

REPORT ON

**FEASIBILITY OF PROMOTING
'NTFP' BASED COOPERATIVES IN GURUNDIA**

– in Kundheidiha, Tamparkela & Jarda GPs



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Background

The State of Orissa has around 30% of its geographical area under forest and tribals constitute 22% of the population who depend on the forest resources to a large extent. Beside tribals other marginalised sections also eke out a greater portion of their livelihood from the forest. The forests yield large numbers of non timber produces viz. Mahua (*Madhuca Indica*), Char (*Buchanania Lanza*), Myrobalans etc. as interim benefits almost the year round, thus forming a vital component of the livelihood sustenance system of the forest dependent communities. According to a study conducted by Vasundhara, NTFPs contribute about 15-40% of the total income of rural poor. Collection of NTFPs has been a very a labour intensive job with very low returns.

The primary collectors who are a disorganised lot often resort to distress sale, owing to poor economic condition, in a market, which is dominated by scrupulous traders. On the whole they face many constraint in obtaining a gainful income from NTFPs in spite of the fact that these forest produces fetches a very high rate in various intermediary and terminal markets. Some of the constraining factors before the primary gatherers are lack of access to the market, lack of market information, measuring malpractices adopted by the traders, lack of storage, lack of processing facilities etc.

Policy Scenario

Earlier the policy frame as regards NTFPs was highly retrogressive with Government retaining monopoly control over all the forest produces and practically doing little to effectively intervene in the market for ensuring fair return to the primary collectors who are mostly tribals and other marginalized sections of the society.

However due to sustained pressure by the people's organisations, CBOs, NGOs and ultimately the implementation of Extension of Panchayati Raj to Scheduled Areas Act 1997 (which confers rights over MFPs to Gram Panchayats) compelled the State government to come out with a new NTFP policy (Policy on Procurement and Trade of Non-Timber Forest Produce, No. 5503/F&E) on 31st March, 2000. It is important to mention here that the new policy aimed at helping the primary gatherers to get fair price for the forest produces collected and simultaneously promote sustainable extraction of NTFPs to ensure a sustainable livelihood, while the primary objective of the earlier Forest Produce (Trade & Control) Act was 'revenue maximisation'. In furtherance to the stated objective of the new NTFP Policy the state brought in certain changes in the earlier system.

- ◆ Transferring ownership rights over 67 Minor Forest Produces (MFP) from the hands of Forest Department to the Gram Sabhas/ Gram Panchayats.
- ◆ Abolishment of Monopoly trading system and introduction of multiple trader system
- ◆ Abolishment of Royalty system
- ◆ Abolishment of transitory permit system within the State
- ◆ Adoption of silvi-cultural principles for extraction of MFPs through GPs.

Declaration of this policy brought in some fresh air in the crammed NTFP scenario. It definitely provided some space to primary collectors to move ahead to fight for

greater rights. In this backdrop, Vasundhara took an initiative to sensitise NGOs, CBOs & POs to facilitate setting up of community based enterprise. As the most marginalized sections critically depend on NTFPs such efforts for enhancing NTFP based incomes would directly benefit the poorest of the poor.

Efforts in the area of community based NTFP enterprises

Out of our own research, fieldwork and learning from others experiences we in Vasundhara realised that mere policy changes without pro-active efforts at the ground level cannot ensure proper livelihood from NTFPs. In the process we realised that NTFP market is ridden with various problems like dominance of traders, their unethical trade practices, imperfection in flow of market information, lack of processing and storage facilities, absence of market yard and primary gatherers dealing in the market at individual level with small quantum etc. along with policy problems. Keeping these in view we worked towards facilitating collectivisation of the trade through a alternative trade system/ network owned and managed by the primary gatherers and develop a market information system.

With this backdrop Vasundhara in last two years have initiated processes for collectivisation of NTFP trade with 100 women SHGs in the conflux area of Sundargarh, Sambalpur and Deogarh districts. For this purpose in our own field (Gurundia) area we directly facilitated the process and in other pockets with grassroot level NGOs. This work not only involved the mobilisation of groups but also research, information dissemination on markets, sustainable harvesting methods, processing and documentation on people's knowledge. Throughout this process the local collaborators as well as the primary gatherers were involved.

In all areas SHG are being taken as a medium of intervention. Given the then policy environment, SHGs were the best options because of its following features:

- Consists of primary collectors
- They are organised
- They have some capital
- They have some experience in fund management and have carried out some business activities.

On the whole we are working with 100 self-help groups. Out of this 20 are in Gurundia area and the remaining are being facilitated by other grassroot level NGOs in the adjoining areas. In order to take up collective trading, these SHGs have come together to form regional federations wherein membership of each federation ranges from 10-15 SHGs.

