
NON-TIMBER FOREST PRODUCTS AND
TRIBAL LIVELIHOODS IN NORTH CHHATTISGARH

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INTRODUCTION ■

Grassroots Institute aims to strengthen the grassroots action for social change through mainstreaming innovative learning. Grassroots Institute has been established to support the grassroots action for change by training, research, skill upgradation, linkage building and networking. Created under Grassroots India Trust, a registered charity, Grassroots Institute principally works in India and other countries of Indian subcontinent through one or more modes of activities.

Grassroots Institute conducted a study in North Chhattisgarh on NTFPs with partial support of FYF, UK. The study was conducted in Sarguja district during later half of 2005. This paper is an outcome of that study.

North Chhattisgarh, chiefly constituted by Sarguja, Korias and Jashpur districts, represents actually the northern-forested plateau of the new province that is inhabited by tribes typically living in relatively remotest tracts. Jungle and tribes are complimentary to each other. The conservationists although renounce that the tribes depend on the forests for their survival; yet it can be seen at least in Chhattisgarh that the forests depend on tribes for its survival. Otherwise, it is commonly observed that forests only exist wherever the tribes protect the jungle. Jungles that have gone into the hands of non-indigenous communities have wiped out. Scientific analysis of this symbiotic relationship between adivasis and jungles is quite elaborative. For layman's notice, the very richness of biodiversity, culture and natural resources in forests that is safeguarded by tribes is adequate.

Despite the fact that external agencies have different opinions about the poverty (which is ambiguous itself and relative in nature) among the tribal groups, the non-timber forest products (NTFPs) do have a large share in household consumptive uses and family incomes. Since the agriculture among majority of tribal groups of Chhattisgarh is either in primitive stage or not so developed, majority of the tribal families rely on the supply of NTFPs from forests and their routine life is almost interwoven around the forests and forest products. Grassroots Institute/ Grassroots (India) Trust ever visualized the tribal livelihoods revolving around NTFPs, so is their development as such. Therefore, understanding on the NTFPs and tribal economy based on it is mandatory in case grassroots NGOs wish to intervene for improving forest-based livelihoods of tribal people. As the family incomes generate out of selling of NTFPs in local markets, so understanding of market of NTFPs seems inevitable. Yet, how and where to intervene in the market chains or how to add value to the forest products as post-harvest methods is extremely important for an NGO seeking improving family incomes. Moreover, the NTFP collector families incur huge loss of incomes due to exploitation perpetrated by the local traders, and unfair trade of nationalized NTFPs and unaccountable governance in NTFP business.

The study aimed at addressing above needs of development intervention among tribal populations of North Chhattisgarh especially Sarguja. This paper eventually includes the excerpts of the study conducted on NTFPs.

Methodology

After preliminary brainstorming on the frame of study, the foremost requirement of the study had to be the *protocol* of the research. For the purpose, the field investigators put forth the idea to be involved in the data collection process as to be acquainted and oriented in gathering information at field level and also to learn the research techniques. Headed by principal investigator the team of 4 field investigators jointly evolved a *research protocol* embodying the detailed parameters/ points that needed to be studied thoroughly. This

protocol provided a map of technical issues involved in the subject as also the time frame for completing the tasks of data gathering. Immediate effect of the protocol preparation exercise was the capacity enhancement of the field investigators. Once the *protocol* became ready the field investigators first testified the decided research instruments in a village called Chilma. The data that was collected in testing exercise had been examined together and some lacunas as well as its correct approach were told. Thereafter, the field investigators went into the sample villages for data collected according to the protocol.

Balrampur block is one of among most forested blocks in Sarguja district. Selecting the block for NTFP study was taken viewing strategic plans to further pursue action in the area. Thus it was decided to sample 3 villages representing the universe of 57 villages in the block. These villages are: Badkimahari, Sarnadih and Tatapani. All villages are situated inside deep forests. A substantial part of data had to be brought from relevant government offices existing in Balrampur and Ambikapur.

Research from the beginning had been conceived 'participatory research'. Villagers participated in the study fully as also other stakeholders like foresters, community leaders, and panchayat representatives. Tools primarily applied were: semi-structured interview, group discussions, informal meetings, transect walks, probes, etc. Field investigators were given freedom to apply appropriate tool to augment the information while following the protocol.

Field investigators carried out the data collection work in all sample villages. Some data also had been brought from forest offices and NTFP traders. This data brought by the field investigators was reviewed once before finalization of data gathering process.

ADIVASIS, FORESTS AND FOREST PRODUCTS ■

Tribals and Forests

Forests are life of tribes. This is particularly true for the adivasis of North Chhattisgarh. Without forests the tribal families cannot withstand their livelihood systems and cultural interface. Tribal people have symbiotic relationships with the forests, which play multiple roles of ecosystem maintenance, economic support, food security and social substrate. A major part of the forests of Chhattisgarh, on which the adivasi people depend for their livelihood, are legally under state's control. The relation between the adivasi people and the forest varies in different parts of the province. Adivasi people in villages close to the forest are relatively more independent than those in the proximity of towns. The people near towns are the more impoverished and depend on wage-labour for a large part of the year. They also gather various forest produce, such as leaves, fibre for rope, or fuel-wood, etc. Though the state tolerates some activities - either due to the limited impact they may have on the forest or the impracticability of patrolling such a vast area - cultivation has been severely clamped down. Up to 60 percent of the people living in villages in Sarguja have cases registered against them by the Forest Department, for clearing forests for cultivation. In the lives of tribes, the non-timber forest products (NTFPs) especially play pivotal role. But the access of tribals to NTFPs is ever curtailed by the state.

By 'forest' is meant a natural ecosystem in which trees are a significant component. However, forest products are derived not only from trees, but from all plants, fungi and animals (including fish) for which the forest ecosystem provides habitat.

Non-Timber Forest Products

NTFPs have been traditionally important. In tribal areas, animal and plant resources derived from forests remain central to subsistence and local economies. The importance of NTFPs goes beyond meeting basic needs. NTFPs are also a rapidly growing market sector. The estimated total value in world trade in NTFP is approximately US \$1,100 million, and the market has grown by nearly 20 percent annually over the last several years. Future development of NTFPs offers potential for increasing income, expanding opportunities, and diversifying enterprises in rural areas. Embarking on an enterprise involving non-timber forest products is an appealing challenge for many rural entrepreneurs. Non-timber forest products represent an opportunity for diversifying and expanding income. Possibilities for a variety of rural enterprises involving not only growing and harvesting, but also value-added processing, packaging, and transport are available in the NTFP trade.

Non-Timber Forest Product (NTFP) encompasses all biological materials other than timber which are extracted from forests for human use.

Most challenging is the marketing of NTFPs. The important marketing elements are dissemination of product and price information; creation of local benefit sharing institutions to market the produce; and creation of marketing institutions at different levels. Village traders and middlemen appear to be performing exploitative role in marketing produce based on NTFPs. However, the scope for cooperative institutional arrangements to share the costs and benefits of direct marketing; to develop a system of regular and up-to-date market information; to ease access to credit and technology; to help local producers organize

themselves to gain advantage in the market; and to promote specific products with comparative advantage is considerable. Local Marketing Cooperatives (or SHGs for that matter) could also engage in basic processing and quality control of NTFPs. Low-volume, high-value products can offer wide scope for cooperative arrangements, particularly in the context of inaccessibility. Such arrangements could also be instrumental in the organization and empowerment of local communities. According to Govt. of Chhattisgarh, the NTFP potential in the state is not fully harnessed because of poor public investments, unsatisfactory infrastructure, lack of scientific inputs and undeveloped market facilities.

