Tribal rights on resource governance: legal position

One of the distinct characteristics that distinguish the tribals from non-tribals is the territorial nature of the former. Tribals are territorial communities, confined more or less to a particularly geo-political region delineated traditionally; and this region (habitat) is one of their identity marks. This is more true for the Particularly Vulnerable Tribal Groups. As such, the resource governance in this habitat region holds great significance for their existence, livelihood, and development; and they feel disturbed if there is any unwanted outsider interference in this matter.

The pre-colonial system of feudal administration realized this and hardly interfered in these regions. The tribal communities usually enjoyed a kind of political immunity in that sense. However, during the colonial period when the British tried to ignore this tradition and sent their army to put the tribal regions under their control, many tribal groups responded with armed revolts. The bitter experience finally led the British to recognize what was known as Excluded Areas or Partially Excluded Areas, the term ‘excluded’ implying to restriction on extending mainstream interventions to the tribal areas without careful consideration and necessary modifications suitable to such areas. After independence these areas were recognized by the Indian Constitution respectively as Sixth Schedule Areas (many of the north-eastern states) and Fifth Schedule Areas (9 states other than the north-eastern states).

When the Indian government decided to extend the panchayati raj system (73rd amendment) to the Fifth Schedule Areas under the PESA Act in 1996, some modifications were made in the said system so as to suit the tribal custom & tradition of the schedule areas. Although the panchayati raj institutions were given significant roles under PESA, Gram Sabha was also entrusted with several responsibilities and powers. The Gram Sabha was recognized to be competent to safeguard and preserve the community resources. It also enjoyed ownership right over the minor forest produce, simultaneously with the ‘panchayats at appropriate level’. However, PESA suffered from some inherent limitations and weaknesses. It did not define ‘minor forest produce’, ‘minor water body’, or ‘ownership’. Sub-section 4(d) spoke of ‘safeguard’ and ‘preserve’ (community resources and other things), but not of ‘management’ and ‘development’ of the same; and provision 4(a) cannot much help to overcome this limitation. Some powers were given either simultaneously or separately to the Gram Sabha and the ‘panchayats
...at appropriate level’ but the mention to both these institutions was simultaneous in both the cases, thereby creating confusion as well as a scope for dilution during the follow up at state level. Thus, it was not much surprising that many states implemented PESA according to their convenience. Some like Odisha implemented it more in pen & paper than in actual practice. Like, the Odisha Grama Panchayat Act(OGPA), while conferring ownership rights over MFP to the Grama Panchayats in scheduled areas, attached a rider ‘in such manner and to such extent as may be prescribed’; and the government is not known to have prescribed anything in this matter till date. Similarly, OGPA requires the safeguarding and preservation of community resources (and other things) to be ‘consistent with the relevant laws in force’, which means that the right/power of the community is to be controlled by the relevant laws in force.

The Forest Rights Act, 2006 could overcome many such limitations of PESA. It clearly attributed a central role to the Gram Sabha in matters related to the rights of the scheduled tribes and other traditional forest dwellers in the forest and forest lands. It also ensured benefits to individual beneficiaries. These strengths of FRA soon made it more useful, meaningful, and popular for the tribals than PESA. However, section 13 significantly weakened this strength as it said that FRA would not be in derogation of the provisions of any other law in force. Thus, contradictory provisions under other laws such as the Indian Forest Act, 1927(that puts bamboo at par with timber) continued to be enforced adversely affecting the successful implementation of FRA. Similarly, states continued to exercise monopoly over some NTFP and to define MFP as per their convenience thereby totally violating the provision/spirit of PESA/FRA.

PESA gave ownership rights over MFP irrespective of whether it was traditionally collected or not, but FRA confined this right to traditionally collected MFP only. PESA is broader in its applicability, so far different natural resources are concerned; whereas FRA is confined mainly to the resources on forest land. However, the recent guidelines and FRA Amendment Rules issued by the Ministry of Tribal Affairs have created a kind of legal compulsion for the state governments to properly follow the mandate of the Forest Rights Act; and although the states are yet to wake up to that completely, some good progress is expected in near future.