On an average each regional federation covers 2 GPs covering around 15-20 villages. These federations have emerged on the basis of geographical affinity. In the course of time they have framed their own rules and regulations as regards membership, subscription, meeting, trading system etc. The general body of the regional federations consists of 2 representatives from each member self help group who have inturn selected a managing/ executive committee consisting of five members viz. President, Vice-President, Secretary, Asst. Secretary & Treasurer.

Alongwith the federating process of SHGs, certain capacity building activities were taken up for the SHG members and the grassroot level facilitators. SHG members were given training on group and federation management. Orientation was also given to NGO leader and cluster organisers so as to enhance their understanding and facilitation skills.

For ensuring proper coordination of the enterprise development process, the team consisting of Vasundhara & local collaborators sat every month to review the progress. Any decision regarding strategy/ approach has always been a collective one.

Alongwith the community mobilisation process, research studies were undertaken to explore different market avenues and possibilities of value addition. Such efforts have led to establishment of market linkages. After exploration of market linkages of some NTFPs, the proposition of carrying out the trade of the same was discussed at the federation level. The discussion centred around the pros and cons of trading on various commodities. Then on the basis of their own capability to collect produce and capital required for the same they selected three items on experimental basis. Accordingly they selected Bhuineem, Bacha and Satavari for the trade. The representative to the federation went back to the villages to assess the potential of the identified NTFPs and to prepare a group level business plan. These group level plans were then presented in the federation meetings, which were then assimilated to formulate a federation level business plan. The plan also contained duties and responsibilities towards execution of the business plan.

On the basis of such planning these federations have procured and marketed the identified NTFPs and have earned profit from the same. On the whole these federations have procured 53 quintals of Bhuineem (*Andrographis Paniculata*) @ Rs. 2, Satavari (*Asparagus Racemosus*) -15 quintals@ Rs. 5 and Bacha (*Acorus Calamus*) – 10 quintals @Rs. 8 and sold the same at Rs. 3.50, 20 and 16 respectively. This effort helped the community in acquiring the rudimentary skill of marketing, storing, packaging and bargaining with the major buyers. Also, though marginally it helped them to earn income from commodity, which they had not ever traded in bulk in the lean season.

GURUNDIA

Gurundia situation – Issues and Prospects

Vasundhara,s association with Gurundia goes back to 1999 during the Kendu Leaf mobilisation process. At that time it was realised that we should make some interventions in the livelihood area at Gurundia keeping forest at the core. With this view in Gurundia during the last project phase, collectivisation of NTFP trade process was initiated. During the last two years 21 SHGs have been facilitated and they have formed federations. Also they took up on experimental basis collection and trade of selected NTFPs. Here below we provide a brief analysis of Gurundia an our experience there.

Gurundia Block in Sundargarh district of Orissa consists of 146 villages from 13

Gram Panchayats. It is the most backward Block of the district dominated by Scheduled Tribes (STs). STs constitute 79% and SCs 5% of the total population of Gurundia. This happens to be the most backward block of Sundargarh with hardly any infrastructure.

The occupational pattern of Gurundia is oriented towards agriculture and forestry. The agriculture in this locality is primarily rainfed, the size of holding is very small and because of its undulated topography covers only a small part of the land. In average 7-25% household are marginal farmers, 49% are small farmer and 14% are relatively big farmers. The technology is predominated by traditional knowledge and the agriculture is basically subsistence oriented. It supports livelihood of people hardly for six months. For the rest of the period the people of this block depend on forest, wage labour in construction work. Infact the predominance of forest, which in comparison to many other parts is still good (Gurundia Block has the second largest forest area, which constitutes about 14.5% of the total forest area of the district.), dependence of people on forest is natural. In Gurundia in certain pockets people have initiated forest protection and management but they all are in incipient stage and functioning in isolation. As per our estimate people earn about 30-40% of their total annual income through collection of NTFPs. These people collect varieties of NTFP from the forest, which they use partly for personal consumption and partly for exchange. Out of the NTFPs collected some of the important items are, Mahua flower, Mahua seeds, Sal seed, Sal leaf, Siali leaf, Kendu leaf, Char seeds(decorticated), Myrobalans and Mushrooms, etc. Some of these (for ex., Kendu leaf) are collected exclusively for sale, some others(e.g., Bendo) are collected exclusively for self-consumption and a number of NTFPs(e.g., Mahua flowers & seeds) are partly consumed & partly sold. Here it ought to be added that the area lacks any kind of processing facilities for NTFPs.

