee enquired about the reasons for monopoly of the entire MFP markets by private traders, the steps proposed to be taken in this regard and whether Government Agencies(Central + States) could be involved more extensively in the collection and marketing of MFPs so that the tribals get proper value. The Ministry

have informed that handling of MFPs is a State subject where policies on monopolistic control or free trade are decided by the State Governments. Every State Government has its own list of nationalised MFP, collection and trade of which is solely controlled by the State or bodies under control of the State. The rest of the MFP commodities are open for collection freely and the collectors have the liberty of trading with either Government controlled bodies or with private traders. There could be instances where even monopolized commodities are being traded by private agencies owing to loose control being exercised by State agencies. The State controlled commodities are also in many case, handled through the medium of auctions involving private operators, perhaps owing to the volume of trade involved which is beyond the feasible coverage ability of any Government body, apart from causing monetary loss due to various reasons. In addition to the grants provided by the Ministry and depending on their needs, the STDCCs also obtained loans from Banks so as to increase their presence in the trade including Haat Bazaars.

2.24 In reply to a query, the Committee have also been informed that none of the STDCCs has indicated that they are leasing out the Forest Divisions/ Ranges to the private parties.

2.25 When asked whether non-tribals are authorized to collect MFPs and the average total income for tribals and non-tribals from marketing of MFPs, the Ministry have stated that they have been informed that generally the non-tribals who live in the forest and forest fringe areas, also collect MFPs and are also in many cases dependent on the collection and sale of MFPs for their livelihood. There is no authentic data available on the aspect of area-wise, MFP- wise, ST/Non ST- wise income generated by MFP trades.

2.26 The Committee desired to know whether there are instances where the private

traders or middlemen do not allow the tribals to reap the harvest of their MFP wherein the Ministry have informed that some of the STDCCs like Gujarat, Rajasthan and West Bengal have stated that there are no instances where private traders or middlemen do not allow the tribals to reap the harvest of their MFPs. The State Government of Meghalaya has indicated that there is no hard and fast rules in restricting non-tribals from participating in collecting MFPs. As such, the Ministry have not received any report or complaint in this regard.

2.27 When asked as to how State agencies can play an active role in the collection and marketing of MFPs and regulate their operations with strict control, the Ministry have stated that State Agencies can play an effective role in collection and marketing of MFPs and regulate their operations with strict control by effective management conditions of access to and sale of MFPs. There is need to synergise activities of the administrative machinery at the field level, belonging to various Departments, such as Revenue, Forests, Cooperatives, Tribal Welfare, Agriculture Market Committees, etc. for maximization of returns to STs and minimizing the exploitation of tribals by unscrupulous middle men. Since many commodities are procured in many States, though often at different prices, the formation of consortium of State TDCCs and periodic buyers-sellers meet can go a long way in this direction.

2.28 The Committee note with deep concern that marketing of minor forest produce remains unorganized mainly in the hands of private traders/middlemen. Out of Rs. 650 crore worth of MFPs available in the country, 60 per cent is going into the hands of the unorganized sector and private traders or middlemen while not even 30 per cent is procured by Government agencies. The Committee have also been informed that only

Gujarat, Rajasthan and West Bengal have stated that there are no instances where private traders or middlemen do not allow tribals to reap the harvest of their MFPs. The Committee strongly feel that monopoly of the MFP market by private traders, legally or illegally owing to inadequate control being exercised by State agencies, should be curtailed. The Committee, therefore, urge the Ministry to vigorously pursue the STDCCs to play an active role in the collection and marketing of MFPs and regulate their operations with strict administrative control and effective management techniques. Proper coordination among field level agencies involved in MFP operations should be ensured. The Committee also desire that the Ministry should take immediate steps to form a consortium of State TDCCs which will organize periodic buyers-sellers meet thereby enabling the tribals to get proper price for their MFPs and also minimize the monopoly of the MFP markets by private traders/middlemen. Steps taken in this regard may be communicated to the Committee.

2.29 During their on the spot study visit to Adilabad in November, 2004 the Committee observed that the tribals are getting very low price for their MFP, though the same is being sold at a much higher price in the open market. The tribal collectors of MFPs are not getting any subsidy or marketing support. The Committee are not happy with the situation and desire that the State Governments or its Corporations should provide adequate marketing support to the tribals and take steps to ensure that they are able to reap the full benefits accruing from the sale of MFP. The Committee, therefore, urge the Ministry to

**take stringent steps to minimize the role of Private Traders in the MFP market
and ensure maximization of returns to the Scheduled Tribes.**

CHAPTER III

A. MINOR FOREST PRODUCE OPERATIONS ON SCIENTIFIC LINES

3.1 The Ministry have stated that MFP collecting families have been using tools like axes, chisels etc. for collecting MFP including Gum Karaya. The Committee enquired whether the tribals engaged in MFP operations are using improved methods and scientific practices in the collection, processing and storage of MFPs. The Ministry have informed that the tribals mostly engage in collection of MFP on sustainable basis in accordance with their traditional wisdom. They are also supported by STDCCs, TRIFED in the handling of MFP. Nonetheless, they are not yet fully updated with latest developed modern technologies. As an attempt to overcome this, TRIFED in its limited capacity had given the STDCCs some machinery and implements and also imparted training in some States towards sustainable collection, pre and post harvest technology etc.

3.2 The Ministry have furnished the details of toolkits/technological aids provided to the tribals by TRIFED as under:-

Year	No. of toolkits /technological inputs provided	Activity	No. of beneficiaries
2004-05			
	Technology input was provided by TRIFED for training in scientific cultivation method for Safed Musli	Cultivation of Safed Musli	50
	Honey Boxes –100 numbers and associated tool kit-100 nos.	Rearing of Honey	100

3.3 The Ministry have further stated that TRIFED in its limited resources has supplemented efforts of the STDCCs by providing tool kits and technological aids for enhancing the quality and quantity of the following products:

1. Decorticating machines for Tree Borne Oilseeds.
2. Implements for sustainable training of Gums and resins.
3. Involve the tribals of Karbi & N.C. Hills districts of Assam in cultivation and extraction of essential oils from aromatic grass in the distillation plants provided in the above two districts.
4. Bio fuel operated Dona Pattal making Machines.
5. Boxes for production of apiary Honey.
6. Hill broom binding Machines.

3.4 TRIFED is also exploring avenues to impart training and other support to the tribal honey hunters in the State of Karnataka.