Resource governance is also influenced by the Biological Diversity Act, 2002 so far the biological resources are concerned. This Act has no special provision in respect of the Schedule V and VI areas, and puts the State Biodiversity Board at state level and the National Biodiversity Authority at national level as the central authority in decision making regarding the management of biological resources. It provides for constitution of Biodiversity Management Committees (BMCs) with the Gram Panchayat as the lowest unit, and doesn’t go upto the Grama Sabha level which may create some inconsistency with PESA and FRA. Moreover, while the BMCs are supposed to ‘manage’ the local biodiversity, the Act actually says that their major task is preparation of the biodiversity register. Thus, the task of biodiversity management is applicable for the BMC only in a very limited context. Since the Odisha government is yet to finally notify the State Biodiversity Rules, it will require time to see to what extent this Rule would be consistent with PESA and FRA.

The other side of the reality is the institutional performance and attributes of the Grama Sabha(Palli sabha in Odisha) so far the actual experiences at village level go. While the OGPA gives the government a power to modify the resolution adopted by such institution(s), it also regulates in a way how frequently this meeting can take place. Thus, the spirit of PESA and FRA doesn’t find much scope in OGPA as the government tries to control the Palli sabha/ Grama sabha. People have seen how efficient(inefficient) the Palli sabha/Grama sabha or Grama Panchayat can be in safeguarding their rights. Given these realities, the following is a case for a possible model of resource governance in tribal areas with kendu leaf as an example.
An introduction to kendu leaf

Tendu Patta or Kendu Leaf (*Diospyros melanoxylon*) is one of the most important sources of income for rural communities including tribals living near forests in central India and its neighbourhood like Odisha and Rajasthan. Around 30-40 million people (mostly women) belonging to the disadvantaged communities in the region are dependent on Tendu leaf collection and also making bidi (country cigarette). Apart from its importance in terms of the employment generated, it contributes substantially to the exchequers of the concerned states. The Tendu Leaves production in India is estimated at around 350 thousand tons worth US $200 million annually, out of which around 90 percent is collected from the central Indian states (Kaur, 1991).¹

Due to its great economic value as well as social importance, Tendu leaf, also known as the ‘golden leaf’, can and does influence governments across party lines. While revenue from tendu leaves accounts for 80 -90% of the total forest revenue, it also provides the second largest avenue for employment, next only to agriculture. More importantly, it provides employment in the agricultural lean season and enables a farmer to earn money for investment in the next agricultural operation. According to “Tendu Leaves in NTFP Enterprise and Forest Governance”, a report of FGLG, Madhya Pradesh is the biggest tendu leaf producing state (25% of the country’s total production) followed by Chhattisgarh (20%), Odisha (15-20%) and Maharashtra (10%).

Odisha is the only producer of processed(graded) Tendu leaf which makes its production exportable. The leaf generated 15 million person days (as on 1994) of employment along with crores as revenue. Presently there are about 8 lakh registered pluckers(adult) in the state, but the actual number would be atleast double since children and adolescent girls of the family often accompany the adults during plucking and have almost an equal involvement. It has been argued that only 40% of the state’s Tendu leaf potential is being exploited at present. Tendu leaf operations are carried out in an area of 6 lakh hectares spread over 23 districts, with Balangir, Angul, Sambalpur, Sundergarh, Koraput, Kandhamal, Keonjhar and Mayurbhanj being the major producing districts.