What do the NTFPs include?	
Edible plants <ul style="list-style-type: none"> □ Food □ Edible oils □ Spices □ Fodder □ Other edible plants 	Edible animal products <ul style="list-style-type: none"> □ Terrestrial animals □ Animal products □ Fish and aquatic invertebrates □ Other edible animal products
Non-edible plant products <ul style="list-style-type: none"> □ Rattan □ Bamboo □ Sustainably produced wood □ Ornamental plants □ Chemical components □ Other non-edible plant products 	Non-edible animal products <ul style="list-style-type: none"> □ Insect products □ Wildlife products and live animals □ Other non-edible animal products Medicinal products <ul style="list-style-type: none"> □ All medicinal products

Customary Rights over NTFPs

Though there are customary ownership rules with regard to specific forest areas - where villages have usufruct and hunting rights, along with being bound by customary restrictions - the state does not recognize this. In fact, the state actively dissuades the local people from using the forest. Several laws (Indian Forest Acts, 1927; The Wildlife [Protection] Act, 1972) have been enacted to keep people away from the forest. However, the peoples' dependence on the forest, coupled with the lack of alternative sources of livelihood, compels them to overlook these laws. The Forest Department responds by filing legal cases against the "offenders".

Chhattisgarh's Policy on NTFPs

State Government enunciated a State Forest Policy Resolution in November 2001 vide order no F 7-42/2001/F.C. Raipur, dated 22nd October 2001. The policy envisages four segments, viz.; (1) introduction, (2) objectives of forest management, (3) essentials of forest management and (4) strategy to address the issues.

Policy in context of NTFPs stated the following:

Non-Nationalized non-wood forest products (NWFP) including medicinal plants: The forest dependent communities are entitled to collect non-nationalized non-wood forest products including medicinal plants by nondestructive means and sell them in the open market.

Nationalized forest products like tendu patta, sal seed, harra, gum: The forest dependent communities are free to collect tendu patta, sal seed, harra and gum from the forest areas of the state and sell these products to the notified purchase centres of Chhattisgarh Minor Forest Produce Cooperative Federation Ltd. at predetermined rate decided by the Federation. The registered collectors of tendu patta become entitled to get bonus on the profits and group insurance facilities.

STATUS OF NTFP-BASED LIVELIHOODS OF TRIBES ■

Introduction

In recent years, there has been increasing interest in the contribution that forests make as a source of local rural employment and income. This stems from arguments that the contribution is important in terms of both rural livelihoods and sustainable forest management. Research on non-farm rural employment and income as a whole has shown that small-scale production and trading activities in forest products constitute one of the largest parts of rural non-farm enterprise employment. It has also become evident that harvesting and employment of this kind often constitute one of the main demands placed upon forests and other tree resources. This trend has been reinforced by arguments that, as much local forest use comprises non-timber products, it is likely to be less ecologically destructive than timber harvesting, and therefore a sounder basis for sustainable forest management. It is this base upon which this study began concentrating. Findings of the study reveal that the tribal families chiefly rely upon the NTFP collection, which actually fuels the food requirements of household as well as the income necessities.

Types of NTFPs Collected

Study has found that the tribal people of sample villages bring 29 types of NTFPs from surrounding forests, which are enlisted, with their uses, in Annex-I. Out of 29, as many as 3 products are nationalized that are being only sold and not consumed at home; that too to the government's procurement centres. It is important to note that most of the NTFPs being collected do have usage at home even if its have market salability.

Pattern of NTFP Collection

Harvesting of NTFPs is usually done from February till early July (Annex-I), and is suspended during the monsoon when people are fully engaged in agricultural activities, if any. Women constitute the major gatherers of forest products, while medicinal plants (other than commercial ones) are usually collected by few elder men. Most women also take their children to the forest to collect tubers, brushwood, sal and tendu leaves. Availability of NTFPs is not the only factor which determines their collection, different social and economic status are both important contributing factors in determining what is collected and by whom. Rather the market forces determine the type and quantity of NTFP to be collected in a year. There are seasonal restrictions on use of some NTFPs, notably sal, which have a high religious significance. Thus despite the erosion of community management of forest use, religious sanctions still impose some restriction on the use of some species.

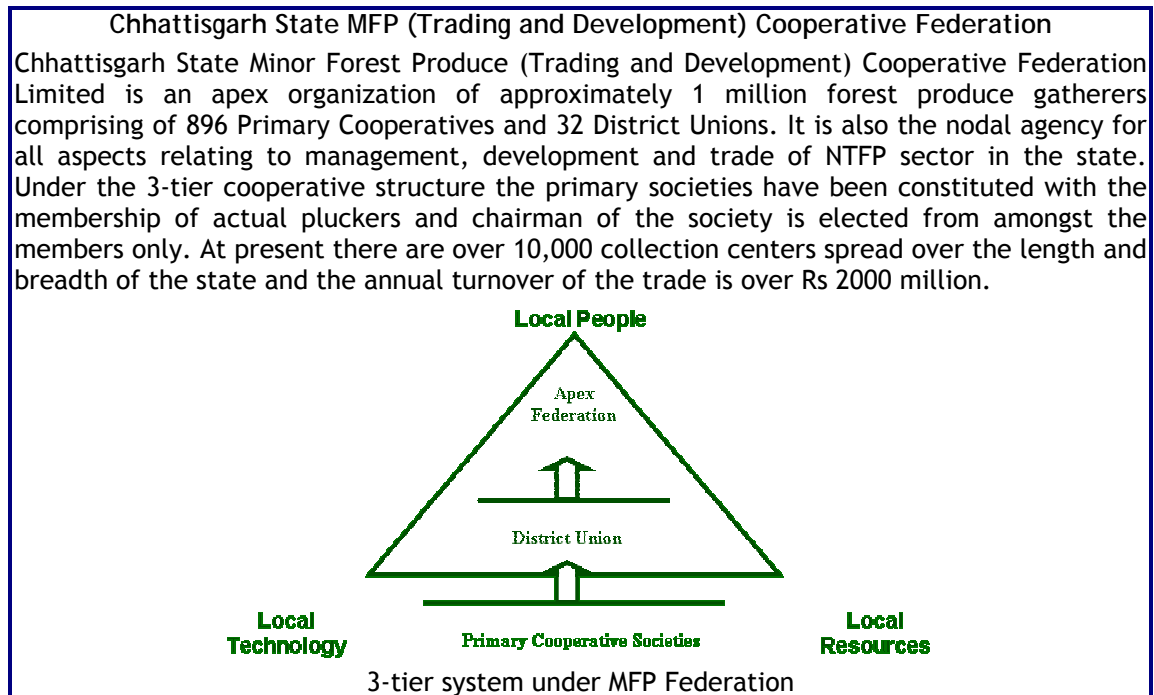
Marketing of NTFPs and Livelihoods

It is well known that all NTFPs collected from forests are not sold in the market, rather only some have market. Study findings revealed that only 16 NTFP items are marketed out of 29 being collected. Of these 16 items, 3 are nationalized and sold to Forest Department only. Before discussing the economics of the NTFPs there is necessity to understand the marketing system of forest products.