3.5 When asked to state the steps taken/proposed to be taken to ensure that the tribals engaged in MFP operations start to resort to improved methods and scientific practices in the collection, processing and storage of MFPs, the Ministry have informed that the State Governments and their Corporations take State specific actions. As far as TRIFED is concerned, the Federation is undertaking the following activities in this direction:-

- i) TRIFED has undertaken training programs of tribals /SHGs in various fields for scientific study and value addition activities like Hill Brooms, Safed Musli, Leaf plates & cups, Handicrafts, Gum Karaya and Honey.
- ii) TRIFED has also initiated standardization of quality norms for MFP. TRIFED has identified Tamarind, Honey, Mahua and Gum Karaya to be taken up in the first phase under assistance of Directorate of Marketing Intelligence already working in this area. If funds are provided, TRIFED could expand the number of commodities for development of standard norms.

- iii) Common Facility Centers/Vocational Training Centers to be set up in tribal clusters for providing them a common platform for imparting training on scientific methods of collection, value addition and storage besides marketing of their produce.

3.6 The Committee note that the tribals living in the forest are engaged in MFP operations in accordance with their traditional wisdom using tools like axes, chisels, etc. for collection of minor forest produce and are not updated with the latest technologies in this regard. Due to overall resource constraints, TRIFED and STDCCs are not in a position to provide adequate technological aids and tools. The Committee, however, desire that the Ministry should pursue the State Governments and their Corporations to take necessary action for imparting training to the tribals in the application of modern tools, scientific methods of collection, processing, storage and marketing of MFPs and also provide tool kits and technological aids to them. TRIFED, as the nodal organization should develop standard norms for the MFPs so that their market could be expanded considerably. The Committee also recommend that the Ministry should assist the STDCCs in setting up common facility centres/vocational training centres in tribal clusters which could be utilized for imparting training regarding scientific methods of collection, value addition and storage besides marketing of the MFP of the tribals.

B. RESEARCH AND DEVELOPMENT

3.7 The Committee enquired whether the STDCCs are having the facility of Research and Development(R&D) centres for quality control of the MFPs and their conversion as raw material for cosmetic, toiletry and medicinal products. The Ministry have informed that by and large STDCCs are involved in facilitating trade of collected raw material in the form of seeds, flowers and other parts of plants, which are collected in respective seasons by Scheduled Tribes. The STDCCs have by and large involved themselves in arranging procurement of MFP in their respective jurisdictions at remunerative price for the collectors and thereafter dispose off the same through sale in the appropriate market with an attempt to recover the prices and overheads paid into organising the entire trade practice. Some of the State bodies such as Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation have involved themselves in the R&D works for enhancing marketability of MFPs. However, the R&D efforts have to be suitably augmented to enhance income from the MFP. Such efforts of the STDCCs may be supported under the Scheme of the Ministry.

3.8 When asked whether the Ministry have ever approached the remaining States i.e, States other than Andhra Pradesh and Gujarat to engage in research and development for enhancing the marketability of MFPs, the Ministry stated that grants under the scheme of STDCCs are released as per the provisions of the scheme and the States are always requested to send their proposals accordingly. No other State has approached the Ministry for funding their R&D efforts.

3.9 As regards augmenting the R&D efforts of STDCCs to enhance the quality(value addition) and marketability of MFPs, the Ministry have stated that grants are released subject to the provisions of the scheme vis-à-vis the proposals received from the States.

3.10 As far as TRIFED is concerned, it has its own Research and Development Centre at Delhi which is working on the following R&D projects:-

- a) Development of quality standards of MFP in association with Directorate of Marketing Intelligence. In the first phase Tamarind, Mahua, Shikakai, Amla and Forest Castor are being taken up.
- b) Development of storage norms for tree borne oil seeds like Sal Seed, Karanj Seed, Neem Seed, Mahua Seed etc.
- c) Development of scientific storage norms for MFP

3.11 The Committee desired to know whether the STDCCs coordinate with TRIFED for use of its R&D centers as well as lend expertise in MFP operations wherein they have been informed that TRIFED has provided the quality control and R&D service to various STDCCs. The STDCCs of West Bengal, Manipur and GCC of Andhra Pradesh have appreciated efforts of TRIFED in this regard.

3.12 During the course of evidence, the Committee have been informed that the Tata Institute of Social Sciences is finalizing a study titled ‘Quantification of State-wise MFP value addition and backward and forward linkages with a market to ensure enhanced income in the States of Chhattisgarh, Madhya Pradesh, Orissa and Andhra Pradesh’.

3.13 Queried further, the Ministry have stated that they have sanctioned a project to the Tata Institute of Social Sciences for undertaking evaluation on “Quantification of state-wise Minor Forest Produces, value addition and backward forward linkages with the market to ensure enhanced income of the Scheduled Tribes in the States of Chhattisgarh, Madhya Pradesh, Jharkhand, Orissa & Andhra Pradesh”. The study covers the main tribal dominated States of Central and South India. The study has been sanctioned during 2004-05 and the report from the organization is awaited. Depending upon the outcome of the final report, the Ministry would consider the essentiality of such studies for other States and also for wider spectrum of objectives.

3.14 The Ministry have also given an evaluation study to National Institute of Rural Development (NIRD), Hyderabad on ‘Procurement and marketing of items of tribal produce marketed by TRIFED’ during 2003-04.

3.15 The Committee regret to note that most of the STDCCs are not having the facility of Research and Development for enhancing the quality of MFPs, which would commensurately enhance the marketability of MFPs. Only two State bodies i.e. Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation have involved themselves in Research and Development works. The Committee are of the view that the tribals depending on MFP would be able to derive maximum income through marketing of their minor forest produce only after refining the quality and value addition of the MFPs and desire that the STDCCs should focus on Research and Development to enhance the marketability of the MFPs. The Committee, therefore, recommend that the Ministry should render financial assistance to

augment the Research and Development efforts of STDCCs through increased budgetary allocation so that income derived from MFPs may be adequately enhanced. The Committee also desire that TRIFED should provide assistance to STDCCs in setting up Research and Development Centres for value addition activities of MFPs and maintaining strict quality control norms and also to ensure that their products are viable in the competitive market.

3.16 The Committee note that the Ministry have sanctioned evaluation studies on ‘Procurement and marketing of items of tribal produce marketed by TRIFED during 2003-04’ and ‘Quantification of State-wise minor forest produces, value addition and backward, forward linkages with the market to ensure enhanced income of the Scheduled Tribes’ during 2004-05. The Committee desire that these studies should be completed at the earliest so that the Ministry would be able to plan a wide spectrum of activities pertaining to MFP operations.