Policies guiding Tendu Leaf in Central Indian States

State monopoly on Tendu leaf was a feudal tradition in the princely states during the colonial period as it was an important source of revenue. After independence and merger of these states with Indian provinces, the governments continued to view this

as a source of forest revenue and imposed necessary mechanisms for the lease/auction of the resource, allowing private traders to operate. Gradually, a number of factors like smuggling of the leaves, the issue of procurement from private lands, exploitation of the pluckers, loss of revenue to the state exchequer, and the adverse political dynamics (influence of traders on political parties) led to complete state control of the trade.

Tendu Leaf was the first NTFP to be brought under state control. Madhya Pradesh was the first state to nationalize Tendu Leaf in 1964, followed by Maharashtra (1969), Andhra Pradesh (1971), Bihar (1973) and Odisha (1973). Undivided Madhya Pradesh was first divided into 972 Tendu Leaf units on the basis of production in 1965, the first year of nationalisation and subsequently reorganised into 1826 units in 1984. A purchase and agent system was in force in the state till 1979. In 1980, this was replaced by lump sum sale that resulted in an increase in production and royalty money. In 1984, MFP (Trade and Development) Co-operative Federation Ltd. was established to deal with nationalised NTFPs. The federation, however, became fully operational only in 1989.

The Odisha Kendu Leaf (Control of Trade) Act of 1961 brought in state monopoly to regulate the trade in the commodity. It restricted the purchase and transport of Tendu leaf only to government authorized agents. Till 1972, the agents appointed by the Government did collection, processing, etc.; and the leaves were sold to authorised agents by auction. But the government soon found itself under the clutches of private traders under this arrangement. Therefore, it nationalised the Tendu leaf trade in 1973 with the objective of eliminating unscrupulous private traders from the trade in order to reduce exploitation of the pluckers as well as to maximise the revenue to the State. This system ensured that surplus from Tendu leaf trade is retained by the State in the form of royalty. Table-1 highlights the comparative status of policy and institutional arrangements, etc. in various states vis-à-vis Tendu leaf.

**Table-1 : Comparison status across the states**

<table>
<thead>
<tr>
<th>Status/States</th>
<th>Andhra Pradesh</th>
<th>Maharashtra</th>
<th>Odisha</th>
<th>Madhya Pradesh</th>
<th>Chhattisgarh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution involved</td>
<td>APFDC, FD</td>
<td>FD</td>
<td>FD, OFDC</td>
<td>MP MFP Fed</td>
<td>CG MFP Fed</td>
</tr>
<tr>
<td>Procurement</td>
<td>Approved agent</td>
<td>Approved agent</td>
<td>Forest Department</td>
<td>Cooperative society controlled by the Fed.</td>
<td>Cooperative society controlled by Fed.</td>
</tr>
<tr>
<td>Sale unit</td>
<td>In standard bags. One standard bag contains 1000 bundles of leaves; one bundle contains 50 leaves (approx. 50kg)</td>
<td>In standard bag. One standard bag contains 1000 bundles of 70 leaves each i.e. 70,000 Tendu leaves.</td>
<td>In quintals</td>
<td>In standard bag; one standard bag containing 1000 bundles of leaves. One bundle contains 50 leaves (approx. 50kg)</td>
<td></td>
</tr>
<tr>
<td>Sales system</td>
<td>Advance sale system by Forest Department acting on behalf of FDC</td>
<td>Modified lump sum system as prescribed by government</td>
<td>Tender/auction/negotiation by FDC</td>
<td>Tender/auction/negotiation by Federation</td>
<td>Tender/action/negotiation by Federation</td>
</tr>
<tr>
<td>Collection Rate per Leaf (in Paisa)</td>
<td>-</td>
<td>1.32</td>
<td>2</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Net Profit sharing/distribution to pluckers</td>
<td>100%</td>
<td>100%</td>
<td>50% to the PRIs (no direct distribution to the pluckers)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Direct cash benefit to pluckers as bonus</td>
<td>100% (net profit in pro rata basis to primary collectors)</td>
<td>100% (net profit in pro rata basis to primary collectors)</td>
<td>Nil</td>
<td>60%</td>
<td>80%</td>
</tr>
</tbody>
</table>
The Schedule Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006

Prior to the enactment of Forest Rights Act, 2006, NTFP was not defined clearly in any Act, not even in PESA. That was probably the reason many states kept this valuable produce under their strict control. Now, the Forest Rights Act has defined Minor Forest Produce very clearly as all NTFP * of plant origin including bamboo, brush wood, stumps, cane, tussar, cocoons, honey, wax, lac, tendu or kendu leaves, medicinal plants and herbs, roots, tubers and the like”(Subsection 2-i).