Official Procurement System of Nationalized Products

With the intention of helping the poor and tribes the government monopolized the purchase of 3 NTFPs namely tendu leaves, sal seed and harra during 1960-1970. All traders had been eliminated from direct purchase of the produce. After or before procurement of these

products the Forest Department auctions the material and various traders bid. If the forest product is auctioned before procurement, the material is straightaway lifted from procurement centre (locally called as phad). In Balrampur are especially less than half of phad have got auctions while the rests do not get auction before procurement due to inaccessibility of the area and the proneness to heavy insurgency. For the material not auctioned prior to procurement is taken to godowns in Ambikapur from where it is auctioned. *Auctioning before procurement has been introduced for last few years only.* The procurement of the nationalized products is done through 3-tier cooperative system existing at Chhattisgarh level that is explained in box below. At micro level, the smallest unit, known as Primary Forest Produce Cooperative Society, procures the material through its many procurement centres. One centre covers many villages.



From among the sample villages, Badkimahari and Sarnadih fall in the area of Primary Forest Produce Cooperative Society, Badkimahari; whereas Tatapani come in the purview of Primary Forest Produce Cooperative Society, Tatapani. The former society consists of 21 procurement centres (phad), while later has 24 procurement centres. Each procurement centre has an in-charge known as *phad munshi*. Names of office bearers of both the cooperative societies are mentioned in the boxes below.

Executive Body of Badkimahari Society		Executive Body of Tatapani Society	
Mr. Bhawan Singh Nag	Chairperson	Mr. Ram Prasad	Chairperson
Mrs. Nirbachi	Vice-Chairperson	Mrs. Geeta Devi	Vice-Chairperson
Mr. Ramsevak Manjhi	Member	Mr. Jugtu Ram	Member
Mr. Mohan Kavde	Member	Mr. Shiv Kumar	Member
Mr. Tulsiram Baghel	Member	Mrs. Sojai Bai	Member
Mr. Gendlal Deepak	Member	Mr. Sukal Singh	Member
Mr. Mahak Ram	Member	Mr. Shobh Nath	Member
Mr. Sachitra Tekam	Member	Mr. Phool Singh	Member
Mr. Ankal Singh	Member	Mr. Sop Singh	Member
Mrs. Sangateen Bai	Member	Mr. Manik Ram Jain*	Member

* Elected as member of District Union.

Cooperative societies operational in the study area were critically examined with the following observations:

- Cooperative societies have been registered under M.P. Cooperative Societies Act 1960 (XVII of 1961). This Act later repealed and converted into M.P Autonomous Cooperatives Act 1999. Once Chhattisgarh state came into existence, the Act was renamed as Chhattisgarh Autonomous Cooperative Act 1999.
- At times when women chiefly pluck the tendu leaves and collect sal kernels and harra seeds and then bring the material to procurement centres, the women scarcely represent in the executive body of cooperative societies. In both the societies, merely 2 women each represent the body, while men dominate the body. More or less these 2 women members are also the dummy ones. It is also noticed that vice-chairperson is the woman in both the societies, why not the woman is chairperson?
- Among the members of executive body quite many members are non-tribals and even few members are traders themselves, not the collectors. Prominent example is Mr. Manik Ram Jain who is the member of District Union. Moreover, in the District Union the dominance is of traders and politicians at least functionally, if not apparently.
- Payment of the wages is not done in time. The collectors usually get payments after 6 months of the selling of the nationalized produce especially sal seed and harra. There are villages where collectors have not yet received payments for 2-3 years.
- The *phad munshi* is allegedly reported to apply unfair practices in weighing the produce.
- Government is bound to do group insurance of the collectors and pay the relief to the affected families. But the *phad munshis* of both the societies do not file the cases of the deceased families who may get the relief.
- The incomes of the collectors are affected due to many factors. Bonus is not appropriately paid. Other discrepancies in whole trade also ultimately affect the incomes of the families. There is high level of corruption in auctioning of products from godowns of Ambikapur and Raipur that ultimately lowers down drastically the bonus amounts.

Marketing of NTFPs through Private Traders' Network

In all three forest divisions (North Sarguja, South Sarguja and North-East Sarguja), there is a network of village traders. The network decentralizes the task of marketing products to the road-head making it more efficient. Village traders have valuable local knowledge of sources. They often have close relations with collectors and have control over performing marketing functions and hence increase the volume of trade and collection. These traders mostly purchase the NTFP material in weekly markets of the area. For example, in weekly market of Tatapani about 15-20 traders purchase the material. These traders are much organized at local level.

Road-head traders exist in Balrampur and Rajpur from where the NTFP material is sold in Ambikapur and other areas. These road-head traders are quite powerful and often have linkages with party politics. A road-head trader can increase his control over the village trader network, and hence increase the proportion of trade sold to him, by distributing advances which, in turn, are sometimes given to collectors. In theory, the road-head traders can use the network to pass market information to collectors. Some village traders are independent and can choose who to sell to at the road-head. Many have at least a proportion of their trade tied by advances to certain road-head traders.

Micro-Economics of NTFP Collection

Non-nationalized products are purchased in weekly markets during the season. Majority of NTFP items is sold quickly after the collection; hence nothing is stored for sale later. As has been mentioned earlier, only 16 products are sold out of 29. Of them 3 are nationalized, and rest 13 are sold to the private traders rights in the weekly market. Selling months and the rates at which the NTFPs are sold have been mentioned in Annex-II. While understanding the micro-economics of the NTFPs the following observations were made:

- Storage is done of few products such as tamarind, mahua and harra. Remaining all the products are sold soon after the collection.
- Given rates (Annex-II) of different commodities reflect the rates in local market, indicating that the rates must be quite high in road-head market channels and apex channel in the state. It leaves plenty of scope for improvement in collective selling, selling to road-head channels, transportation facilities, and so on.
- Two different rates of the same commodity (Annex-II) indicate that there is lot of scope for post-harvest processing and production of intermediary products from raw products. People usually sell the unprocessed products for which they get lesser prices.
- Local traders heavily exploit the tribal families when they purchase the NTFP material.

Government's Approach on Improving NTFP Trade

Government of Chhattisgarh claimed to have taken the steps to improve NTFP trade. The government in Vision 2010 proposed the action plan of which the steps are described as under:

Exploration of non-timber forest produce

There is a large amount of forest area in the state that is yet to be explored, as an alternative to timber based forest exploration. Medicinal plants, bamboo, lac, honey, etc. are potential areas that would be developed to create opportunities for gainful employment and development of small/ cottage industries.

Appropriate regulatory frameworks and administrative support

The state realizes that appropriate intervention at the policy level would help spur the contribution from the forests. A viable forest policy, which is time bound, would address the needs and sensitivities of the tribals. The policy would follow a clearly set out strategy to promote the development and judicious use of forests. A Minor Forest Produce Costs and Prices committee, constituted in Chhattisgarh, is intended to recommend the Minimum Support Price (MSP) for all NTFPs except tendu leaves. The objective of the committee is to promote competition in NTFP procurement while at the same time protecting tribal interests in *haat* bazaars (weekly markets).