C. AWARENESS GENERATION AND TRAINING

3.17 The Ministry have stated that various training programmes, workshops, seminars are organized by TRIFED for skill upgradation, revenue generation, value addition, cultivation of medicinal herbs, about the latest tools and kits, scientific practices for pre & post harvest management (i.e. processing, packaging and storage as well as marketing etc.), transfer of knowledge and technology etc. The Ministry have furnished information regarding training/ workshop/seminar organized

by TRIFED as under:

Sl. No.	Period	No. of tribals trained	Amount spent on training (in Rs.)
1.	1.4.1999 to 31.3.2000	563	5,69,603
2.	1.4.2000 to 31.3.2001	611	3,28,948
3.	1.4.2001 to 31.3.2002	1940	10,44,000
4.	1.4.2002 to 31.3.2003	-	-
5.	1.4.2003 to 31.3.2004	237 174 SHGs	

3.18 When asked why no tribals have been trained from 1 April 2002 to 31 March, 2003 as well as the reasons for the steep decline in the number of tribals trained during 2003-2004 as compared to 2001-2002, the Ministry have informed that TRIFED has been organising training of tribals/SHGs out of its own funds or the funds received from various Ministries under specified schemes. During the year 2002-03, TRIFED was in a transitional phase of deciding its own role direction from its earlier main business of procurement of MFP and agriculture items to marketing development activities. Further, TRIFED was facing severe financial crunch. Therefore, training programmes could not be undertaken by TRIFED during 2002-03. In the year 2003-04, again TRIFED could not take up training programmes on a larger scale because of paucity of funds. However, in the current year, TRIFED propose to take up training programmes on a larger scale.

3.19 The Committee desired to know the number of tribals/SHGs trained during 2004-2005 wherein the Ministry have stated that during the year 2004-05, TRIFED has imparted training to Heads of 20 SHGs in the scientific collection and harvesting of Honey in Karnataka. The expenditure for the training was borne by Government of Karnataka. In addition to this, during the year under reference, TRIFED had imparted training to 24 tribal women in Hill Broom making at Jagdalpur and further

213 tribals in making plates and bowls from the leaves of Sal and Siali by using Bio-fuelled based moulding machine.

3.20 The Committee note with deep concern that during the year 2002-2003, no training/workshop/seminar has been organized for scientific collection, processing, storage and marketing of MFPs. The number of tribals imparted training from April, 2003 to March, 2004 i.e. 174 SHGs and 237 tribals are not adequate keeping in view the fact that most of the tribals still use their traditional tools and are ignorant about scientific methods of collection and harvesting of MFPs. The Committee also observe that during the year 2004-2005, only 20 SHGs have been trained in scientific collection and harvesting of Honey in Karnataka; 24 tribal women in Hill Broom making at Jagdalpur and 213 tribals in making plates and bowls from Sal and Siali leaves by using bio-fuel based moulding machines. The Committee express their dissatisfaction at the decline in the number of training programmes held during the previous years and desire that the Ministry/TRIFED should organize training programmes, workshops and seminars for the skill upgradation, revenue generation, value addition, usages of latest tool kits, scientific practices for pre & post harvest management on a large scale. The Committee also recommend that the Ministry should pursue the States to organize awareness generation and training programmes regarding scientific collection and harvesting of MFP as well as provide adequate funds for the same so that the poor tribals who mainly depend on MFP are able to reap the harvest to the maximum.

D. COORDINATION BETWEEN MINISTRY AND STATE TRIBAL DEVELOPMENT COOPERATIVE CORPORATIONS

3.21 The Ministry have informed that they have been providing funds to the State Tribal Development Cooperative Corporations since 1992-93 basically for their minor forest produce operations. Besides, TRIFED had been engaged in procurement and marketing of commodities till 2002-2003. Majority of the procurement of commodities (especially MFPs) were undertaken through the State Tribal Development Cooperative Corporations and Forest Development Corporations as the rights of collection were vested with the STDCCs/FDCs.

3.22 The Committee desired to know how the Ministry coordinate with STDCCs for procuring minor forest produce of the tribals and rendering marketing assistance wherein they have been informed that TDCCs being State owned bodies, procurement and marketing of MFP at the execution level remains with the STDCCs themselves, governed largely by policies and decisions of the State Government taken from time to time.

3.23 When enquired about proper coordination with STDCCs and TRIFED for development of the MFP sector, analysing of proposals from State Governments, technological inputs and expertise in research and development, the Ministry have stated that coordination between STDCCs and TRIFED has been suggested by the Ministry from time to time. Member representatives of the STDCCs attend board meetings of TRIFED and the matters requiring coordination or tie ups between STDCCs and TRIFED are sorted out at that level. TRIFED have provided R&D inputs to STDCCs which have been appreciated by some.

3.24 In reply to a query, the Ministry have informed about the measures that can be undertaken to ensure proper coordination between STDCCs and TRIFED as under:-

- a) The procurement of MFPs and their trade fall within the ambit of the States. Hence, TRIFED in its changed role direction can share market intelligence with the Corporations for augmenting their volume of trade.
- b) As per the provisions of the scheme TRIFED has nominated officers on the Board of the State Corporations. The State TDCCs on their part should invite the nominees invariably so that the views can be shared.
- c) This Ministry have formulated a draft “Scheduled Tribes (Recognition of Forest Rights) Bill, 2005” to recognize and vest the forest rights and occupation of forest land in the forest dwelling Scheduled Tribes who have been residing there for generations and who are integral to the very survival and sustainability of forest eco system including wild life but whose rights could not be recorded so far.
- d) Proper implementation of the provisions of the PESA Act, 1996 would help in better realization of MFPs on part of the Gram Sabhas. Ministry is already working in this line for conferring ownership rights of MFPs to the Scheduled Tribes in the manner as stated above.

3.25 The Committee note that procurement and marketing of MFPs at the execution level remains with the STDCCs and are largely governed by policies and decisions of the State Governments. The Committee, however, feel that there are lots of areas where the Ministry/TRIFED can work together like development of the MFP sector, analyzing of proposals from the State Governments, technological inputs and in the field of research and development. The Committee, therefore, urge the Ministry/TRIFED to (i) maintain proper coordination with the STDCCs by providing market intelligence thereby augmenting the volume of trade of the STDCCs; (ii) ensure that nominees to the Board of STDCCs attend the meetings regularly; (iii) provide R&D inputs to STDCCs; (iv) persuade the States to implement the provisions of the PESA Act, 1996 and (v) confer ownership rights of MFPs to the Scheduled Tribes.

E. OBSTACLES IN CARRYING OUT MINOR FOREST PRODUCE OPERATIONS

3.26 The main obstacles faced by the STDCCs in carrying out their operations are:-

- i. financial constraints
- ii. lack of awareness among the tribals on collection, storage, grading, primary level value addition and prices of MFPs in primary markets.
- iii. unorganised market of MFPs
- iv. seasonal fluctuations in crop product

3.27 Although the Ministry have been providing grants under the scheme to the States, the State Governments have to take proper care in creating awareness about collection, storage as well as primary level value addition of MFPs amongst tribals so that they can reap the harvest.