Subsection 2 (c) of the Act provides rights to do processing, value addition and transportation of all Minor Forest Produces while Subsection 3 (1-c) further confirms the right of tribals and other traditional forest dwellers to collect, use, process and transport MFP.

On 1st of January, 2008, the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Rules 2007, were notified by the Ministry of Tribal Affairs, Government of India and published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated 1-8-2008.

However, some confusions impeded the implementation of the Act in its letter and spirit during the last four years. This was taken notice by the Ministry of Tribal Affairs, such as,

(i) Convening of Gram Sabha meetings at the Panchayat level resulting in exclusion of smaller habitations not formally part of any village;
(ii) Non-recognition of un-hindered rights over the minor forest produce (MFP) to forest dwellers;
(iii) Non-recognition of other community rights; harassment and eviction of forest dwellers without settlement of their forest rights; rejection of claims by insisting on certain types of evidences, inadequate awareness about the provisions of the Act and the Rules etc.

The ministry then issued a set of fresh guidelines vide letter dated 12th of July, 2012 ensuring better implementation of Forest Rights Act (FRA) of 2006. The new guidelines at Para (ii) on page 3 say that forest dwellers no longer need to get transit passes for carrying MFP, including bamboo, outside the forest. The movement of all MFPs should be exempted from the purview of transit rules of state governments or the transit systems be otherwise
revised as per the mandate of the Act. It also says to do away with the monopoly of the Forest Development Corporation and also not to impose any fee / charges/royalties on the processing, value addition, marketing of MFP collected individually or collectively by the cooperative /federations of the rights holders as that would be ultra vires of the Act. In the meantime, on 6th September, 2012, the ministry has published, the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Amendment Rules 2012 which are legally more imposing/binding in nature than the said guidelines. The amended rules have made the things crystal clear so as to leave no doubts whatsoever.

For instance, subsection 2 (i) (b) clarifies that “bona fide livelihood needs” means fulfillment of livelihood needs of self and family through exercise of any of the rights specified in sub-section (1) of section 3 of the Act and includes sale of surplus produce arising out of exercise of such rights. Similarly, subsection 2 (iii) (d) says, “disposal of minor forest produce” under clause (c) of sub-section (1) of section 3 shall include right to sell as well as individual or collective processing, storage, value addition, transportation within and outside forest area through appropriate means of transport for use of such produce or sale by gatherers or their cooperatives or associations or federations for livelihood.”;

Explanation

(1) The transit permit regime in relation to transportation of minor forest produce shall be modified and given by the Committee constituted under clause (e) of sub-rule (1) of rule 4 or the person authorized by the Gram Sabha.

(2) This procedural requirement of transit permit in no way shall restrict or abridge the right to disposal of minor forest produce.

(3) The collection of minor forest produce shall be free of all royalties or fees or any other charges.

Key issues

Prior to the enactment of Forest Rights Act, 2006, NTFP or MFP was not defined clearly in any Act, not even in PESA. Now, that the Forest Rights Act has defined MFP very clearly mentioning Tendu leaf within its purview, it should be handed over to the right-holder communities. Similarly, in all PESA areas the Grama sabha or corresponding PRIs should be allowed to exercise ownership rights over this produce. Atleast official announcements to that effect should be made immediately to honor the Act in its letter & spirit.