Capacity building

The state is expected to undertake capacity building exercises of institutions involved in the conservation and management of forest and forest produce. It would specifically take steps to strengthen the procurement and marketing linkages of Chhattisgarh MFP Federation in order to increase the revenue generated by NTFPs in the state. It would also take steps to encourage and educate cooperative societies to set-up primary processing centres for forest produce so as to achieve higher value addition and in turn revenue.

Collection of Market Information

The MFP Federation has undertaken activities to collect market information through its various channels and to make them available to the primary forest produce societies so that they may benefit and at the same the collected information also enables the MFP Federation to undertake analysis of the market trends so that it may initiate necessary action to develop the market for the non-timber forest produce.

Certification of Non-wood Forest Produce including Medicinal, Aromatic and Dye Plants

Chhattisgarh State Minor Forest Produce Federation has taken a pioneering step in the field of Certification of non-timber forest produce in the country. The Chhattisgarh Certification Society for Non-Wood Forest Products including Medicinal, Aromatic and Dye Plants (CGCERT) has been registered (Registration no. 405) as an autonomous and independent society under the Chhattisgarh Societies Registration Act, 1973 (44 of 1973) on 18th of September 2003.

STATUS OF TRIBAL RIGHTS OVER FOREST PRODUCE ■

Dwindling Access to Forests

The troubles of tribal people started with the British; realizing the value of the extensive forests in the subcontinent for their navy and commerce they brought large forest areas in the tribal belts under the regime of reserved forests (RF) making them out of bounds for the tribal communities. Since then there have been over hundred revolts in the tribal belts. This forest policy has been continued in free India, and the discontent and unrest in tribal communities continued.

In Sarguja, there is much evidence to show that tribal people's access to NTFPs for meeting their basic subsistence needs has deteriorated. Some of the factors which have caused this are: deforestation, regulatory framework, diversion of NTFPs and forests to industries, nationalization of NTFPs, and exploitation by government agencies and contractors in marketing of NTFPs. Nationalization of NTFPs, done between 1960s and 1970s, with the intention of helping the tribes and poor, has affected their interests adversely. Nationalization actually reduces the number of legal buyers, chokes the free flow of goods, and delays payment to the NTFP collectors, as Forest Department fails to make prompt payment. This reduces tribals' collection and incomes. Initially, this right was acquired ostensibly to protect the interest of the tribes against exploitation by private traders and middlemen. Since the state could generate revenue (royalty) through exercising this monopoly right, it has been steadily extended to cover high-priced NTFPs.

What does government say about tribal rights over forest products?

As per the Provisions of Panchayat (Extension to the Scheduled Areas) Act 1996 (PESA) the state government has endowed ownership rights of NTFPs on panchayati raj institutions (PRIs) especially *gram Sabha*. The ownership rights are in consonance with the following principles:

- harvesting of minor forest produce will be done on non-destructive basis.
- the members of the Gram Sabhas will be free to collect minor forest produce for their own consumption.
- the manner, frequency and intensity of minor forest produce collection for any use other than *bona fide* domestic use by the members of the Gram Sabhas will be in accordance with the prescription plan prepared by Zila Panchayat in conformity with the guidelines as may be notified from time to time.

Besides the remunerative wages paid to the forest produce collectors, the net profit from the trade of nationalized non-wood forest produce are being shared among the stakeholders (primary collectors) on an equitable basis. Under the existing system of tendu leaves (*Diospyros melanoxylon*) trade, the net income generated from the collection and trade is distributed among the villagers in following proportion:

- 70% to the primary collectors as incentive wages.
- 15% for the development of non-wood forest produce resources and regeneration of forests.
- Balance 15% is utilized for infrastructure development in the Society area.

Exploitation Unlimited

Field staff of territorial wing of Forest Department seems to have sensitivity towards the people's needs and dependence on forests. It may be because of popular reasons that CPI (M) militia is active in the area. Its impact is seen in the fact that none of the foresters dares to

restrict the collection of NTFPs particularly in the studied area. However, the foresters tend to exploit the collectors especially women while gathering the produce in the jungle. Astonishingly, sheer exploitation occurs in the trading processes of both nationalized and non-nationalized NTFPs.

Notably, when the nationalization of selected valuable forest products took place it was conceived that the Forest Department would act as 'custodian' until the people themselves become capable to handle the NTFP collection and trade, but the FD eventually captured the whole business and took over the whole resource and its trade.

Why does everyone want to play with tendu politics?

For the poor, plucking of tendu leaves represents a major source of income and employment. Tendu leaf generates about 100 million person days of employment in Chhattisgarh. The massive sums of money involved in the tendu business offer opportunities for patronage to both big and petty politicians and forest department officials. In the former case, the money is to be made in the process of negotiating tenders in the disposal of tendu leaves, while in the latter case, power and influence is exercised in selecting the agents who handle the procurement centres. These agents get advances from the Forest Department to purchase tendu leaves or sal seeds and get a commission on the final amount. The purchasing agents are experts at under weighing, wrong entries and sheer blustering, and for them tendu, harra and sal seed purchasing contract can be very rewarding. At the local level then, there is a great deal of jockeying to get the contracts. For the field level forest staff, such as Rangers and Forest Guards, collection of tendu is a highly lucrative business. There are several sources through which they are able to enrich themselves. First, in the appointment of fictitious seasonal staff that is appointed for carrying out government work. However, the usual practices of under-counting, rejection, under-payment, over-invoicing, etc. help the government staff in pocketing a significant amount of government funds, at the cost of peoples' livelihoods and extra revenues to government. Given the enormity of scale of operation, tendu has to continue under state nationalization.

Observations in Nationalized NTFPs Trade

During the studies conducted in sample villages close to Amabeda the following observations were made in trade of nationalized NTFPs i.e. tendu leaves, sal seed and harra:

- The *phad munshi* takes away extra bundles of tendu leaves above the counted ones. It is called as *saraa*, which is taken away by saying that the leaves brought by collectors would be less in count as well as damaged. Collected bundles thus are entered as deposited anyone of *phad munshi*.
- According to rules of Forest Department the collector's card must be returned after immediate entry at the time of buying the nationalized product. In practice, it is not strictly followed. Since the tribes are mostly illiterate they cannot argue for getting the entries done immediately after depositing the bundles of tendu leaves or seeds of sal/ harra. There are common discrepancies made in entering the number/ amount of the produce deposited by a collector. Suppose, 100 bundles were deposited on procurement centre, the *phad munshi* enters 90 bundles in the card. None can argue because the card is returned after many days/ months. Benefits of this malpractice accrue to the *phad munshi* and manager of society. Nobody knows if this benefit is shared by other officials too.
- Time slot given to the collectors is usually for 6-7 days while it should be 15 days. This disallows the collectors to pluck or collect adequate material from jungle.
- According to rules, the closure time of *phad* should be well intimated across the catchment villages. In practice, it is not followed causing immense troubles to the collectors. Many collectors are bound to take their produce back again and again.

- Some managers do not report the death cases to the range officer that deprives many poor families avail the benefits of group insurance scheme.
- Payments of the wages and bonus are made quite late due to the faults at part of staff personnel involved in NTFP storage and trade.
- There is no transparency in the functioning of Cooperative Societies. Powerful people have taken over the governance of these societies. Women particularly do not have adequate representation.