3.28 The Committee desired to know about taxes/forest levies for trading in MFPs wherein they have been informed that it is governed by the Statutory levies imposed by the State from time to time.

3.29 On being asked whether movement restrictions are imposed on MFPs resulting in lower price realisation by tribal collectors as well as efforts made by them/STDCCs for abolition of the same, the Ministry have stated that as per the information received from the States, no blanket restrictions are imposed on the trading of MFPs. Some States in fact have also waived the fees leviable on transit of such MFP. However, under the rules made *vide* Indian Forest Act and relevant State Forest Acts, there are regulatory provisions such as transit rules which are statutory in nature. These vary from State to State.

3.30 When asked whether the issue of waiving the taxes/forest levies for trading in MFPs has been taken up with the State Governments, the Ministry have stated that

they are yet to take up the matter with the States. However, the issue of conferring ownership rights over MFP to the Scheduled Tribes has been taken up.

3.31 The Committee enquired about the States which have waived the fees leviable on transit of MFP wherein the Ministry have informed that as per the available information, in Orissa, there is no restriction for movement of MFP items in the State. In Rajasthan, Madhya Pradesh, Gujarat and West Bengal also there is no movement restriction. In Meghalaya, tax and levies on transit pass are imposed on the movement of MFPs.

3.32 The Committee express concern over the fact that STDCCs are facing a number of obstacles in carrying out their MFP operations viz, financial constraints, lack of awareness among the tribals in the collection, storage, grading, primary level value addition, unorganized market of MFPs etc. The Committee further note that under the Indian Forest Act and relevant State Forest Acts, regulatory provisions such as transit fees are statutory in nature. However, States like Orissa, Rajasthan, Madhya Pradesh, Gujarat and West Bengal have waived the fees leviable on transit of such MFP. The Committee desire that the remaining States should be pursued to abolish the taxes/forest levies for trading in MFPs and urge the Ministry to take up the issue with the State Governments on priority basis.

New Delhi:
8 December, 2005
17 Agrahayana, 1927 (Saka)

**SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Social Justice and
Empowerment**

ANNEXURE - I

MFPs FOUND IN VARIOUS STATES

Sl. No.	Name of the State	Name of MFPs found in the State	
		MFP under Monopoly rights	MFP under non-monopoly rights
1.	Andhra Pradesh	Adda Leaf, Wild Broom, Hill Broom, Shikakai, Amla, Cleaning Nut, Chironjee, Rock Bee Honey, Apiary Honey, Kusum Oil seed, Myrobalan, Mahua seed, Mahua Flower, Marking Nut, Nux Vomica, Naramamidi Bark, Pungam Seed, Sarp Gandha Roots, Soap Nut, Honey Wax, Gum Karaya, Tamarind, Tamarind Seed, Teripods, Maredur, Gaddalu, Sugandhipala, Tendu Leaves	All MFPs nationalized/under monopoly Department
2.	Assam		Agarwood, Amla, Cane, Chirata, Chini, Hill Broom, Honey, J.C.Grass, Safed Musli, Sal Dhuna, Sal Seed, Sial Flower, Tej Patta
3.	Arunachal Pradesh		Agarwood, Amla, Cane, Chirata, Chini, Hilli Broom, Honey, J.C.Grass, Safed Musli, Sal Dhuna, Sal Seed, Sial Patta
4.	Bihar	Sal Seed, Mahua Seed, Tendu Leaves Myrobalan and Lac	Kusum Seed, Karanj Seed, Palas, M Bahera, Amla, Gum Karaya, Dharua Gum, Broom Grass, Sawai Grass, P Tassar Cocoon, Katha, Leaves of M Medicinal Herbs.
5.	Chhattisgarh	Tendu Leaves, Myrobalan, Sal Seed, Gums.	Mahua Seed, Mahua Flower, Tamar Seed, Karanji Seed, Lac, Amchur, Man Seed, Karkatya, Peng Seed, Bheda, Gh Cashew Nut, Shikakai, Bibiding, Bamb Phool, Cocoons, Phool Bahari, Bhilw Bantulsi.
6.	Gujarat	Timru Leaves, Mahuda Flower, Mahuda Doli, Kadaya Gum, Dhavada Gum, Baval Gum, Moina Gum, Salai Gum, Gugal Gum, Gandabaval Gum, Gorad Gum, Khair Gum, Khakhar Gum	Puwad Seed, Hareda, Baheda, Amla, S Honey
7.	Himachal Pradesh	Resin, Bamboo and Khair	About 42 Medicinal Herbs
8.	Jharkhand	Sal Seed, Mahua Seed, Tendu Leaves, Mahulan Leaves, Myrobalan, Baheda	Mahua Flower, Karanj Seed, Kusum Tassar, Cocoons, Neem Seed, Ber, A Seed, Chiraita, Arjun Bark, Kurji, Sa

			Bamboo, Honey, Bahera, Nux-Vomica, Tamarind
9.	Karnataka	No MFP is Nationalised but the produce has to be traded in the regulated Mandis	Black Pepper, Tamarind, Shikakai, Soap Nut
10.	Kerala	No MFP is Nationalised	Black Pepper, Small Cardamom, Cinnamon, Shikakai and Amla
11.	Madhya Pradesh	Tendu Leaves, Sal Seed, Kullu Gond	Baheda, Aonla, Nagarmotha, Belguda, Katcheri, Gudmar, Safed Musli, Go. Palas Flower, Harra, Chirota Seed, Chirata, Neem, Keokand, Kalihari, Rasa Gra. Mahua Flower, Ashwaganda, Bibidi Cocoon, Bhilwa Seed, Mahua Seed Leaves, Kali Musli, Imli
12.	Maharashtra	Mahua Flower, Mahua Seed, Gum, Myrobalan, Chironjee, Amla Seed, Cleaning Nuts, Beleric Myrobalan, Pungam Seed, Indian Laburnam, Tamarind Pulp, White Musli, Black Musli, Ceilin Oak, Phisicnut, Foetid Cassia, Purple Floabane, Indian Bedellium, Nux Vomica, Shikakai, Soap Nut, Marking Nut, Jaquirily, Cashew Nut, Hill Broom, Vavading, Baphali, Mango Kernel, Neem Seed, Tamarind Seed, Palas Lac, Dry Grass.	
13.	Manipur		Agarwood, Amla, Cane, Chirata, Chini, Hill Broom, Honey, Myrobalan, Dhuna, Siali Leaf, Stone Flower, Tez Patta
14.	Meghalaya		Amla, Chirata, Chopchini, Cocoons, Honey, Wild Peple, Myrobalan, Safed Musli, Dhuna, Stone Flower, J.C. Grass, Tez Patta
15.	Mizoram		Amla, Cane, Chirata, Cocoons, Hill Broom, Siali Leaf, Stone Flower
16.	Nagaland		Amla Chirata, Chopchini, Cocoons, Honey, Myrobalan, Safed Musli, Sal Seed, Stone Flower, Tej Patta, J.C. Grass, Jabarang
17.	Orissa	Sal Seed, Kendu Leaves	Tamarind, Mahua Flower, Hill Broom, Phulajhadu, Broom Grass, Nux Vomica, Amla, Soap Nut, Marking Nut, Cleaning Nuts, Sawai Grass, Mango Kernel, Cotton, Arrow Root, Dhatuki Flower, Jada Or Gaba, Palasa Seed, Siali Leaf, Benachera, Bena Hladi, Bana Kolathana Seed, Tala Makhana Seed, Baidanka Seed, Kamala Gundi Fruit, Landa Banguli, Pata, Rohini Fruit, Bhurasunga Fruit, Phenephena Fruit, Sidha Fruit, Sathaba Fruit, Khelua Lai, Suam Lai, Eksira Fruit, K...