Tendu leaf trade is the exclusive preserve of the state forest departments and/or forest corporations. There is no internal review of the limitations and failures caused by this monopoly, by other line departments like the Rural Development department and the SC & ST Welfare department. Though they are supposedly looking after the interest of tribals and scheduled castes, these departments hardly take any interest in Tendu leaf operations.

There is lack of inter-state convergence on management and operational issues of Tendu leaf in the region. As a result, there are wide variations among states in price, profit sharing mechanisms, taxation systems, transit permit, and royalty, etc. These variations have both positive and negative impacts on the local trade dynamics and the earning of the pluckers. For instance, if Chhattisgarh and MP can share a substantial part of their net profits from this trade with the pluckers directly, why can’t Odisha? Similarly, why can’t other state adopt processing of the leaf like Odisha?

Different states have different institutional and operational arrangement for trade of Kendu leaf. In Maharashtra and Andhra Pradesh, the units are sold to the traders through open tenders and auction as prescribed by the government. In Odisha, the Forest Department has the responsibility of procurement while Odisha Forest Development Corporation (OFDC) does the marketing. But in Chhattisgarh and Madhya Pradesh, a three-tier cooperative structure has been put in place for management of Tendu leaf. As Tendu leaf operation varies from state to state substantial quantities of leaves collected by the collectors are traded illegally. It is also found that because of some limitations the
concerned state agency is unable to cover all procurement areas within the stipulated time period, and hence has to discard/close down some procurement centres.

There is no resource mapping and inventory made in any of the states to assess the real potential of Tendu leaf and take the necessary steps for its conservation. On the other hand, production of Tendu leaf is on a downward spiral. The reasons cited for this phenomenon by different stakeholders vary. In Odisha, it has been found that the bush-cutting area has been progressively diminishing, resulting in the decline of production. Besides, there is ample evidence of unscientific methods/techniques of bush cutting and plucking of leaves. Many important tendu leaf producing areas have become now a part of the Protected Areas which is why commercial collection from such areas is not possible officially. In some other areas the state agency has stopped procurement showing the reason of low quality or infeasible operation.

The anti-tobacco campaign, the gutka, and many other factors have threatened the end market of tendu leaves, i.e. the bidi. So far the government(s) has(have) not focused on developing an equally viable alternative use and trade of this produce, which makes it vulnerable.

View of the stakeholders

View of the Primary Collectors
GP is a political body and Gram Sabha is influenced by few people. GP is politically volatile and has been a poor manager as far as execution of any scheme is concerned. Tendu operation is extremely time bound and needs intense maneuvering of time and labour. Villagers are highly apprehensive about the capacities and administrative abilities of GS/GP system in this regard.

The most apprehensive aspect, as far as villagers are concerned, is about timely payments. In the present system tendu-leaf collectors are getting assured payments. The villagers are not very confident if the same would happen if GS/GPs replace department/contractors. Their prior experiences of working on different developmental works undertaken by GS/GP substantiate their doubt.

View of the Phad Munshi
Tendu leaf operations include bundling, sprinkling and drying, filling in bags, and transporting to godown, etc. This whole process is to be carried out with precision; and a slight slack or untimely rain could amount to huge losses. In this regard villagers have no confidence that GS/GPs would be able to handle the situation on time.

View of the PRI representatives
GP representative also expressed their limitations in bearing any losses if incurred in tendu operation, since they do not have any financial provision to begin with, to face such unexpected incidents.

View of the Forest Officials
FD officials too are extremely suspicious and even make derogatory remarks about the capability of GS/GPs to undertake tendu operation. Barring their ‘command mentality’ they have a point. As per their version, all GS/GPs are under the influence of one or the other groups belonging to certain communities who dominate the village economy by virtue of their land holdings. They are providers of employment in their farms to the landless or small farmers within the villages, and are engaged in money lending. Villagers are dependent on the rich and powerful people, who dominate the GS/GPs usually, for their day-to-day needs. Due to this, villagers would not feel comfortable with them in asserting their right of timely payment. Presently tendu leaves collection activity is independent and without any interference
of such powerful people. It assures timely payment in the month of May, and cash is much needed to start agricultural work.