As regards wage income people normally depend on three sources: agriculture labour, local construction activities and migration to other parts of the State. The migration in this area is predominant among the youth who move out to Rourkela, Talcher and Angul for various kinds of physical work. The attraction for migration is the wage differential between the local economy and the outside ones. Normally these migrations are seasonal and people go out for three to four months during the agriculturally lean season. The others who do not migrate depend on local labour market where the wage rate is very low (currently Rs. 20-30 per day).

Gurundia household economy can be seen as cash strapped economy. Thus the moneylenders and traders play a vital role to fulfil the cash requirement of the people. The average interest rate in the area varies between 60-120% p.a. and depends on the purpose of the loan, amount borrowed, status of the borrower and timing of the borrowing. Our interaction with people reveal that in a village more than 70% of the household are indebted to the moneylenders and traders. At a point of time the average loan amount varies between Rs. 200-1000 per household. Infact in the absence of institutional credit facilities the moneylender plays the key role in this locality.

Given this backdrop the income of the people is very low, a cursory look of the area clearly brings out that more than 80% households are below poverty line. Here we

make a list of the issues critically related to livelihood and natural resources.

Social:

- Declining role of traditional institutions.
- Dominance of influential and non-tribals over the majority of tribals.
- Decision of the village is influenced by the dominating caste/class.
- Women do not participate in the decision making process.
- Literacy rate is very low among women and there is inadequate education facility.

Economic:

- Majority of households constitutes landless, small and marginal farmers. There is skewed distribution of assets including land.
- Agriculture is one of the major occupation of the people and it is largely influenced by erratic rainfall and drought conditions. Low productivity of land due to lack of irrigation facilities.
- Absence of market and processing facilities for NTFPs and other tribal produces.
- Non-remunerative price of NTFPs.
- Predominance of traders and existence of advance sale system.
- Near non-existence of forest management institutions leading to unsustainable use of forest.
- High rate indebtedness and dependence on moneylender and traders.
- Absence of economic institutions of the people.
- Due to lack of employment opportunities there is seasonal migration of labour to nearby cities and neighbouring districts.

Political:

- Panchayati Raj system in the Block is not so effectively functioning. People are not aware about the role of the Gram Sabha and Palli Sabha.
- The non-tribals mostly control the politics of the area. A particular community i.e. *Agharia* (patel) because of their sound financial condition is very active in this field.
- Government development programmes are not reaching out the people.

Keeping the aforesaid situation in view, our main thrust would be to create a proper policy environment, which can ensure collective control and access over resource and their utilisation, building sustainable people's institutions for resource management and utilisation. All these target at ensuring sustainable livelihoods by building the capacity of the community. While doing so the equity concerns, gender issues and the interest of the marginalized will be at the core.

NTFP overview in Gurundia – Availability, collection & livelihood

As mentioned earlier, Gurundia is a densely forested region and the operational area of Vasundhara covering villages under three Gram Panchayats viz. Kundeidiha, Tamparkela & Jarda are almost in and around forest. According to a survey, NTFPs contribute around 15-40% of the income of the people and more particularly those belonging to poor marginalized sections, in the region. This contribution to income is to be seen in the light of an unfavourable market regime in the area where the primary collectors neither have access to the market nor they have any say. The area is house to large varieties of NTFPs and other medicinal plants, some of which are exclusively sold, some are partly consumed and partly sold and some are basically used for domestic purpose. A partial list of NTFPs, its potential (as per popular opinion) and nature of use, is given as under:

S.N.	Name of NTFP	Period of availability/ collection	Nature of Use
1.	Mahua flower	March - April	Sale and domestic consumption & fodder
2	Mahua seed (Toll)	May - June	Little sale. Mostly domestic consumption.
3	Char seed (kernel)	May - June	Sale
4	Siali leaves	Oct - Jan	Sale
5	Sal seed	May - June	Sale
6	Kendu leaf	April - May	Sale
7	Sal leaves	Oct - Feb	Mostly domestic. Sold on order.
8	Harida	Dec - Jan	Sale
9	Bahada	Dec - Jan	Sale
10	Amla	Dec - Jan	Sale
11	Bhuin-neem	Oct - Dec	Domestic medical use.
12	Satavari	Nov. – Dec.	Domestic medical use.
13	Lac	Nov. – Jan.	Occasional collection. No market.
14	Honey	Dec - March	Sale
15	Mushroom	July - October	Sale & domestic consumption
16	Dhatuki flower	Jan – Feb	No market
17	Phen-phena bark	April – May	Sale
18	Lodha bark	April – May	Sale
19	Bendo	March – April	Domestic consumption.
20	Tamarind	Jan – May	Domestic consumption & sale
21	Kasi Harida	June – July	Domestic consumption & sale