			Anata Mula, Anatia Pata, Nageswar Atundi Fruit, Mahula Seed, Kusum Se Seed, Char Seed, Chakunda Seed, Babu
18	Rajasthan	Tendu Patta	Kanji, Mahua Phool, Areetha, Anwala Gond Salar, Gond Kadaya, Gond Babo Musli, Bichhu Kanta, Kemech Beej, G Gondal, Shahad, Mom, Gond Kher, La Baheda Chahal, Palas Beej, Gond Shatawari, Chitrak Chhal, Aducha Patt.
19.	Sikkim		Amla, Chirata, Hill Broom, Honey, Sto
20.	Tamil Nadu	No MFP is Nationalised. Tamil Nadu Forest allots the MFP units to societies/tribal societies.	Tamarind, Shikakai, Soap Nut, Hor Pungam Seed, Sambai Grass, Neem Lemon Grass, Broom Grass Cashew, C
21.	Tripura		Amla, Cane, Chirata, Hill Broom, F Leaf, Stone Flower, Wild Peple, Agarw
22.	West Bengal	Sal Seed, Tendu Leaves, Mahua Seed, Neem Seed	Lac, Tassar Cocoon, Honey, Bees V Sabai Grass, Kurchi, Palas, Ber, Bah Gaj Pipal, Sarpgandha, Arjun Bark, Ba

ANNEXURE II

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT HELD ON 24TH SEPTEMBER 2004.

The Committee met from 15.00 hrs. to 16.15 hrs. in Committee Room
'E', Parliament House Annexe, New Delhi.

PRESENT

Smt. Sumitra Mahajan - Chairperson

MEMBERS

LOK SABHA

2. Shri M. Appadurai
3. Shri Ashok Argal
4. Smt. Susmita Bauri
5. Shri Mahaveer Bhagora
6. Shri Sanat Kumar Mandal
7. Shri Kailash Meghwal
8. Shri Rupchand Murmu
9. Shri Jual Oram
10. Shri Rameshwar Oraon
11. Shri T. Madhusudan Reddy
12. Dr. R. Senthil
13. Smt. Krishna Tirath
14. Smt. Usha Verma

RAJYA SABHA

15. Smt. Jamana Devi Barupal
16. Shri Silvius Condpan
17. Shri R.S. Gavai
18. Dr. Narayan Singh Manaklao
19. Shri Dharam Pal Sabharwal
20. Smt. Savita Sharda
21. Shri Tarlochan Singh
22. Shri Veer Singh

SECRETARIAT

1. Shri R.C. Ahuja - Joint Secretary
2. Shri R.K. Saxena - Deputy Secretary
3. Shri Bhupesh Kumar - Under Secretary

REPRESENTATIVES OF THE MINISTRY OF TRIBAL AFFAIRS

- | | | | |
|----|----------------------|---|----------------------------|
| 1. | Dr. A.V.S. Reddy | - | Secretary |
| 2. | Shri S.Chatterjee | - | Joint Secretary |
| 3. | Dr. Ramesh Chandra - | - | Director |
| 4. | Mrs. V.S. Rao | - | Managing Director, TRIFED |
| 5. | Shri Kush Verma | - | Executive Director, TRIFED |

At the outset, Hon'ble Chairperson welcomed the Secretary and other officials of the Ministry of Tribal Affairs and drew their attention to the subject "Grants-in-aid to State Tribal Development Cooperative Corporations for minor forest produce operations", selected by the Committee for detailed examination. Hon'ble Chairperson observed that the State Governments are not in a position to finance the activities of STDCCs and hence the Corporations and TRIFED were cash starved. She therefore desired to be apprised of the concrete steps taken by the Government to make the STDCCs financially viable so that they could function as a healthy tool to improve the condition of tribals and achieve the avowed goal of procuring the minor forest produce as well as assist the tribals in marketing of the same.

3. The members also raised queries on various points including (i) financial performance under the scheme (ii) monitoring and evaluation of the scheme (iii) commercial operations (iv) linkage with TRIFED and other cooperative societies (v) elimination of private traders/middleman (vi) obstacles in carrying out MFP operations, giving ownership rights to Tribals to cultivate, procure and sell the Minor Forest produce etc. The representatives of the Ministry responded to the queries of the members.

4. Hon'ble Chairperson thanked the Secretary and other officials of the Ministry of Tribal Affairs for giving valuable information to the Committee on the subject and expressing their views in a candid manner.

5. The Committee also decided to have an on-the-spot study visit to some tribal areas to have an interaction with the tribals on the problems and difficulties faced by them in procuring the minor forest produce.

6. A verbatim record of the proceedings was kept.

The Committee then adjourned.

ANNEXURE III

MINUTES OF THE NINETEENTH SITTING ON THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT HELD ON 25th May 2005.

The Committee met from 11.00 hrs. to 12.40 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Smt. Sumitra Mahajan - Chairperson

MEMBERS

LOK SABHA

2. Smt. Susmita Bauri
3. Shri Mahaveer Bhagora
4. Shri Eknath M. Gaikwad
5. Shri Sanat Kumar Mandal
6. Shri Kailash Meghwal
7. Shri Rupchand Murmu
8. Shri T. Madhusudan Reddy
9. Shri Daroga Prasad Saroj
10. Dr.R. Senthil

RAJYA SABHA

11. Shri Silvius Condpan

12. Dr. Narayan Singh Manaklao
13. Shri Dharam Pal Sabharwal
14. Shri Tarlochan Singh

SECRETARIAT

1. Bhupesh Kumar - Under Secretary

REPRESENTATIVES OF THE MINISTRY OF TRIBAL AFFAIRS

Sl.No.	Name of the Officer	Designation
1.	Smt. P. Jyoti Rao	Secretary
2.	Shri S. Chatterjee	Joint Secretary
3.	Shri Rajiv Kumar	Joint Secretary
4.	Shri Wilfred Lakra	MD, TRIFED
5.	Shri R.S. Meena	ED, (I/C) TRIFED
6.	Dr. R.M. Dubey	Director

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee, Secretary and other officials of the Ministry of Tribal Affairs and drew their attention to the subject "Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for minor forest produce operations" which has been selected by the Committee for detailed examination. She observed that Minor Forest Produce (MFP) is an important source of livelihood for the poor tribals living in the forests and enquired whether any specific action plan has been formulated to exploit the existing potential of MFPs in the country in a scientific manner. She expressed the need to address the issue of conferring ownership rights of MFPs on the tribals urgently and has also requested the Ministry to apprise about the steps to be taken to make the STDCCs financially viable, thereby improving their performance.