Observations in Non-Nationalized NTFPs Trade

During the studies conducted in sample villages and Tatapani weekly market the following observations were made in trade of non-nationalized NTFPs:

- Traders always rob the tribal collectors during buying the produce. These traders are essentially non-tribals who have settled in Tatapani or come from outside on the day of weekly market.
- Traders generally do not weigh the NTFP material, but takes away by saying that the material was 4 kg or whatever. So the guesstimation is a common practice. In this practice, the trader never loses anything; it is the innocent tribal who always loses.
- If the NTFP material is 5.3 kg, the trader never counts 300 grams; he always makes the weight in round figure i.e. 5 kg. In it also the tribal loses.
- Better NTFP material is also told inferior by the trader in a bid to lower down the prices of the material. The tribal people do not have capacity to bargain with the traders.
- Tribes do not know calculation of how much their produce is and how many rupees it costs. Benefiting this innocence the traders count anything and put any amount in their hands. None of the tribes dares to claim more amounts.
- Many traders often sit out of the market premises, sometimes 5 km away. Tribes bringing their produce are caught in between on the way to market. Their produce is also snatched away and any amount is handed over to these people. This deprives the tribal families to even know the market rate of that particular commodity.
- Outsider non-tribal traders are so organized that they do not allow any local person or villager to buy the NTFP material and trade it. If someone comes forward, the traders operating in Tatapani lobby the panchayat representatives in their favor and resultantly sarpanch/ upsarpanch starts pressurizing the local entrepreneur not to buy the forest produce.
- Exploitation also exists in buying the animals and animal produce.

STRATEGIC ISSUES IN NTFP-BASED LIVELIHOOD SYSTEMS ■

Introduction

Study has stimulated thinking in order to further intervene in NTFP-based livelihoods improvement. These ideas precipitate around two aspects of potential interventions: (a) marketing related interventions, and (b) improvement in post-harvest processing. The former intervention cannot be applied in case of nationalized products but very much valid for non-nationalized products. Both the interventions are explained briefly.

Market Related Interventions

These interventions can be planned by employing anyone or all methods individually or interlinkingly.

Bypassing Local/ Road-head Traders (Collectors' Choice Model)

Suppose an NTFP collector in Tatapani, who is not dependent on local trader, bypasses Tatapani weekly market and attends road-head trader in Balrampur or Ambikapur; he can increase his income by approximately 50-60 percent. This proposition may well be understood from the Table below.

Table: The costs and benefits associated with the collectors' choices

	SELL TO LOCAL TRADER	SELL TO ROADHEAD TRADER
SELL NOW	LOW INCOME . No extra labor costs . Credit available . Low risks . No market information needed . No storage needed	GOOD INCOME . High labor costs . No credit available . Low risks . No market information needed . No storage needed
SELL LATER (5-6 MONTHS)	UNLIKELY TO HAPPEN	VERY HIGH INCOME . High labor costs . No credit given . High risks . Substantial market information needed . Storage needed

In case the NTFP collectors are educated and empowered to sell their products to road-head traders they need certain inputs. Those inputs primarily are: buffer money to meet immediate requirements of family; reliable transportation facilities; and labor force. If they want to store the NTFP material and sell it later to gain higher rates on unit quantity they are required to be additionally supported with: labor costs, storage facilities and market information. First hand experience in Tatapani area leads to square up that five things are most critical in order to bypass the one or two primary channels in NTFP marketing. These are:

- organization of NTFP collectors,
- systematic market information especially of prices,
- reliable transportation facilities,
- storage facilities, and
- credit facilities for collector families.

The above proposition may be achieved by through organized selling. The SHGs formed under NGO-run projects can perform the functions of a marketing cooperative. On the other hand the SHGs belonging to various villages in a cluster can federate to handle entire business. The federation can:

- a) share the costs and benefits of direct marketing to the road-head;
- b) increase the access to credit directly from the road-head traders, pooled-up revolving fund or bank credit;
- c) develop a strong system to receive regular market information;
- d) be an appropriate institution for common property management, and;
- e) undertake basic processing or quality control on sufficient scale for the establishment of price differentials between grades.

Along with the above requirements SHG promoting NGO specially requires preparation to face the adversaries created by local traders' network, which would be threatened throughout.

Storing NTFP Material and Selling Later

This method is conventional one as far as agriculture commodities are concerned. The same method may be applied in case of NTFPs provided the collectors/ SHGs have sufficient storage facilities and maintenance skills. There are some products that may be stored and kept for, say, about 6 months; but many needs to be immediately sold. So the storage may be opted for those that can be stored and sold later. The intervening NGO after assessing the possibilities of storage for some commodities can support the SHGs or its federation to keep some NTFP materials for selling later. Purchase of NTFPs from collectors should be done during season, but its selling has to be done only after stipulated time or when the reported prices are high in road-head market or distant market. To undertake this intervention few things are essential:

- a) revolving fund for bulk purchase of material,
- b) storage facilities,
- c) necessary skills of storage and maintenance/ preservation of NTFP materials, and
- d) prompt market information of prices.

Moreover, Government of Chhattisgarh has established an NTFP market information centre through which vital information is passed on to Conservators of Forest and Divisional Forest Officers. So intensive networking with the Forest Department is equally important. Otherwise too, this networking is essential from the point of view of countering the resistance of local traders. At present local traders do have close nexus with foresters at all level. Once Grassroots supported SHGs will enter into the business to give people justice the traders' network would attempt to coerce the foresters and may apply unholy means. Such negative forces can be neutralized only when networking with bureaucrats and officials in at least Forest Department is firm and functional.

Improvement in Post-Harvest Processing of NTFPs (Value Addition Model)

A look on the prices the collectors get in Tatapani (Annex-II) reveals that simple cleaning, grading or drying of the produce gives double the price the raw produce use to give. Separation of seeds from tamarind yields double price, whereas seeds taken out of kernel of char yield triple the price. It is in this context, the processing of NTFP material is necessary before actually taking it to the market. Post harvest processing may include *cleaning, peeling, grinding, shell separation, seed separation, fiber separation, grading, drying, storage or packaging of products, harvesting nearer to maturity, or collecting material with higher proportions of active ingredients*. And this is easily possible without any much input. Collectors may do it at home or even SHG can undertake the task of processing comfortably.

Processing at primary level yet require intensive training of the collectors and or SHGs. These trainings would be specific for each of the commodity to be processed. The processing, for example, for mahua fruit is different from that for bhuileem. In any case the NGO requires lot of technical information on this subject particularly from forestry specialists or institutes.

There is another provision for the NGO to promote semi-processing of selected NTFPs. But for this venture, some machinery is required. For instance, some products can be grinded to make powder. Semi-processed product thus can be sold in the market. But the market for these semi-processed products will be different from raw products.

STRATEGIC ISSUES IN TRIBAL RIGHTS LIVELIHOOD ■

Introduction

The study has yielded multiple issues concerning the tribal rights on which an NGO can intervene. But these issues necessarily have to be restricted to NTFPs and NTFP-based livelihood of the tribes. Strategic issues to plan and do advocacy can be grouped into two categories: micro level issues and macro level issues. Micro level issues cover the advocacy work beginning from villages to block and district. On the contrary, the macro level issues pertain to state and national level. Both types of issues have been identified keeping the findings in view and practicality of action.