Beside this there are other NTFPs available. However these are available in little quantities or are of little economic value. Out of the above-mentioned NTFPs, under the current situation, only few are economically important for the people in terms of

regular & high availability and available market for them. These NTFPs are Kendu leaves, Sal seeds, Mahua, Siali leaf & Char seed (kernel). Of these Kendu Leaf and Sal seeds are nationalised NTFPs and are procured by State appointed agencies. Char seed, though available in little quantity, is a high valued item (around Rs. 100-120/kg in the local market) and has a regular market. Also Mahua and Siali leaf are available in huge quantity and are the common items traded by the community.

Beside the above-mentioned NTFPs, myrobalans viz. Harida, Bahada, and Aonla are available in substantial quantity. However regular market for the same is absent and it is procured in the local haats in small quantity and that too, not on regular basis. Discussion with the community also revealed that demand by outside traders some years back has led to large scale unsustainable extraction of these commodities. As a result of this production of these commodities has greatly declined. However the community is of the opinion that these commodities have good potentiality in certain pockets of the region (Please refer the map no.).

Also local level processing/ value addition exists for very few NTFPs viz. Mahua and Char. In case of Mahua, it is dried for three – four days under the sun, a part of which is either sold immediately and a part is stored to be sold at a later stage. In fact storage of Mahua itself adds to its values in terms of increased price during the off-season. Properly dried and dust free Mahua fetches a better price. However in many cases people dry it on unclean surfaces and also lack sufficient space to evenly spread the Mahua so that it can be effectively dried.

In addition to this, Char seed is the item, which is processed. The outer shell of the char seed is removed through manual processes involving stone grinder or simply stone. The kernel is then sold in the local market, which fetches an attractive price which varies somewhere between Rs. 80 – 120. Beside this people sometime sell dried Amla in the market in very small quantities.

The following table reveals the village wise details of collection and sale of various forest produces in the region for the last NTFP season:

NTFP wise collection and sale (in kgs)

Sl	Village	Mahul Coll	Mahul Sid	Tol Coll	Tol Sid	Char Coll	Char Sid	Siali Coll	Siali Sid	Aonl a Coll	Aonl a Sid	Harid a Coll	Harid a Sid	Bahad a Coll	Bahad a Sid	Sata Coll	Sata Sid
1	Ghantiali	3415	3415	1719	1509	0	0	865	865	0	0	0	0	0	0	0	0
2	Janda	1662	1662	328	0	19	19	1245	1245	0	0	5	10	0	0	0	0
3	Mandlia	11285	11060	748	0	195	196	2975	2975	0	0	0	0	0	0	60	60
4	Tamparkela	22500	21035	1589	787	352	352	21845	21845	0	0	581	581	0	0	869	969
5	Kunjaria	3546	3416	2308	1778	0	0	0	0	0	0	20	20	0	0	0	0
6	Ramchhinda	4660	4660	3385	2735	0	0	0	0	0	0	0	0	0	0	0	0
7	Kansar	10210	9005	6565	470	5	5	2030	2030	70	70	460	390	0	0	0	0
8	Jalei	12470	12470	1525	20	141	141	10140	10240	0	0	574	574	0	0	40	40
9	Tumbei	16030	14630	1542	50	277	258	13685	13885	0	0	1510	1510	0	0	40	40
10	Kundeidiha	17430	15680	6944	6155	883.5	884.5	0	0	0	0	0	0	0	0	0	0
11	Balia	7170	7170	4855	1100	16	16	950	950	10	10	0	0	0	0	0	0
12	Jarda	32282	17145	9185	812	16	5	0	0	0	0	10	10	150	150	0	0
13	Burda	14830	9530	1850	0	3	0	0	0	0	0	0	0	0	0	133.3	50.2
14	Niktimal	1980	1980	425	85	0	0	0	0	0	0	0	0	0	0	0	0
15	Badibahal	4600	1950	1071	565	0	0	0	0	0	0	0	0	0	0	179	0
16	Budelbahal	3130	2890	368	0	3	1	0	0	0	0	0	0	0	0	183	78
17	Brahmadei	6010	5345	1365	410	1	1	1215	1215	0	0	0	0	0	0	0	0
18	Kainsibahal	10200	9620	2181	907	40	0	2673	2673	0	0	20	20	0	0	0	0
19	Kello	18555	14760	7565	2768	34	34	2801.5	2345	2	0	996	996	250	20	0	0
20	Majurdima	10765	9050	2010	1235	29	29	10775	5975	0	0	1432	1167	0	0	0	0
21	Sanburda	17545	5635	1640	240	5	3	104.75	52.65	0	0	10	10	0	0	115	5
	Total	230274.5	182107.5	59168.25	21626	2019.5	1944.5	71304.25	66295.65	82	80	5618	5288	400	170	1619.3	1242.2