3. Thereafter the Members raised queries an important topics relating to (i) Financial performance of STDCCs in terms of funds released and utilization certificates received (ii) Setting up of Scientific Warehouses (godowns) and processing industries for value addition etc. (iii) Ownerships rights of forests and MFPs to the tribals, (iv) Monopoly of MFP Markets by private traders/middlemen etc. The Secretary and other officials of the Ministry responded to the queries raised by the Members.

4. Hon'ble Chairperson thanked the Secretary and other officials of the Ministry for giving valuable information to the Committee on the subject in a candid manner. She also directed the Secretary to send written replies to the queries of the Members on which ready information was not available with them during the evidence.

5. A verbatim record of the Proceedings has been kept.

The Committee then adjourned.

ANNEXURE-IV

MINUTES OF THE EIGHTH SITTING ON THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT HELD ON 8th DECEMBER, 2005.

The Committee met from 1500 hrs. to 1630 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Smt. Sumitra Mahajan - Chairperson

MEMBERS

LOK SABHA

15. Shri Mahaveer Bhagora
16. Shri Eknath M. Gaikwad
17. Shri Sanat Kumar Mandal
18. Dr. R. Senthil
19. Smt. Pratibha Singh
20. Shri Lalit Mohan Suklabaidya
21. Smt. Usha Verma

RAJYA SABHA

22. Smt. Jamana Devi Barupal
23. Dr. Narayan Singh Manaklao
24. Shri Dharam Pal Sabharwal
25. Shri Tarlochan Singh

SECRETARIAT

1. Shri R.K. Saxena - Deputy Secretary
2. Bhupesh Kumar - Under Secretary

2. At the outset, Hon'ble Chairperson apprised the Committee that they are meeting to consider and adopt two Draft Reports of the Committee namely, Tenth Report on the subject "Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce Operations" and Eleventh Report on "The Juvenile Justice (Care and Protection of Children) Amendment Bill, 2005."

3. Thereafter, the Committee considered the Tenth Report on the subject "Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce Operations" and adopted the same with the following amendment :

Page No. 23 Para No. 2.7 after the words "The Committee desire that"

add "Members of tribal community should also be represented in the Price Fixation Committees proportionately and "

4.XXX	XXX	XXX
XXX	XXX	

5. The Committee authorized the Chairperson to finalize and present the reports on their behalf to the Parliament.

The Committee then adjourned.

APPENDIX

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE REPORT

Sl.No.	Para No.	Recommendations/Observations
1.	1.9	<p>The Committee note that Minor Forest Produce is central to the existence of tribal communities. According to the Report of an Expert Committee set up by the Ministry of Environment and Forests in 1999, the amount of MFP produced annually is 1,17,71,850 MT. The study conducted by Insight Management Consultants in the year 2002 had estimated the share of the tribals in the MFP market, except for Tamarind and Honey, to be 100%. The Committee are, however, distressed to note that due to scarcity of MFP resources, there is stiff competition among the tribal MFP collecting families which leads to collection of immature plant parts, leaves, flowers, fruits, bark and roots thereby causing damage to the mother plant and less than optimum return to the forest dependant community. The Committee observe that MFPs are playing a pivotal role in the lives of the forest dependant tribal families but express its serious concern that collection of immature plant parts and unscientific exploitation of MFP resources would ultimately lead to the destruction of the source of livelihood of these tribal families. The Committee are of the view that the existing potential of Minor Forest Produce should be exploited economically and scientifically so that they remain as a sustainable and renewable source of income for the tribal families. The Committee, therefore, recommend that the Ministry should pursue with the States to prepare specific action plan for harnessing the existing potential of MFP in their respective States in a scientific manner, provide technological inputs for value addition to Minor Forest Produces and undertake procurement activities with improved methods. The Committee also desire that the Ministry/TRIFED should lend their expertise to the States for preparation of specific action plans and in their procurement operations so that Minor Forest Produce continue to be a viable and self- sustaining source of income for the forest dependant tribal families for many generations to come.</p>
2	1.15	<p>The Committee find that State Tribal Development Cooperative Corporations (STDCCs), whose main function is to procure MFPs, are functioning in fourteen States at present. In some States, certain MFP items are procured and marketed by State Forest Development Corporations, MFP Development Cooperative Federations, other State Government organizations like MARKFED, Large Area Multipurpose Projects (LAMPs) Societies etc. The Committee are not happy with this situation. They strongly feel that in the absence of STDCCs, the poor</p>

		tribals would not be able to procure and market the produce effectively and would also not get remunerative prices. The Committee, therefore, urge the Ministry to vigorously persuade the remaining States to set up STDCCs in their States at the earliest so that MFPs are procured from the tribals and marketed at remunerative prices thereby benefiting them.
3	1.16	The Committee note that due to limited number of officials in the Ministry, the nominees of the Central Government have not been able to attend the Board meetings of STDCCs on a regular basis. The Committee are of the opinion that proper coordination is to be maintained between the Ministry and TRIFED on one hand and the State Tribal Development Cooperative Corporations on the other for their effective functioning. The Committee, therefore, desire that the nominated members of the Ministry should attend the meetings of the Board of Directors of STDCCs regularly, acquaint themselves with the overall functioning of the State bodies and ensure better coordination between the Ministry and STDCCs/TRIFED.
4	1.30	The Committee note that during 2005-06 the overall budgetary allocation of the Ministry has been enhanced by more than Rs.352 crore. However, out of the enhanced allocation, Rs.230 crore has been earmarked exclusively for development of forest villages and Rs.50 crore for providing irrigation facilities in tribal areas. Also allocation under the Post Matric Scholarship Scheme has been increased due to enhanced rates of scholarship. As a result allocation under other schemes including the schemes of STDCCs has either been kept at par with 2004-05 or has been reduced. The Committee further note that though the demand for funds from the States is larger than the allotment under the scheme, the inter-scheme allocations are made on the basis of the allocations given by the Planning Commission to the Ministry. The Committee further note that in some cases even the funds released by the Ministry under the scheme are released by the State Governments to their Corporations in a delayed manner. The Committee are of the view that grants-in-aid for STDCCs Scheme should be enhanced adequately to cover the potential of MFPs in States and make them financially viable. The Committee, therefore, recommend that the Ministry should approach the Planning Commission to give due priority to the STDCCs Schemes by allocating more funds specifically for Corporation's schemes within the overall budgetary allocations of the Ministry. The Committee desire that the Ministry should ensure that the grants-in-aid released to the States are actually utilized for procurement of minor forest produce. The Committee also urge the Ministry to pursue with the States to provide funds to their Tribal Development Cooperative Corporations without any delay as well as submit proposals complete in all respects and utilization

