

1 Forests and Forest Produce

1.1 Salient features of forests in Bastar district

1. Total forest area of Bastar district accounts for roughly over one-third to one half of the total area by different estimates.
2. Principal non-timber forest produce is tendu patta, mahua, imli (tamarind), sal seeds, chironji etc. The forests are also rich in many medicinal and aromatic plants
3. The implementation of the Forests Rights Act provisions for grant of ownership to forest dwellers is at different stages of progress as per the area.
4. Potential loss of forest cover due to expansion of mining activity and industrialisation is a threat. There is a need for policy guidelines on balanced development which would take into account not just the economic and environmental aspects but also the social impact especially on the lives of forest dwelling communities.
5. The forest dwellers have not been able to derive substantial benefit from the rights to collect minor forest produce, though in some cases the income from this source could be as much as one-third to half of their total income.

1.2 Potential and possibilities

1. Processing of minor forest produce can be a good source of income for the forest dwellers. For this, their role in the value chain should not be limited to mere collection and sale to traders. They should be involved in at least part of the processing chain and also be able to restrict the role of intermediaries to some extent. Processing and marketing of forest produce by community groups would be one of the best examples of a product of natural capital serving as a means for community action thus strengthening social capital.
2. A federation of SHGs or processor groups could be formed which could deal with government agencies such as the VanoupajMahasangh as representative of the groups. It could also organise centralised functions including marketing, branding etc. through specialised agencies.
3. Medicinal and aromatic plants could be a good source of income not just for the forest dwellers but for all the players in the value chain.
4. Forest produce could be a good source for nutritional food items for the community and some of the products could be distributed in anganwadis and schools. This could help combat malnutrition and thus contribute in the mission against malnutrition being launched on the occasion of the 150th birth anniversary of Mahatma Gandhi by the state government.
5. Forest rights for cultivation could be innovatively used to grow horticultural crops instead of confining to cultivation of paddy and other conventional crops.

1.3 Existing schemes and arrangements

Fifteen PrathamikVanoupajSahakariSamitis or Primary Forest Produce Co-operative Societies have been formed, intended for collection and sale as also processing of forest produce. The primary societies form a district level union which is linked to the State level apex body. This organisation sells processed items from forest produce including medicinal extracts and has its outlets across the state. Processing centres for cashew have been set up at Rajnagar, for imli (tamarind) at Ghotia and

Aasnaand a processing unit for medicinal plants at Kurundi. However, the processing facilities need to be extended to other centres and the marketing efforts also need to be robust. Packing of some of the items also needs to be made more attractive and user friendly.

Schemes have also been drawn for work on lands granted under the Forest Rights Act. Additional days have also been provided under MGNREGA scheme for activities on FRA holdings.

It has been reported that recently Chhattisgarh government has received an amount of Rs. 5792/- crore from the Centre under the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) fund. The sanctioned funds would be utilized for compensational afforestation, forest development, productivity enhancement of forests, forest conservation related works, wildlife management and conservation, groundwater conservation, biodiversity, infrastructure development etc.

1.4 Reasons for under-achievement of the potential

1.4.1 Pattern of control

- i) The traditional dwellers of the forest - mainly the tribal groups – have limited control over the forest resources. Irrespective of the various rights granted statutorily, in practice the right to collect minor forest produce gets translated into at best a right to earn a subsistence wage. The forest dweller in effect only hands over the minor forest produce collected by her at the equivalent of a subsistence wage either to the government agencies or to the traders. The effective right of deriving benefit from the produce, either directly or through value addition, thus vests with the government or with the contractors and traders.
- ii) Individually, the collectors of minor forest produce are not in a position to negotiate and get a better deal from the traders. Absence of information about the prices fetched by some of the produce in the organised markets also prevents them from assessing the real monetary worth of their produce. Moreover, since most of them sell the produce to traders or in the weekly haats in the raw form in which it is collected, the earnings are limited. Unless they are able to process the produce and sell, the collectors would continue to get a raw deal. To be able to carry out the processing and to reach out to the markets in the next level of the value chain, they would not be in a position to get a better remuneration for their efforts and the control over the trade would continue to vest with the traders and contractors.
- iii) The implementation of the Forest Rights Act, 2006 is at various stages in different areas. At some places, the people have been granted the rights but there are also villages where the rights have not yet been granted for various reasons. It is found that while the authorities have generally been co-operative, the forest dwellers as a group have limited knowledge and power to get the issues resolved wherever some bottlenecks exist.

1.4.2 Institutional capacity

Forest dwellers are not well-versed in the dynamics of modern commerce and most of them lack the skills to take up business on their own. Their only acquaintance with commerce is when they sell their produce to traders or in weekly markets and their purchases of day to day requirements. In most of these transactions, they do not have a say in the determination of the price as also the terms of the transaction. As such, any initiative to get them to undertake any business activity - such as processing of forest produce and also taking up

some of the functions performed by the chain of middlemen - would have to be directed at a collective effort by a group since it would be too early a stage for individuals to take up the activity on a large enough scale. Training of groups of produce processors, not just in the processing activity but also in rudimentary marketing and management, would also involve considerable effort and would need institutional support. While there are no institutions which have assumed this role in a big way, the SHG network could be used as a stepping stone. Past efforts by the government machinery such as the "imliandolan" are also give hope that the government could support such initiatives in some form or the other. Though the imliandolan could not continue in the same form as envisaged, it could be studied for drawing lessons from the exercise for future action.

Institutional arrangement currently does exist in the form of the VanoupajMahasangh promoted by the government which could also be approached for support to small groups on a large scale. However, as mentioned earlier, the operations could be expanded and the marketing and branding efforts also could be toned up.

1.4.3 Adequacy of financial provision

A major block in the institutional arrangements for group processing of forest produce would be the difficulties in availing of finance as there does not seem to be any existing source of availing finance which could be approached. While the need has not yet been felt in the absence of any institutional activity itself, this would be a major challenge to be addressed for establishing institutional arrangements.

1.5 Steps suggested

1. Start with existing SHGs for taking up processing activity initially on a small scale. In case SHGs are not available for such work, form small groups of men as well as of women for processing.
2. Form a larger group by bringing together smaller groups in a geographically contiguous area. A federation could be eventually formed from such larger groups.
3. Initially, the activity may consist of basic first level processing and the processed produce or a part of it could also be sold to higher level producers.
4. Centralised functions such as aggregation of produce, accounting, marketing, branding, training, dealing with government agencies or other stakeholders could be taken up by the federation or the larger group either on their own or by assigning to a specialised agency.
5. Functions such as marketing, branding, training of processors or group functionaries (for their respective activities) could be handed over to specialised agencies. Sales outlets in urban areas for organic products and organised retail chains could be approached for buying the produce.
6. As regards finance, initially the best source appears to be the resources of SHGs including the bank finance available to them. At later stages, government agencies could be approached for funding from specially created corpus or from sources such as District Mining Fund. It could also be examined if a part of the CAMPA fund could be devoted to such activities by linking the groups to afforestation activities. Crowdfunding is also an option which could be tried for forest dwellers groups, by making an imaginative appeal about empowering tribal groups, to urban professionals, well-meaning individuals with high net worth etc.

7. These initiatives would, no doubt, face many challenges. First of all, the challenges of forming groups and convincing and training the members. However, one or two initial success stories could help in picking up momentum later. The second, and more daunting, challenge would be overcoming the resistance from entrenched vested interests of middlemen. To minimise the possibility of such resistance, the approach should be start in small groups spread over an area. Processing on a small scale may not be seen as a threat by the traders. Government support could also go a long way in overcoming this challenge.