Issues for Micro Advocacy on NTFPs

- ✓ In 5th schedule areas particularly Sarguja, PESA 1996 is powerful legislation. But its implementation in the territories has deliberately been diffused by the nexus of bureaucrats, politicians, non-tribal feuds and officialdom. As per provisions of the legislation the NTFPs must be owned, controlled, regulated and governed by *gram sabha*. Grassroots NGOs may carry forward this issue at local level for fostering people's ownership, control and regulation over the forest resources particularly NTFPs.
- ✓ There is lot of scope to advocate at local level taking the issues of fair trade in nationalized NTFPs and people's rights over the processes of trading. Advocacy is suggested on all the discrepancies observed in procurement, storage, auction, etc. of nationalized products. The areas are illustrated as under:
 - Abolition of *saraa*, which is taken away by *phad munshi* by saying that the leaves brought by collectors would be less in count as well as damaged.
 - Entries in the card must be made immediately after deposition of NTFP material and it should be handed over on the spot.
 - Time slot given to the collectors should be 15 days.
 - Closure time of *phad* should be well intimated across the catchment villages.
 - Reports of the death cases should be sent to the range officer well in time.
 - Payments of the wages and bonus should be made in time.
 - Transparency and accountability must be sought in the functioning of Cooperative Societies.
 - Women's representation in Cooperative Societies must be demanded at least by 50 percent.
 - It should be demanded that SHGs are given contract of managing *phad* and or maintaining the procured NTFP material.
- ✓ Like the advocacy interventions in case of nationalized products, advocacy interventions are desirable in case of non-nationalized products. To abolish the tribal's exploitation in trade of non-nationalized NTFPs, Grassroots should pressurize through peer pressure groups (e.g. SHGs) the local administration to monitor and watch the local traders. Any type of exploitation must be stopped by the intervention of government authorities. Grassroots can play key role in monitoring, reporting and negotiating in this matter.

- ✓ Through *gram sabha* and SHGs the traders may be taught lessons not to continue exploiting the innocent tribals. Under PESA the *gram sabha* has special powers to regulate and control the local market and the resources generated out of its auction.
- ✓ Tribal people should be educated about their entitlements, powers and share in whole trade off. Unless the people would be educated and aware the change seems difficult.
- ✓ Legal literacy on legislations pertaining to forest and forest products also looks essential. A guide of legislations is there in the box below.

Important legislations related to forests and forest products

- ✗ Provisions of Panchayat (Extension to Scheduled Areas) Act, 1996
- ✗ Indian Forest Act, 1927
- ✗ Forest (Conservation) Act, 1980
- ✗ Environment (Protection) Act, 1986
- ✗ C. G. Van Upaj (Vyapar Viniyaman) Adhiniyam, 1969
- ✗ C. G. Tendu Patta (Vyapar Viniyaman) Adiniyam, 1964
- ✗ C. G. Kastha Chiran (Viniyaman) Adiniyam, 1984
- ✗ C. G. Van Bhumi Saswat Patta Pratisantharam Adiniyam, 1973
- ✗ C. G. Kara Dhan Adhiniyam, 1982
- ✗ C. G. Transit (Forest Produce) Rules, 2001
- ✗ C. G. Grazing Rules, 1960
- ✗ C. G. Forest Village Rules, 1977
- ✗ Forest Financial Rules
- ✗ C. G. Vanopaj Kararon Ka Puarikshan Adhiniyam, 1987
- ✗ C. G. Vanopaj Kararon Ka Puarikshan Sansodhan Adhiniyam, 1996
- ✗ C. G. Land Revenue Code, 1959
- ✗ C. G. Land Revenue Code (Amendment), 2002
- ✗ C. G. Land Revenue Code Amendment of Rule, 2002

Issues for Macro Advocacy on NTFPs

- ✓ If the national objectives of forest management have changed to prioritize people's needs, there must be an accompanying change in silvicultural practices and technology. One requires a complete reversal of the old policies, which favored commercial plantations on forest lands, and trees for consumption and subsistence on private land. "Scientific" forestry should therefore mean that environmental functions, wild fruits, nuts, NTFPs, grasses, leaves and twigs become the main intended products from forest lands and timber a by-product from large trees like mahua and sal. *But, reverse has been the policy for the last 100 years.*
- ✓ Moreover, government agencies like Forest Department or Tribal Welfare Department should properly inform tribals and NTFP gatherers about the prices prevailing in different markets, improve marketing practices, and act as a watch-dog of NTFP trade. Government should encourage bulk buyers and consumers such as exporters of herbal medicines establish direct links with the NTFP collectors. Government should also address issues like creating proper marketing yard, market information system, storage space and minimum processing facilities at the local level. Simple processing activities such as broom making, leaf plate making, tamarind processing, mat and rope making should be encouraged in the household/ cottage sector.
- ✓ It has often been suggested that there should be price-based aggressive buying of NTFPs by state agencies, as has been done for wheat and rice. This alone can break the dominance of the wholesale traders and their linkages with the village level market.

The nature of produce and actors involved makes it obvious that without government support there can be no justice to NTFP collectors.

- ✓ Where government alone does marketing it is inefficient; and where it is left to private trade, it may still not provide sufficient returns to the gatherer on his labor. Thus de-nationalization *per se* may not remove all market constraints which inhibit a NTFP gatherer in realizing the full value of his labor. So rather than to be a monopoly buyer of NTFPs or try to regulate price through panchayats, government should adopt market friendly policies, facilitate private trade, and act as a watchdog instead of eliminating the trade. It should encourage local bulking, storage and processing, and bring large buyers in association of NTFP gatherers, so as to reduce the number of layers of intermediaries.
- ✓ Present UPA government in the centre once constituted arrived with a common minimum programme (CMP) to implement. Since its take over in the country the promises have been fulfilled at many fronts. In the CMP, the government promised to change the rights scenario on NTFPs and forest-based livelihoods. This issue of tribal rights over forest and forest products has been forwarded by many organizations at national level. Such groups may be joined in solidarity to get the promises of CMP fulfilled.

Common Minimum Programme (CMP) regarding rights over NTFPs

≈ The UPA (united progressive alliance) will urge the states to make legislation for conferring ownership rights in respect of minor forest produce, including tendu patta on all those people from the weaker sections who work in the forests.

≈ It should be noted that the emphasis is on ownership; not just the right to collect minor forest produce. It is necessary that all the states enact legislation for this purpose. Model legislation should be drafted and the states asked to adopt it within a time frame. The list of items described as minor forest produce must be comprehensive and should include bamboo also.

≈ Though MFP (now called NTFP) is a major priority for the tribal communities, it is considered only a minor activity for forestry operations. The development of NTFP must be accorded high priority in forest development.

≈ Apart from the rights over Minor Forest Produce, all the rights of tribals and other poor in the forests — Reserve Forests, Protected Forests etc. — should be codified and incorporated in the relevant laws. This was in fact ordered in Government of India, Ministry of Environment and Forests letter No 2-1/2003-FC(Pt) dated 5.2.2004 addressed to all State Governments.

≈ The UPA government will immediately review the overall strategy and programmes for the development of tribal areas to plug loopholes and to work out more viable livelihood strategies.