		certificates of earlier funds released to them in time and regularly.
5	1.31	The Committee are constrained to note that most of the funds of the STDCCs are spent on salaries as there are no separate provisions for the establishment expenses of the STDCCs including TRIFED. The Committee have been apprised that meeting the expenditure on establishment and administrative matters is the responsibility of the States. The Committee, therefore, urge the Ministry to persuade the State Governments to make separate provision for meeting establishment costs either through Plan or Non-Plan budget and ensure that the funds released to the STDCCs are utilized in MFP operations.
6	1.32	The Committee regret to note that STDCCs are obtaining loans from Banks and repaying them with interest to increase their presence in the trade of MFPs including Haat Bazars. The Committee express apprehension that this practice will not be in the best interest of the poor tribals depending on collection of MFP for their livelihood. The Committee, therefore, urge the Ministry to impress upon the States to examine the commercial viability of MFPs thoroughly before taking loans from Banks and strictly adhere to prudent business practices.
7	1.38	The Committee note with concern that most of the States are enjoying monopoly rights for the collection of MFPs. The States have devised varying procedures of procurement through different agencies at the grass-roots level, including Large Area Multi-purpose Projects and other primary level cooperative societies. The Committee are, however, of the firm view that the poor tribal collectors of MFPs will be optimally benefited if they are allowed to collect and sell MFPs through Cooperatives or Self Help Groups formed by them. The Committee, therefore, urge the Ministry to direct the States and their Corporations to assist the tribals in forming Cooperatives or Self Help Groups while providing the infrastructural support and acting as a facilitator for the marketing of the MFPs.
8	1.39	The Committee note that markets explored by the STDCCs are generally local and national in nature and MFPs are sold without much value addition. TRIFED has, to some extent, played a role in the international trade of commodities including Niger Seed, Gum Karaya, Mustard DOC etc. The Committee desire that the Ministry/TRIFED should assist the STDCCs in educating the tribals about marketing channels, market knowledge regarding weights and measures, costing and quality control and also explore the avenues for sale of MFPs in international markets on a larger scale. The Committee, therefore, urge the Ministry to play a proactive role in the marketing of MFPs by providing market intelligence about their

		<p>products, rendering export related services, opening of Export Facilitation Centres to enable the STDCCs to sell their products and adopting direct selling through outlets of TRIBES under a national brand. The Committee also desire the Ministry to lay down guidelines for exploring the national as well as international market to expand the scope for the supply of MFPs and export of the same to other countries.</p>
9	2.7	<p>The Committee are constrained to note that there is no uniformity in fixing the price of MFPs amongst the States. Generally, the District Authorities fix the prices of the MFPs through their Price Fixation Committees in consultation with the relevant bodies, including the representatives from the STDCCs/FDCs, etc. However, the details of the price fixation Committees are not available with the Ministry as well as TRIFED. The Committee desire that members of tribal community should also be represented in the Price Fixation Committees proportionately and the States should adopt (as far as possible) common minimum prices for the minor forest produce of the tribals and urge the Ministry to pursue the matter with the States so that the issue is resolved and implemented at the earliest.</p>
10	2.8	<p>The Committee express serious concern over the fact that minimum support price is not available for the MFPs of the tribals as is available for other commodities in the agriculture sector through Agricultural Price Commission. TRIFED has recently taken up the issue with the Ministry of Agriculture as well but they are yet to respond to the proposal. The Committee feel that there is an urgent need to bring the minor forest produce under the ambit of minimum support price as they are the main source of livelihood and income for a majority of the tribal people. The Committee, therefore, urge the Ministry to earnestly pursue the nodal Ministry, i.e. Ministry of Environment and Forests and also the Ministry of Agriculture to fix minimum support prices for the MFPs of the tribals, in consultation with concerned State Governments so that the tribals could get proper value for the forest produce collected by them.</p>
11	2.18	<p>The Committee are dismayed to note that the forest-dwelling Scheduled Tribes, who have been residing there for generations and are dependant on MFP for their livelihood are still not enjoying ownership of their MFP</p>

		<p>mostly due to ambiguity in the definition of the term 'Minor Forest Produce'. The Ministry have informed that they are in the process of finalizing a draft "Scheduled Tribes (Recognition of Forest Rights) Bill, 2005" to recognize and confer ownership rights to the forest dwelling Scheduled Tribes. The Committee urge the Ministry to clearly define the term "Minor Forest Produce" and bring within the ambit of the term 'MFP' all the traditional minor forest produce in the Bill. The Committee further desire that in order to recognize and vest the forest rights and occupation of forest lands to the forest-dwelling Scheduled Tribes, the Ministry should finalise the "Scheduled Tribes (Recognition of Forest Rights) Bill, 2005", in consultation with the Ministry of Environment and Forests and concerned Departments/States and bring it to the Parliament at the earliest.</p>
12	2.19	<p>The Committee further note that for finalizing a Model Bill for conferring ownership rights in respect of MFP on forest dependant communities, the Ministry of Environment and Forests have sought the comments of concerned Ministries, including the Ministry of Tribal Affairs in this regard. Keeping in view the fact that the Ministry of Tribal Affairs is the nodal Ministry concerned with the welfare and development of the Scheduled Tribes, majority of whom live in forests and depend on MFP for their sustenance, the Committee urge the Ministry to lend their expertise to the Ministry of Environment and Forests and actively involve themselves in the drafting of the Bill.</p>
13	2.20	<p>The Committee note that though the Panchayats (Extension to Scheduled Areas) Act, 1996 gives the rights of ownership of MFP to the respective Panchayats/Gram Sabhas and is applicable to all the Scheduled areas, yet it has not been implemented by the States in the right spirit. The Committee, therefore, urge the Ministry to pursue the States to amend their legislations in accordance with the PESA Act, 1996 so that ownership rights of MFPs is conferred on the Panchayats/Gram Sabhas and the poor Scheduled Tribe families living in the forests are not deprived of their source of livelihood.</p>
14	2.28	<p>The Committee note with deep concern that marketing of minor forest produce remains unorganized mainly in the hands of private traders/middlemen. Out of Rs. 650 crore worth of MFPs available in the country, 60 per cent is going into the hands of the unorganized sector and private traders or middlemen while not even 30 per cent is procured by Government agencies. The Committee have also been informed that only Gujarat, Rajasthan and West Bengal have stated that there are no instances where private traders or middlemen do not allow tribals to reap</p>