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Village-wise information on % of sell of NTFPs:

Sl	Village	Mahul Sell %	Tolla Sell %	Char Sell %	Siali Sell %	Aonla Sell %	Harida Sell %	Bahada Sell %	Satabari Sell %
1	Ghantiali	100.00	87.78	0	100.00	0	0	0	0
2	Janda	100.00	0.00	100.00	100.00	0	200.00	0	0
3	Mandlia	98.01	0.00	100.51	100.00	0	0	0	100.00
4	Tamparkela	93.49	49.53	100.00	100.00	0	100.00	0	111.51
5	Kunjaria	96.33	77.04	0	0	0	100.00	0	0
6	Ramchhinda	100.00	80.80	0	0	0	0	0	0
7	Kansar	88.20	7.16	100.00	100.00	100.00	84.78	0	0
8	Jalei	100.00	1.31	100.00	100.99	0	100.00	0	100.00
9	Tumbei	91.27	3.24	93.14	101.46	0	100.00	0	100.00
10	Kundeidiha	89.96	88.64	100.11	0	0	0	0	0
11	Balia	100.00	22.66	100.00	100.00	100.00	0	0	0
12	Jarda	53.11	8.84	31.25	0	0	100.00	100	0
13	Burda	64.26	0.00	0.00	0	0	0	0	37.66
14	Niktimal	100.00	20.00	0	0	0	0	0	0
15	Badibahal	42.39	52.75	0	0	0	0	0	0.00
16	Budelbahal	92.33	0.00	33.33	0	0	0	0	42.62
17	Brahmadei	88.94	30.04	100.00	100.00	0	0	0	0
18	Kainsibahal	94.31	41.59	0.00	100.00	0	100.00	0	0
19	Kello	79.55	36.59	100.00	83.71	0.00	100.00	8	0
20	Majurdima	84.07	61.44	100.00	55.45	0	81.49	0	0
21	Sanburda	32.12	14.63	60.00	50.26	0	100.00	0	4.35
	Total	79.08	36.55	96.29	92.98	97.56	94.13	42.5	76.71

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Also please see in the following table, the comparison between the broad projections (as per discussions with prominent and knowledgeable persons of the region) and the figures of the last NTFP season drawn from the intensive household survey. In this connection, it may be noted that the last NTFP season had seen a great slump in its production, basically due to ecological reasons.

Villagewise availability and potentiality status of economically important NTFPs (in quintals)

Gram Panchayat	Villagewise NTFP availability/potentiality Broad estimate: HH survey	Mahua	Silai Leaf	Char	Aonla	Harida	Bahada
Kundeidiha	Lachhada	1000	70	6	5	5	3
	Kundeidiha	1000	70	4	5	50	50
	Balia	800	200	4	2	5	4
	Kunjaria	4	0.5	4	0	0	0
	Kansar	500	200	1	5	5	5
	Ramchhinda	100	40	0.5	0	0	0
Tamparkela	Jalei	250	200	1	5	5	5
	Ghantiali	50	5	0	0	0	0
	Janda	100	5	1	0	0.5	5
	Tamparkela	300	400	5	50	50	5
	Tumbhei	200	300	2	0	0	0
	Mandlia	200	300	2	0	0	0
Jarda	Niktimal	25	25	0.1	0	0	0
	Badibahal	20	0	0	0	0	0
	Budelbahal	20	20	0	0	0	0
	Beheramal	50	60	0.1	0	0	0
	Dipukudar	60	80	0.05	0	0	0
	Burda	50	60	0	0	0	0
	Jarda	150	50	0.2	0	0	0
	Brahminidihi	40	120	0.1	0	0	0
	Kainsibahal	35	100	30	0	0	0
	Majurdima	150	300	40	0	0	0
	Kelo	400	150	40	0	70	60
Grand Total		5504: 2303	2755.5: 713	142.05: 22	72: 0.8	190.5: 56	137: 4

Almost all households in the operational area of Vasundhara are involved in NTFP collection. Alongwith the adult members, children are also involved in collection of various forest produces. Given below is the village-wise list of number of NTFP gatherer in the region, who are also prospective members of the proposed community based business enterprise:

Number of people involved in NTFP collection

Sl	Village	Total Population	% of Adult Male NTFP gatherer to total Population	% of Adult Female NTFP gatherer to total Population	Total Adult NTFP collectors	% of Boys NTFP collectors to total population	% of Girls NTFP collectors to total population
1	Ghantiali	202	10.40	25.74	36.14	0.00	2.48
2	Janda	94	48.94	47.87	96.81	44.68	46.81
3	Mandlia	279	27.96	32.62	60.57	17.56	16.49
4	Tamparkela	487	29.16	29.98	59.14	9.65	11.29
5	Kunjaria	288	29.17	24.65	53.82	0.00	0.00
6	Ramchhinda	300	32.67	29.67	62.33	0.00	0.00
7	Kansar	656	27.90	28.20	56.10	2.74	3.66
8	Jalei	515	23.11	22.33	45.44	14.76	15.34
9	Tumbei	439	25.06	26.20	51.25	8.88	6.38
10	Kundeidiha	775	31.74	32.52	64.26	21.29	17.55
11	Balia	322	30.43	32.61	63.04	8.70	6.52
12	Jarda	1073	19.94	25.16	45.11	1.30	2.05
13	Burda	289	27.34	31.14	58.48	0.00	1.38
14	Niktimal	87	19.54	20.69	40.23	0.00	3.45
15	Badibahal	123	11.38	24.39	35.77	0.81	1.63
16	Budelbahal	154	14.94	23.38	38.31	1.30	0.65
17	Brahmadei	174	28.16	28.74	56.90	0.57	2.87
18	Kainsibahal	233	26.18	26.18	52.36	2.58	2.15
19	Kello	526	23.57	27.38	50.95	0.19	1.05
20	Majurdima	352	32.10	33.24	65.34	10.51	9.94
21	Sanburda	334	26.35	30.54	56.89	1.20	2.40
		7702	26.06	28.36	54.41	6.88	6.86

As mentioned earlier that, NTFPs significantly contribute to the total household income in the region. As per a household survey conducted covering the three Panchayats, on average NTFPs contribute around 15-40% of income of the people. The village wise details of income from different sources including that from NTFPs is given under:

Income from different sources

Sl	Village	NTFP	Agriculture	Wage	Animal	Business	Service	Other	Total
1	Ghantiali	15.83	31.39	20.21	0.76	0.00	0.00	31.81	100.00
2	Janda	14.55	35.76	8.83	32.12	7.75	1.00	0.00	100.00
3	Mandlia	36.14	29.24	6.73	5.94	0.00	0.13	21.82	100.00
4	Tamparkela	40.23	21.95	18.50	7.58	1.48	6.44	3.82	100.00
5	Kunjaria	14.57	44.83	26.24	2.32	0.00	8.48	3.56	100.00
6	Ramchhinda	13.04	31.83	39.66	2.15	0.00	10.54	2.78	100.00
7	Kansar	7.19	22.71	44.44	3.40	2.10	16.62	3.53	100.00
8	Jalei	33.06	33.42	17.14	5.47	0.00	2.94	7.98	100.00
9	Tumbei	26.46	40.07	28.87	1.14	0.00	2.13	1.33	100.00
10	Kundeidiha	16.02	51.17	10.74	6.70	2.53	12.63	0.20	100.00
11	Balia	24.52	25.93	33.45	8.32	0.52	4.84	2.42	100.00
12	Jarda	9.25	26.87	22.24	3.30	4.52	26.51	7.31	100.00
13	Burda	10.27	41.36	13.72	3.87	0.30	12.05	18.42	100.00
14	Niktimal	11.76	56.83	7.75	20.21	0.00	0.00	3.45	100.00
15	Badibahal	12.45	22.96	17.49	1.79	0.00	13.69	31.63	100.00
16	Budelbahal	9.19	19.02	48.04	1.74	4.99	0.43	16.58	100.00
17	Brahmadei	20.92	33.66	22.86	7.54	0.00	3.93	11.09	100.00
18	Kainsibahal	25.96	45.84	16.76	3.50	1.83	2.11	3.99	100.00
19	Kello	26.73	28.98	29.97	10.46	0.46	1.36	2.04	100.00
20	Majurdima	20.72	63.71	10.12	4.04	0.00	0.00	1.41	100.00
21	Sanburda	16.37	28.16	24.89	8.21	1.58	0.00	20.78	100.00

Special Policy provisions relating to some economically important items available in Gurundia area

Sal seeds

Sal seeds was nationalised in the year 1983 and the collection and trading was taken over by the State. The procurement and marketing of the same was handed over to OFDC and TDCC. From 1995, the companies, which extract Sal oil, called solvent extraction plants (SEP), were appointed as raw material procurers (RMPs). For the purpose of procurement, several godowns-cum-collection centres have been established in potential areas. In the operational area of Vasundhara in Gurundia block, there are six such godowns, each having a storage capacity of 250-300 quintals.