**View of Traders**

If the traders purchase the leaf directly from the people, they are ready to pay @ Rs. 15,000 per quintal for first grade processed leaves in Odisha, which is more than 1.5 times of existing price of Kendu leaves.

**View of the Researcher**

Bikash Rath, a researcher, has studied the political economy of tendu leaf; and says the complex national and international trade dynamics requires a centralized procurement and marketing system. He, as an instance, says that presently the Forest Department pays a uniform price to all the pluckers of the state irrespective of the quality of the leaves whereas privatization may not ensure this uniformity and some may get more while some will get less. Tendu leaf export is affected by various international political dynamics, and local communities can’t monitor and manage these things themselves. Of course they may confine their interest only to a profitable sale of their produce, but to think of developing/expanding the trade requires a lot of other considerations which they are unlikely to manage, atleast under the present scenario. He is therefore of the view that a government-controlled centralized system should continue to operate, not as a state monopoly, but on behalf of the communities/right-holders; and the net revenue should totally go to the pluckers/right-holders. Community control can be exercised, through pluckers cooperatives or other such feasible organizations, to monitor timely and proper bush-cutting, collection, processing and handing over for marketing so as to check exploitation and/or negligence by the departmental people/agents/seasonal staff. The state agency should be made accountable to the Gram sabha, should respond to the notice of the Gram sabha in case of any issues with payment or procurement, etc. by sending its representative to the GS meeting for necessary explanations, and should then ensure necessary compliances of the instructions of the Gram Sabha.

As of the traders’ projections of high rates(price) of procurement he is apprehensive as he believes that traders can hardly be reliable and committed in this respect. Instead, he emphasizes on developing alternative trade of tendu leaf as the single end use(bidi) makes it vulnerable.

**Views of the Haque Committee**

The Committee constituted by the Ministry of Panchayati Raj in 2011 to look into the aspects of minimum support price and value addition etc. of MFP has recommended tendu leaf as one of the 13 select MFPs for which MSP system has to be adopted by the government. The Committee is also of the view that although community ownership over the produce has to be effected as per the legal mandates abolishing state monopoly, the procurement and marketing arrangements should be still centrally operated by a government agency to safeguard the interest of the people; and that the net profit from this source should totally go to the right-holders.

In the light of PESA and the FRA, all profits, presently benefiting contractors and factory owners, as well as the wage money should directly go to villagers. This prospect, no doubt, excites the villagers; but its ground implementing agency being the Gram sabha or the GP, that dampens this excitement due their prior discouraging experience with the Gram Panchayats/GS.

**Suggestive model to manage Tendu leaf**

The present operational arrangement of Tendu leaf in the region leaves no one in doubt that revenue generation is the higher priority for the states. State governments are not able to maintain a balance
between livelihoods of the primary collectors and sustaining the potential of the resource.

In the context of the Forest Rights Act - 2006, a study was undertaken by Regional Centre for Development Cooperation (RCDC) in selected panchayats of central Indian states during 2009-12. The objective of the study was to examine the possible implications of handing over of Tendu leaf trade to GS/Panchayats as per the Forest Rights Act. Based on the findings of the study and responses from various stakeholders (as shared in the previous section), RCDC has tried to develop a model for management of Tendu leaf in this region. The following points have been taken into account while developing the model:

- Improve the bargaining power of primary collectors by developing the capacity of local level institutions.
- Increase the knowledge and awareness about price, quality, purchase preferences, possible market channels as well as the importance of the ecological aspects of the resource.
- Establish micro credit facility to primary collectors and their institutions.
- Undertake research on various aspects and periodic policy reforms

The model highlights certain key issues like the role of Gram Panchayat, Forest Department and other line departments in conservation and management of Tendu leaf in the context of Forest Rights Act. The most important feature of the model is the economics aspect that predicts the increased household revenue in the new arrangement. The model is only suggestive in nature and a lot of debate is anticipated to finalize it.