		<p>the harvest of their MFPs. The Committee strongly feel that monopoly of the MFP market by private traders, legally or illegally owing to inadequate control being exercised by State agencies, should be curtailed. The Committee, therefore, urge the Ministry to vigorously pursue the STDCCs to play an active role in the collection and marketing of MFPs and regulate their operations with strict administrative control and effective management techniques. Proper coordination among field level agencies involved in MFP operations should be ensured. The Committee also desire that the Ministry should take immediate steps to form a consortium of State TDCCs which will organize periodic buyers-sellers meet thereby enabling the tribals to get proper price for their MFPs and also minimize the monopoly of the MFP markets by private traders/middlemen. Steps taken in this regard may be communicated to the Committee.</p>
15	2.29	<p>During their on the spot study visit to Adilabad in November, 2004 the Committee observed that the tribals are getting very low price for their MFP, though the same is being sold at a much higher price in the open market. The tribal collectors of MFPs are not getting any subsidy or marketing support. The Committee are not happy with the situation and desire that the State Governments or its Corporations should provide adequate marketing support to the tribals and take steps to ensure that they are able to reap the full benefits accruing from the sale of MFP. The Committee, therefore, urge the Ministry to take stringent steps to minimize the role of Private Traders in the MFP market and ensure maximization of returns to the Scheduled Tribes.</p>
16	3.6	<p>The Committee note that the tribals living in the forest are engaged in MFP operations in accordance with their traditional wisdom using tools like axes, chisels, etc. for collection of minor forest produce and are not updated with the latest technologies in this regard. Due to overall resource constraints, TRIFED and STDCCs are not in a position to provide adequate technological aids and tools. The Committee, however, desire that the Ministry should pursue the State Governments and their Corporations to take necessary action for imparting training to the tribals in the application of modern tools, scientific methods of collection, processing, storage and marketing of MFPs and also provide tool kits and technological aids to them. TRIFED, as the nodal organization should develop standard norms for the MFPs so that their market could be expanded considerably. The Committee also recommend that the Ministry should assist the STDCCs in setting up common facility centres/vocational training centres in tribal clusters which could be utilized for imparting training regarding scientific methods of collection, value addition and storage besides marketing of the MFP of the tribals.</p>

17	3.15	<p>The Committee regret to note that most of the STDCCs are not having the facility of Research and Development for enhancing the quality of MFPs, which would commensurately enhance the marketability of MFPs. Only two State bodies i.e. Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation have involved themselves in Research and Development works. The Committee are of the view that the tribals depending on MFP would be able to derive maximum income through marketing of their minor forest produce only after refining the quality and value addition of the MFPs and desire that the STDCCs should focus on Research and Development to enhance the marketability of the MFPs. The Committee, therefore, recommend that the Ministry should render financial assistance to augment the Research and Development efforts of STDCCs through increased budgetary allocation so that income derived from MFPs may be adequately enhanced. The Committee also desire that TRIFED should provide assistance to STDCCs in setting up Research and Development Centres for value addition activities of MFPs and maintaining strict quality control norms and also to ensure that their products are viable in the competitive market.</p>
18	3.16	<p>The Committee note that the Ministry have sanctioned evaluation studies on 'Procurement and marketing of items of tribal produce marketed by TRIFED during 2003-04' and 'Quantification of State-wise minor forest produces, value addition and backward, forward linkages with the market to ensure enhanced income of the Scheduled Tribes' during 2004-05. The Committee desire that these studies should be completed at the earliest so that the Ministry would be able to plan a wide spectrum of activities pertaining to MFP operations.</p>
19	3.20	<p>The Committee note with deep concern that during the year 2002-2003, no training/workshop/seminar has been organized for scientific collection, processing, storage and marketing of MFPs. The number of tribals imparted training from April, 2003 to March, 2004 i.e. 174 SHGs and 237 tribals are not adequate keeping in view the fact that most of the tribals still use their traditional tools and are ignorant about scientific methods of collection and harvesting of MFPs. The Committee also observe that during the year 2004-2005, only 20 SHGs have been trained in scientific collection and harvesting of Honey in Karnataka; 24 tribal women in Hill Broom making at Jagdalpur and 213 tribals in making plates and bowls from Sal and Siali leaves by using bio-fuel based moulding machines. The Committee express their</p>

		<p>dissatisfaction at the decline in the number of training programmes held during the previous years and desire that the Ministry/TRIFED should organize training programmes, workshops and seminars for the skill upgradation, revenue generation, value addition, usages of latest tool kits, scientific practices for pre & post harvest management on a large scale. The Committee also recommend that the Ministry should pursue the States to organize awareness generation and training programmes regarding scientific collection and harvesting of MFP as well as provide adequate funds for the same so that the poor tribals who mainly depend on MFP are able to reap the harvest to the maximum.</p>
20	3.25	<p>The Committee note that procurement and marketing of MFPs at the execution level remains with the STDCCs and are largely governed by policies and decisions of the State Governments. The Committee, however, feel that there are lots of areas where the Ministry/TRIFED can work together like development of the MFP sector, analyzing of proposals from the State Governments, technological inputs and in the field of research and development. The Committee, therefore, urge the Ministry/TRIFED to (i) maintain proper coordination with the STDCCs by providing market intelligence thereby augmenting the volume of trade of the STDCCs; (ii) ensure that nominees to the Board of STDCCs attend the meetings regularly; (iii) provide R&D inputs to STDCCs; (iv) persuade the States to implement the provisions of the PESA Act, 1996 and (v) confer ownership rights of MFPs to the Scheduled Tribes.</p>
21	3.32	<p>The Committee express concern over the fact that STDCCs are facing a number of obstacles in carrying out their MFP operations viz, financial constraints, lack of awareness among the tribals in the collection, storage, grading, primary level value addition, unorganized market of MFPs etc. The Committee further note that under the Indian Forest Act and relevant State Forest Acts, regulatory provisions such as transit fees are statutory in nature. However, States like Orissa, Rajasthan, Madhya Pradesh, Gujarat and West Bengal have waived the fees leviable on transit of such MFP. The Committee desire that the remaining States should be pursued to abolish the taxes/forest levies for trading in MFPs and urge the Ministry to take up the issue with the State Governments on priority basis.</p>