≈ The Tribal Sub Plan strategy should be properly and effectively implemented. The substance of the strategy among others is elimination of exploitation, ensuring command over resources including land water and forests, proper identification and demarcation of areas where tribal people live; ensure adequate resource flow; restoration of land; utilization of resources for the benefit of the tribal families. Specific livelihood strategies must be worked with reference to different tribal areas such as north-east; central tribal belt; dispersed tribals, etc.

Specific suggestions for advocacy on tendu leaves

Although revenue generation has a higher priority for government, the entire operation has several elements of welfare and poverty alleviation too, because of its significance for local

employment. Pluckers are lately getting organized, and part of the explanation for increase in their wages must be the pressure they are able to generate on the political system. Both these objectives - revenue and employment - would suffer under private regime. Further, bringing in private traders would again encourage political patronage and corruption, as was the experience before tendu was nationalized in 1970s. The present system, however, has a large number of infirmities. The following suggestions would improve benefits to the pluckers.

- State should pass on the enormous profits made in the tendu leaf trade as bonus to tendu pluckers. Even if 50 percent of the royalty (surplus) generated from tendu leaves as of now is shared with the pluckers, it would, on an average lead to an additional income of Rs 1000 to Rs 1500 per annum per household.
- The collection prices should be hiked so that returns from plucking are at least equivalent to the minimum wages fixed for unskilled agricultural work by the states.
- Village level SHG and or cooperative represented by same tendu pluckers should be gradually given the responsibility of managing collection centres, and their maintenance, etc.
- Mechanisms for linking quality of tendu leaves with purchase prices should be explored. Possible local institutional arrangements to improve the quality of tendu produced through various arrangements such as contracting out bush cutting to SHGs, forest committees, etc., linking bonus to *phad* wise realization of sales etc. should be explored.
- Delayed payments should carry an interest of 15 per cent per annum.
- The payments to pluckers should be made weekly with no delay. This will require procedural changes in the way funds flow to the *phad*.

CONCLUDING REMARKS ■

Non-timber forest products (NTFPs) do have a large share in household consumptive uses and family incomes of tribes in North Bastar. Majority of the tribal families rely on the supply of NTFPs from forests and their routine life is almost interwoven around the forests and forest products. Study findings revealed that only 16 NTFP items are marketed out of 29 being collected in sample villages. Of these 16 items, 3 are nationalized and sold to Forest Produce Cooperatives only. Throughout Bastar division there is a network of village traders who purchase the NTFPs in weekly markets. In Tatapani weekly market about 15-20 traders purchase the material.

Observations made in trade of nationalized NTFPs i.e. tendu leaves, sal seed and harra, reveal that there is quite much exploitation in procurement process and payments distribution. People are also not aware of their rights involved in the trade of nationalized NTFPs. Despite that fact that women are major workforce behind collection of nationalized forest products, they do not have sufficient representation in cooperative societies, the 3-tier structure of the forest department meant for dealing in trade. There is also a complete lack of transparency and accountability among the representatives of societies. In case of non-nationalized NTFPs the private petty traders operating at village level keep their dominance/ monopoly on the market, hence they heavily exploit the tribal people. They have attained enough power to buy the panchayat representatives and try to coerce the local administration and polity in their favor. In turn the tribal poor suffer. Quite often the traders mischieve, rob, molest and exploit the tribal collectors whose livelihood solely depends on the NTFPs. Total business runs unfair and in monopolistic manner. Tribes grossly lack the bargaining power and capacities to handle the affairs.

Intervention in order to alleviate poverty is essential by improving livelihoods of tribes based on NTFPs. Two aspects of potential interventions have been suggested; they include: (a) marketing related interventions, and (b) improvement in post-harvest processing. The former can be achieved by (1) bypassing local/ road-head traders, (2) storing NTFP material and selling it later, and (3) obtaining license and doing networking. Later area of working i.e. post-harvest processing of NTFP material may include cleaning, peeling, grinding, shell separation, seed separation, fiber separation, grading, drying, storage or packaging of products, harvesting nearer to maturity, or collecting material with higher proportions of active ingredients. NTFP collectors may do it at home or even SHG can undertake the task of processing unitedly.

Lastly, the study has yielded multiple issues concerning the tribal rights on which the NGOs can intervene. But these issues necessarily have to be restricted to NTFPs and NTFP-based livelihood of the tribes. Strategic issues to plan and do advocacy have been grouped into two categories: micro level issues and macro level issues. Micro level issues cover the advocacy work beginning from villages to block and district. On the contrary, the macro level issues pertain to state and national level.

Based on the findings and suggestions thereof local NGOs may pursue the development action between most marginalized tribal communities of North Chhattisgarh. But before pursuing the action there should be an in-depth strategy formulation coupled with extended information base.

Annex-I

NTFPs being collected from forests in sample villages

<i>Name of Product</i>	<i>Tree/Plant</i>	<i>Part of Plant</i>	<i>Application</i>
Mango	Mango	Fruit	- Household use (pickle, fruit) - Sale of dry mangoes - Powder (aamchur) can also be used at home
Tamarind	Tamarind	Fruit	- Sale of raw tamarind and pallets - Household use
Char seed (chironji)	Char	Fruit	- Sale of kernel of char, and chironji - Laddu of chironji also prepared
Mahua	Mahua	Flower	- Sale of dried flowers - Making country liquor - Boiled with sarai seed and consumed at home
*Harra	Harra	Fruit	- After grinding it is consumed to remove cough - Medicinal use once worm bites
Kusum seed	Kusum	Fruit	- Oil is extracted and sold and used in cold
Tori/Gulli	Mahua	Fruit	- Oil is sold and eaten at home - Oil is used for massaging in winter - Cake after oil extraction is burnt to kill mosquitoes
Pattal	Sarai	Leaves	- Plates are weaved and used for taking food
Boda (mushroom)	Fungi	Entire body	- Household consumption
Lac	Kusum, Palaas	Bark	- Sale; closing holes in utensils
Nadga	Nadga	Leaves	- Consumed as vegetable
*Tendu leaves	Tendu	Leaves	- Sale of leaves; bidi is made at home
*Sal seed	Sarai	Fruit	- Sale of seeds; oil extraction for household consumption
Kareel	Wild Bamboo	Stem	- Basket weaving - Consumed as vegetable - Used to kill worms in the stomach
Chirota seed	Cirota	Fruit, seed	- Sale; used in coffee making and fever treatment
Bhuineem	Bhineem	Leaves/stem	- Medicinal use in jaundice and malaria
Kosa (tuber)	Kosa	Tuber	- Used for household consumption
Bel	Bel	Fruit	- Sale; household consumption
Tikhur	Tikhur	Tuber	- Sale; household consumption - Cold drink making in summer
Aieenthi	Aieenthi	Fruit; stem	- Sale; used in rope making
Hitunga	Hitunga	Flower	- Sale; medicinal use
Kumhi	Kumhi	Fruit	- Sale
Girchi	Girchi	Fruit	- Sale; Oil extraction for household consumption
Teemsa	Teemsa	Bark	- Medicinal use at home
Bhelwa seed	Bhelwa	Fruit	- Sale; use in skin diseases
Karanj	Karanj	Fruit	- Household use in skin diseases
Vajradanti	Vajradanti	Stem	- Teeth cleaning; also used in stomach swollen
#Tubers	Various	Tubers	- Consumed at home
Bahera	Bahera	Fruit	- Sale

* Nationalized NTFPs bought by the government

Tubers e.g. semar kand, kosha kand, naagar kand, kesur kand, barha kand, kadu kand, tanduli kand.