Various problems exist in the Sal seed trade in terms of offer of under-price to the primary collectors by the agents, non-collection by agents in various places and weighing malpractices.

Kendu leaf

In 1973, Kendu Leaf was nationalised and its collection and trade function was taken up by the State. For this purpose, a separate Kendu Leaf wing of the Forest Department was also set up. Under the current set up, Kendu Leaf wing of the Forest Department does procurement & processing and the produce is marketed by Orissa Forest Development Corporation, for which it charges a certain percentage of commission. For carrying out the Kendu Leaf operations various categories of seasonal workers like Head Checkers, Checkers, Munshis etc. are appointed who mostly belong to the village folks.

The policy treats the Kendu Leaf pluckers as mere wage labourers and they are being paid at piece rate system. Beside this, the pluckers face number of problems in terms of delayed payments, lack of social security measures, exploitation by officials & seasonal workers, non-procurement from certain areas on the pretext of quality.

Mahua

Eventhough the ownership of Mahua is transferred to the Gram Panchayats through the new NTFP policy resolution, 2000, its trade continues to be guided by Excise laws. As per Excise laws of the State, Mahua is an excise item and the Excise department issues permit for its storage beyond a specified limit (currently it is 15 quintal). Presently, on an average, it comes to Rs. 30-40 per quintal. However sleaze money is being paid by the traders to the officials and actually evades the storage fees. In this way they are able to store much more without paying out the requisite storage fee. In fact there have been numerous instances where SHGs/ women groups taking up Mahua trade have been harassed by the Excise officials on the pretext of rules.

Marketing System

In the operational area of Vasundhara, Kundeidiha and Kansar (both under Kundeidiha Panchayat) are the major local haats. Beside this there are some very small haats (please refer to the map for details). The market at Kusumi serves as the major centre for intermediary traders. The intermediary traders procure the commodities through local agents or *kutchias* who act on commission basis. In the following we would discuss in detail the existing marketing system, price trends and selling trends (from the village or kutchia level) as regards the above-mentioned economically important NTFP items.

Mahua

The primary collectors sell the Mahua at two different levels – at the nearest local haat and to the kutchia. The exchange is basically of two types – exchange through salt and for cash. Approximately a household sells around 15-20% of the total produce collected by it for salt. Traders consider absolutely dry and reddish Mahua as of the best quality and pay a higher price for them. In fact this reduces their cost employing labour for drying the Mahua. In many cases people also adopt malpractices by mixing water to the dried Mahua before taking it to the haat. And such kind of adulteration does not take place if the produce is picked by the Kutchia. The kutchia generally procures Mahua from the local haat and also from the

doorstep. Most of the Mahua from the region is procured by the intermediary traders based at Kusumi. In addition to this local illegal distillery owners do procure Mahua.

If we take the case of Kusumi, which is the major link market in the area and whole of operational area of Vasundhara in Gurundia block comes in its catchment. There are number of intermediary traders at that level. Each trader procures around 800-1000 quintals of Mahua on an average. However there are some traders who procure much more. An intermediary trader generally procures through 10-15 kutchias in a season, where the supply made by each Kutchia varies between 20-50 quintals. In the beginning of the season the intermediary trader marks a price to the kutchia who accordingly procure the produce and in this process set aside some more money for him by resorting to malpractices in terms of weighment. During the last season the average commission paid to the Kutchia was Rs. 20. However the rate of commission varies with quality of Mahua supplied by him.

After procurement from the village, the kutchia keeps the produce at a common point/ his place. It is from there that the intermediary trader picks up the produce. Generally the intermediary trader incurs expenditure under the following heads in the course of procurement and storage:

1. Loading cost from kutchia's place
2. Unloading cost at trader's place
3. Gunny bags – each bag holds around 70-75 kgs of Mahua.
4. Storage fee
5. Panchayat registration fee
6. Storage loss – this varies from 5-15kgs/quintal depending upon the quality of the produce.
7. Labour cost for drying and packing
8. Some amount of sleaze money to concerned officials.

On the whole there are around 10-12 such traders based at Kusumi. Beside a number of traders from Kuchinda and other areas also frequent the Kusumi market.

Further discussion with communities reveal the following general production trend and price trend (of the last season) of Mahua in the region.

Season: March – April 15

Period	Production (of the total during the season)	Sale	Rate
First 15 days	25%	10%	Rs. 4
Next 15 days	50%	15%	Rs. 4
Last 15 days	25%	20%	Rs. 6
May	-	20%	Rs. 6
June	-	20%	Rs. 4
October – last week of February. Mostly by kutchias	-	10%	Rs. 7-9

In this context it is to be noted that the traders increase the prices during the mid-season, which is also the peak production season, in order to procure maximum from the region and when the peak season is over, the rate is lowered. However the remaining 10% which is mostly stored by kutchias are sold at a higher rate during the off-season, almost all of it being purchased by the liquor distillers.

Besides Mahua, these intermediary traders also procures **Char**. The season of Char ranges from last week of may to 15th June and the total output covers around two weekly haats. There are no traders who exclusively procures Char. In fact this holds true for all other NTFPs like myrobalans, which they do procure from time to time.

Siali leaves

It is one of the items, which is abundant in the area especially in pockets like Tamparkela, Balia, Kansar, Kelo (please refer to the map). The season of it ranges from October to January. On an average an individual collects around 15 – 20 kgs of leaves per day (8.00 a.m. – 2.00 p.m.). After collection the leaves are dried in open for a day or two by regularly changing the face of the leaf. Then it is bundled and tied with siali rope. Each bundle weighs around 50-60 kgs. Presently no processing facilities exist in the region. Mature and dry leaves which have not turned black are considered as best quality. If the leaves are bundles without properly drying them, then they turn black.

The market story of Siali leaves is a different one. The traders at Kusumi are not involved in its trade. Big traders from areas like Bisra (80 km from Gurundia block H.Q.) & Bamra (100 km from Block H.Q.) procure the leaves from the villages through commission agents who are local villagers. Presently the rate of commission varies from Rs. 20-30 per quintal. No storage of this produce is done at the village level. It is sold off every week and loaded in trucks after sorting at the procurement point at the village itself. This is done by labourers appointed by the trader. The big trader sends the produce to Calcutta (as per information elicited from the commission agents who are ignorant about further processing systems).

The collection trend and the price situation (based on the last season) is depicted as under:

Season: October – January

Period	Collection	Sale	Rate
October	50%	Every week	During the last season the rate varied between Rs. 5-6/kg.
November	10%		
December	20%		
January	20%		

Possibilities of NTFP Cooperatives – An analysis

Feasibility Analysis of *Banaja Banajat Dravya Samabaya Samiti, Kundeidiha: Mahua & Siali Leaf*

Assumption

1. The cooperative has taken loan of Rs. 600000 for the construction of the Godown.(150 quintals).
2. Mahua would be sold to intermediary trader at Kusumi.
3. Siali leaf would be sold in bulk to intermediary trader at Bisra.
4. Depreciation on godown would be charged @ 20% p.a.

Variable Cost calculation for Mahua (per quintal)

S.N.	Particulars	Amount
1	Average Cost per quintal	400
2	Storage Fee	30
3	Gunny Bag	13
4	Electricity	1
5	Labour	2
6	Transport	12.50
7	Drying & packing	22.50
8	Insurance	30
9	Members Bonus	5
10	Storage loss (15%)	60
Total cost per quintal		576
Sale @ Rs. 6/qtl		600
Contribution per quintal		24

Variable Cost calculation for Siali Leaf (per quintal)

S.N.	Particulars	Amount
1	Average cost per quintal	400
2	Bagging	10
3	Electricity	1
4	Labour	4
5	Sorting loss (15%)	60
6	Transport	115
7	Insurance	30
8	Member bonus	3
Total cost per quintal		623
Sales @Rs. 6.50/kg		650
Contribution per quintal		27

Fixed Cost for the Cooperative

S.N.	Particulars	Amount
1	Manager (@ 1500 pm)	18000
2	Asst. Manager (Part time-@ Rs. 500 pm)	6000
3	Godown incharge @ Rs. 600 pm	7200
4	Office Rent @ Rs. 500	6000
5	Interest @ 12%	72000
6	Depreciation for Godown @ 10%	60000
Total Fixed Cost		169200

Assumption

1. Trade of Mahua covers around 9 months (storage enterprise).
2. Trade of Siali leaf (unprocessed, as the current situation in Gurundia) covers around 3 months.

Accordingly if the fixed cost is shared between these two commodities, which are abundantly available in the area, the liability of each commodity to make up the fixed cost for the cooperative is as under:

S.N.	Particulars	Amount	BEP
1	Fixed Cost for Mahua (9 months)	126900	5288 quintals (126900/24)
2	Fixed cost for Siali leaf (3 months)	42300	1567 quintals (42300/27)