**Role of the Forest Department and marketing institutions**

- The Forest Department should take up immediate measures for transfer of ownership over Tendu leaf to Gram Sabha/Gram Panchayats.
- The first step the department should do is to initiate dialogue within the department on doing away with the classification and categorisation of NTFP.
- The next step is probably initiating debate for amendments in the Odisha Forest Act, 1972 and other relevant laws to define NTFP as defined in Forest Rights Act. Tendu leaf should come under the NTFP as per the amendment.
- The department should provide all possible helps to the panchayat in managing tendu leaf and observe its implications.
- The key responsibility of the forest department should be to ensure the conservation and sustainable management of the resource.
- Department should play the regulatory role in the whole process of Tendu leaf management and make frontline staffs accountable to GS/GP for management and trade of Tendu leaf.
- The state marketing institutions like OFDC should provide all possible marketing support to the primary collectors starting from educating them to developing market linkage, etc..
- This model could be experimented in selected forest divisions on pilot basis. The implications need to be carefully observed before its wider replication.
Role of the Gram Panchayat
At present, Gram Panchayats could be assigned to supervise and monitor bush cutting, collection, maintenance of Phadi, ferrying of leaves to the Phadi, maintenance of plucker card, payment to bush cutters, pluckers and muns, godown management and storage of leaf, gradation of leaves, binding of leaves, etc. Panchayat could also take the responsibility of price fixation.

Role of other line Departments
- The department of Tribal Welfare needs to work with other departments such as Forest-, and Panchayati Raj- etc to develop comprehensive policy guidelines for management and trade of Tendu leaf.
- They need to ensure proper training and capacity building of primary collectors and beneficiaries on management and trading of Tendu leaf.
- The Panchayat Raj department needs to develop and implement programs for capacity building of PRIs and Gram Sabhas for control and management of Tendu leaf.
- Circulate the rules and other relevant information to the Gram Sabhas in simple local dialect.

Research Institutions
Research institutions should undertake R&D activities on a priority basis so as to develop/create alternative, dignified, and viable commercial demand of tendu leaf. They should also take up research in various ecological aspects of the produce. These institutions need to be engaged in assessment of potentiality of Tendu leaf, and to design sustainable harvesting protocols, etc. They should closely work with the forest department and the panchayats.

Role of the NGOs
In the proposed model the role of NGOs is quite important. As Tendu leaf trade is a huge business the capacity of panchayats needs to be built up in the context of pruning, pricing, marketing etc. Detailed guidelines need to be developed by the NGOs in this line. They should closely work with the panchayats and monitor the implications time to time. Their role in the context of educating the primary collectors, phadi management, price fixation is also quite important.

Implication of the Suggestive Model on Tendu leaf
1. An economic analysis of Tendu leaf in Odisha indicates that the average household income of primary collectors will be increased up to Rs. 7732/- per annum, if the proposed model is implemented. This income is more than what they earn from agriculture and allied sources at present. (Refer to Table 2: Calculation of Tendu Leaf Trade in Odisha and profit plough-back to the primary collectors).

Table 2: Calculation of Tendu Leaf Trade in Odisha and profit plough back to the primary collectors

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Bush cutting expenses per year</td>
<td>Rs. 675 lakhs</td>
</tr>
<tr>
<td>No. of plucker cards issued</td>
<td>7.5 lakhs</td>
</tr>
<tr>
<td>Approximately total purchase price/collection price per year</td>
<td>Rs. 4506 lakhs</td>
</tr>
</tbody>
</table>

2 Interestingly, TRIFED recently invited expression of interest from the research institutions for R&D activities in 13 NTFPs identified by the Haque Committee, and Tendu leaf is obviously one of them. This can be said to be an extraordinary opportunity.