Economics of NTFPs collection

<i>Saleable Product</i>	<i>Nearest Selling Outlet</i>	<i>Selling Time (if stored)</i>	<i>Local Market Rate</i>
Mango	Tatapani weekly market	April-May	Rs. 15 per kg
Tamarind	Tatapani weekly market	February-April (1-2 weeks)	Without seed Rs. 12 per kg; With seed Rs. 6 per kg
Char seed (chironji)	Tatapani weekly market	May-June	Char kernel Rs. 20-25 per kg Char seed Rs. 60-80 per kg
Mahua	Tatapani weekly market	October (0-6 months)	Instant Rs. 5-8 per kg; After storage Rs. 12-14 per kg
*Harra	Primary Forest Produce Cooperative Society	February-March (6 months)	Rs. 3-4 per kg
Kusum seed	Tatapani market	July	Rs. 4 per kg
Tori/Gulli	Tatapani weekly market	July-August	Rs. 7 per kg
Lac	Tatapani market	May-June	Rs. 80-120 per kg
*Tendu leaves	Primary Forest Produce Cooperative Society	May	Rs. 45 per standard bundle (50 leaves)
*Sal seed	Primary Forest Produce Cooperative Society	May-June	Rs. 3.50-5 per kg
Chirota seed	Tatapani weekly market	February-March	Rs. 2-3 per kg
Bhuineem	Tatapani weekly market	November-December	Rs. 10-12 per kg
Boda (mushroom)	Tatapani weekly market	July-August	Rs. 80 per kg
Tikhur	Tatapani weekly market	February-March	Rs. 80-90 per kg
Honey	Tatapani weekly market	June	Rs. 60 per kg
Bahera	Tatapani weekly market	June	Rs. 4 per kg

* Nationalized NTFPs bought by the government

Tips for Starting NTFP Enterprise

Risks

Starting an NTFP enterprise involves a very high level of financial and personal risk. Many of the risk factors are related to the shortage of technical and practical information about NTFPs. At almost every phase in the process, from management to marketing, harvesting, and processing, the NTFP entrepreneur (collector or SHG) may be in unknown territory. Unlike "major" commercial crops, there are usually few experts or sources of public support for NTFPs. Even where information is available, it may be difficult to apply to a new set of circumstances.

Marketing information is also scarce for most NTFPs. Information such as price, the volume required by the market, and quality standards for the product is difficult to access. For some NTFPs, such as essential oils or some medicinal products, buyers may have exacting specifications for the end product. Even after a crop is successfully harvested, it may not be marketable. In summary, many NTFP enterprises tend to be high risk ventures into the unknown results. Before investing time, money, and resources in a potential new venture, entrepreneur should understand the potential pitfalls involved. Thorough research and careful planning is essential to minimize risks and develop a viable NTFP enterprise.

Planning an NTFP Enterprise: Four Evaluations

Planning and evaluating should be done up-front, before money is invested in the potential enterprise. Many small-scale NTFP ventures begin without adequate information and planning and, as a result, many of them fail. Small enterprises can enter markets selling NTFPs relatively easily, but only a small portion of these manage to adapt to the changing circumstances of supply, market demand, and competition to survive in the long-term.

Prospective NTFP entrepreneur should complete four evaluations before investing in a new venture. These include a personal evaluation, a resource evaluation, a market evaluation, and a project feasibility evaluation. Each of these is explained briefly below.

Personal Evaluation

A personal evaluation identifies and prioritizes the personal outcomes needed or wanted from the venture. These include the level of income necessary from the venture, acceptable levels of risk, and an assessment of the personal and family resources available for the enterprise.

Resource Evaluation

A first step in developing any viable forest enterprise is to understand the capacity of the forest resource. It is impossible to manage the resource wisely or profitably without knowing about its natural growth and production, and the human environment that affects it.

Market Evaluation

A market evaluation is critical to the success of the project, and one of the more difficult aspects of research into NTFP enterprises. It should identify the targeted markets and locate prospective buyers. The exact specifications required by the potential buyer must also be determined, including quality, quantity, price, timing of the harvest, and other requirements. Some products have very exacting specifications. The NTFP entrepreneur must plan to meet or exceed these requirements, as well as those determined by government regulations if applicable.

Project Feasibility Evaluation

The project feasibility evaluation examines both the technical and financial workability of the potential enterprise. At a minimum, the financial evaluation includes a fully developed

budget itemizing fixed and variable costs, and expected gross and net revenues. The amount of resources (time, money, labor) needed for harvesting, handling, processing, transporting, and marketing the product must be accounted for. The probable price at harvest, and quality of the end product should be determined. On the technical end, the location of harvest sites and permission if necessary, timing of operations, and methods of management must be addressed. For NTFPs from natural forests, special attention should be given to the sustainability of harvesting the resource, and how the NTFP entrepreneur will ensure that she or he is managing in a responsible manner.

Starting Small

After careful evaluation and planning, the producer is ready to begin developing the NTFP enterprise. It is highly recommended to start small, and improve and expand over time. There are many advantages to starting a small, pilot-scale enterprise before investing in a larger venture. Most importantly, starting small helps minimize risks. This strategy also allows for the extra time necessary to develop good management and harvesting techniques and other effective habits of running a business. On a small scale, the impact on the environment can be observed carefully, and monitoring strategies for the future can be planned. Starting small allows for the possibility to recover from a mistake. On a larger scale, one mistake or miscalculation could jeopardize the resource or the finances, whereas on a small scale a mistake is more easily repaired. Also, starting small enables the entrepreneur to create a realistic time-line for future development, gauging how much of a work load is reasonable.

The following tips are offered about starting small:

- 1) Start with one product and gradually diversify. Choose the easiest product that yields good revenue for the time involved. Invest profits in the process required to produce a second market item. The income from the first product can also leverage credit for a larger operation.
- 2) Start with products for which a local market already exists. Entering an existing market allows entrepreneur to start repaying costs immediately, but creating markets for new products takes time.
- 3) Adopt a simple strategy. Complex production/marketing strategies permit more unforeseen difficulties.

Improving Management and Marketing

Understanding and managing currently available non-timber forest resources is an essential place to start. However, if demand for the NTFP product or pressure on these resources increases, systems and that once were environmentally sound must be adapted in order to meet needs for livelihood and income. Communities and enterprises can adapt systems for management that are culturally, economically and environmentally sustainable. Improving productivity, reducing waste in harvest, and improvement or domestication of key species are examples of ways to help increase the resource base.

The commercial options can also be improved over time. Creating niche markets, diversifying markets, and adding value locally can improve the income and security of an NTFP enterprise. It is also important to monitor and demonstrate the ecological viability of the enterprise. This helps appeal to environmentally-minded consumers, many of whom are willing to pay a premium for sustainably harvested materials.

[Adapted from Kim Wilkinson and Craig Elevitch "The Overstory # 55"
www.agroforestry.net/overstory/overstory55.html]

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