3 Here the registered pluckers are normally taken into account for all purposes of assessments though the gross return may be based on the average number of household members involved.
Average collection price per cardholders =
Total purchase price/collection price/ No. of pluckers          Rs. 600

Collection wage per family (average ten members collecting leaves
in a single card in Bolangir district)                   Rs. 6000

Expenditure = (Bush cutting expenses + Purchase price/collection price + others)           Rs. 9697 lakhs

Royalty                                                  Rs. 5000 lakhs

Sale value                                               Rs. 15000 lakhs

Total Turnover = (Royalty + Sale value)                  Rs. 20000 lakhs
(200 crore)

Average profit = Total Turnover - expenditure           Rs. 10303 lakhs
(approx. 100 crore)

Profit sharing for family = Total Profit/ No. of Pluckers     Rs. 1333

Average income per pluckers = Average collection price + profit
Rs. 600 + 1333 = 1933

Average income per family (4 members) on the basis of pro rata =
Collection price per family (study findings from Bolangir) + profit
Rs. 7732

** The calculation is mainly based on approximate figures quoted by different stakeholders **
2. The pressure of population on local natural resources has been rapidly increasing. Often, it leads to over exploitation of resources due to the lack of alternative income sources. If government adopts this model, more pluckers will be involved in kendu leaf trade and the existing potential can be exploited. Kendu leaf can provide additional income to many households, decreasing pressure on other natural resources in the process.

3. Moreover if the proposed model is implemented in Odisha it will bring significant changes in terms of livelihood of forest dwelling communities as well as the environmental stability. The model will bring a revolutionary change in the NTFP policy scenario not only in Odisha but in the whole central India.

**Table 3: Projected income of collectors (if they sale directly)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Tendu leaf collection per year</td>
<td>4.5 lakh quintals</td>
</tr>
<tr>
<td>Total turnover= Rs 15000 of 4.5 lakh quintal</td>
<td>Rs. 675 crore</td>
</tr>
<tr>
<td>Expenditure (approximately based on previous data)</td>
<td>Rs.100 crore</td>
</tr>
<tr>
<td>Total Profit</td>
<td>Rs. 575 crore</td>
</tr>
<tr>
<td>Profit sharing=Total Profit/7.5 lakhs (No. of pluckers)</td>
<td>Rs 7666</td>
</tr>
<tr>
<td>Average income per pluckers=average collection price+profit</td>
<td>Rs.600+Rs.7666= Rs.8266</td>
</tr>
<tr>
<td>Average income per family (4 member) on the basis of Pro rata= collection price per family (study finding from Balangir)+ profit</td>
<td>Rs. 8266 X 4= Rs. 33064</td>
</tr>
</tbody>
</table>

**The calculation is mainly based on approximate figures quoted by different stakeholders**

This paper, printed and circulated on the occasion of the ‘National Workshop on Tribal Rights & Resource Governance’ organized by RCDC on 21-22 December 2012 at Bhubaneswar, presents a modified version of the abstract of the study on kendu leaf management in the light of FRA, conducted by RCDC during 2009-12 under the support of NTFP-Exchange Programme, India. The original abstract was circulated in the NTFP-EP network in September 2012. For any clarification, please contact the concerned researcher Mr. Hemant Bag, Programme Manager, RCDC at hemant@rcdcindia.org. All rights to the said study findings/report are reserved by RCDC.

Prepared by:

Regional Centre for Development Cooperation
424, Sahid Nagar, Bhubaneswar-751 007, Odisha
Ph. +91 674 2545250, Fax: +91 674 2545252
E-mail: rcdcbbsr@bsnl.in, rcdcbbsr@gmail.com
URL: www.rcdcindia.org, www.banajata.org

Supported by: