
Livelihood Promotion through Non Timber Forest Produce : A Case of Chhattisgarh State

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Abstract

Non Timber Forest Products (NTFPs) play a crucial role in securing livelihoods of the poor forest dwellers in the state of Chhattisgarh, where 44 per cent of the geographical area is forest covered. The Chhattisgarh State Minor Forest Produce Co-operative Federation Limited (CGMFP Federation) has taken various initiatives for organizing production, collection, processing and marketing of non-nationalised NTFPs in order to provide additional employment opportunities and thereby livelihoods to nearly one Million poor forest produce gatherers. Though benefits generated by this intervention have remained meagre and reached only a small portion of the population, it should be remembered that the intervention is in its infant stage and the outcomes and impacts created so far indicate its potential for positive changes in livelihoods of the poor forest dwellers. The case documents work done, processes, achievements and challenges in bringing about changes in the living conditions of poor households.

Background

NTFPs have constituted an important component of rural livelihoods in India, particularly in the tribal dominated forest regions. In addition, they have also formed an important source of forest revenue in the country and, therefore, remained under the control of the forest department. However, over the last few decades, NTFPs have attracted the interest of both the public and private sectors. The National Forest Policy of 1988 and subsequent government resolutions on joint forest management are paradigm shifts towards forest management in India, which reflect a shift in emphasis from 'Forests as source of State Revenue' to 'local needs' and 'environmental concerns'.

In Chhattisgarh, where 11,185 villages out of a total of 19,720 villages are forest fringed², the importance of NTFPs in the livelihood security of the rural population has led the state government to declare seven NTFPs such as *tendu* leaves, *saal* seed, *harra*, *gum* (*khair*, *dhawara*, *kullu* & *babool*) as nationalized and establish the CGMFP Federation with an objective to promote trade and development of these minor forest produces (MFPs) in the interest of MFP collectors, mostly tribals. The remaining other MFPs were left free for trade because their distribution and production varied with respect to time and space. As a result, villagers would get assured minimum prices for nationalized NTFPs, but low collection prices and often

exploitation by middlemen for the non-nationalized NTFPs due to inadequate market facility development in the remote rural areas. Therefore, the state government issued a new State Forest Policy in 2002 declaring the State as a 'Herbal State', with the objectives of conservation of NTFP resources including medicinal plants, cultivation of medicinal plants, non-destructive harvesting, and promotion of organized trade and NTFP based industries for processing of MFP so as to generate additional employment opportunities in the state and provide health cover. Accordingly, CGMFP Federation developed a comprehensive programme focusing on organized production, collection, processing and marketing through community based institutional and marketing set-up in the form of 'Sanjeevani'. A separate multidisciplinary task-force headed by Conservator of Forests (CF) has been established within the Federation to translate this programme into reality. The present study is an attempt to understand the intervention in detail and its impact on the livelihoods of the rural poor.

Context

In the year 2000, Chhattisgarh became the 26th State of India, covering an area of 1,35,000 sq. km.³ It consists of 18 districts grouped into three agro-climatic zones, viz, the central plain, northern hills and Bastar plateau. The state is richly endowed with natural resources like minerals, forests and water bodies. The climate of the state is generally sub-humid with an annual rainfall ranging from 1200 to 1500 mm. The state provides catchments to at least four main river systems, i.e., Mahanadi, Godavari, Narmada and Ganga.

The total population of the state is 20.83 million⁴, of which 31.8 per cent belongs to the scheduled tribes and 11.6 per cent to the scheduled castes. A significantly large portion of the state population (79.93 per cent) resides in rural areas. The state sex ratio is 1000:989 overall, but 1000:1013 in case of tribal community where women play an important role in household livelihood security through collection of NTFPs.

Agriculture is the mainstay of the occupation of the people of the state. Dairy as a livelihood activity is limited to an extent. With 44 per cent forest cover⁵, forest resources rank next to agriculture in importance as source of income and food supplement for the rural poor, particularly during the lean seasons. The forests provide many MFPs like *tendu* leaves, *sal* seeds, *mahua* flower and seeds, *amla*, *harra*, gum, lac, *tamarind*, *mahul* leaves, etc. Besides these, several important medicinal plants are also found in the forests of the state. According to the estimation of CGMFP Federation, the annual trade of non nationalized- non medicinal and medicinal products is 250 and 50 crores respectively, which is more than trade of nationalized products which is currently around 225 crores (see annexure1). In spite of abundant natural resources, a major portion of the rural population of the state migrates to neighbouring states and industrial centres for employment. Some of the key features of non-nationalized NTFP trade are:

- The villagers collect the forest produce from forest areas and sell in the local haat-bazars or to petty traders in the nearest town. Some petty traders purchase the forest produces directly from the villagers, visiting their homes or villages at a regular intervals.
- The produce collected by the petty traders or agents is graded / primarily processed and sold in nearby Mandis or to the main traders in Jagdalpur, Bilaspur, Dhamtari and Raipur markets in Chhattisgarh. The main trader, if required, further processes/grades the material according to the market need and sells the same in bigger markets of the country.
- Traditionally, formal sector institutions such as nationalized banks and cooperative banks did not provide direct credit to collectors and operators at the village level in the state. Therefore, traders followed the binding and exploitative 'advance purchase system'.

The state government had almost no stake in the trade of non-nationalized NTFPs of INR 300 crores which involved nearly 9.78 lakh rural poor forest produce gatherers.⁶ Subsequently, the state government planned to intervene and organize the whole sector so as to benefit the rural poor forest dwellers.

CGMFP Federation

CGMFP Federation came into being in October 2000 as an apex organization with a three-tier co-operative structure after the division of the erstwhile Madhya Pradesh state. The Federation comprises an Apex body at the state level, 32 District Unions (forest units) at the district level and 913 Primary Forest Produce Co-operative Societies at the village level. At present there are about 10,000 collection centres spread over the length and breadth of the state and approximately has covered around 9.78 lakh forest produce gatherers. The Federation collects and markets nationalized NTFPs like *sal* seeds, *tendu* leaves, *harra* and gum through this three tier co-operative structure. After the new State Forest Policy a task force under CF was constituted with the Federation to achieve the objectives of Herbal State. Major tasks being done by the Federation are:

- a) Collection and trade of nationalised NTFPs
- b) Collection and trade of non-nationalized minor forest produces, including medicinal and aromatic plants with assured market tie up
- c) Promotion of MFP-based processing units
- d) Conservation, development and sustainable utilization of MFPs
- e) Promotion of cultivation of MFP species, including medicinal, aromatic and dye plants.

Objectives of the Study

The CGMFP Federation has taken several initiatives for ensuring livelihood

security of the local population through promotion of production, collection, processing and marketing of non-nationalized NTFP. The present study attempts to achieve the following objectives:

- a) to study the intervention made by CGMFP Federation towards livelihood security of the rural poor including tribals through organized production, collection, processing and marketing of non-nationalized NTFPs and
- b) to examine the impacts of this intervention on income/livelihoods of the rural poor, especially tribals, through productivity enhancement and better price realization.

Methodology

The paper follows case study research design, which includes description and analysis of the situation, roles and interest of various stakeholders and problem areas related to NTFP trading vis-à-vis people's livelihood. For this, the study used both secondary and primary sources of data. Secondary data were collected from reports, progress reports, evaluation studies and other publications. Primary data and facts were collected through on-spot observation and semi-structured interview schedules cum check lists used for focused group discussion with villagers engaged in collection of non-nationalized NTFPs, Self Help Group (SHG) members and concerned officials of the forest department such as-

- a) Village level group in Jeerapur;
- b) Haat-bazar group members in Kurunji
- c) Processing centre group in Aasna
- d) Sanjeevani level groups in Jagdalpur, South Kondagaon, Raipur, Durg
- e) Discussion with teams involved at Jagdalpur Mart, Raipur Mart and Durg Mart
- f) Discussions were held with concerned officials involved in decision-making and management of the task-force.

The Intervention

The Federation has followed a strategy of multidimensional interventions targeting collection, production, processing and marketing. Details of these interventions, grouped together addressing the aspects of demand, factor, institutional and industrial conditions, are presented below.

State Level Task Force (Policy & Programming)

CGMFP Federation has constituted a multi-disciplinary task-force under a CF designated as General Manager for planning and implementing the project of organized production, collection, processing and marketing at the state level. The task-force is responsible for timely and effective management of non-nationalized NTFPs including medicinal, aromatic and dye plants. The General Manager is

assisted by a Dy General Manager and a multidisciplinary team consisting of four sections such as technical section, bulk section, retail section and management information system section. Senior executives have been specially recruited on contract basis to execute day-to-day activities of various sections. At the field level, the Sub Divisional Officer (SDO) of the forest department has been designated as Managing Director to execute the project at the District Union level.

NTFP Survey and Promotion of Herbal Health Care

A comprehensive survey of availability of various NTFPs, their quantity, market and processing units was done in the entire state so as to gauge the potential for establishing harvesting, collection and processing units. A survey of indigenous knowledge of herbal/ayurvedic based medication practices in the state was also done to gauge the feasibility of providing herbal health care to the rural poor, especially in remote areas, through the establishment of *Van-Ausdhalaya* (ayurvedic hospitals).

Community-based Production System

During the survey it was found that there was a lot of potential for promotion of production of various herbal medicines in different parts of the state. Keeping this in view, potential areas have been identified and 6 micro-enterprises, 3 for lac, 2 for herbal medicines and 1 for honey, had been established at the time of this study in order to promote organized production and collection of these herbal products through advanced techniques. These production units have been handed over to SHGs specially identified to operate these enterprises.

Community-based Collection System

In order to organize collection of NTFPs at the village level, 200 SHGs have been identified to ensure purchase of MFPs/herbals from the collectors. Concrete platforms are also being created at the village level by the Federation to ease primary level processing like drying, cleaning and grading of the MFPs.

Rural MFP collectors sell their produce in local weekly markets. Therefore, NTFP-Mart has selected SHGs through the grading system and, at places where SHGs are not in existence, 100 out of total 913 Primary Forest Producers Co-operative Societies (formed for collection of nationalized NTFPs) have been involved for purchase of non-nationalized NTFPs from village level SHGs as well as from the open market. A temporary storage centre has also been created and handed over to these SHGs for storing the purchased MFPs.

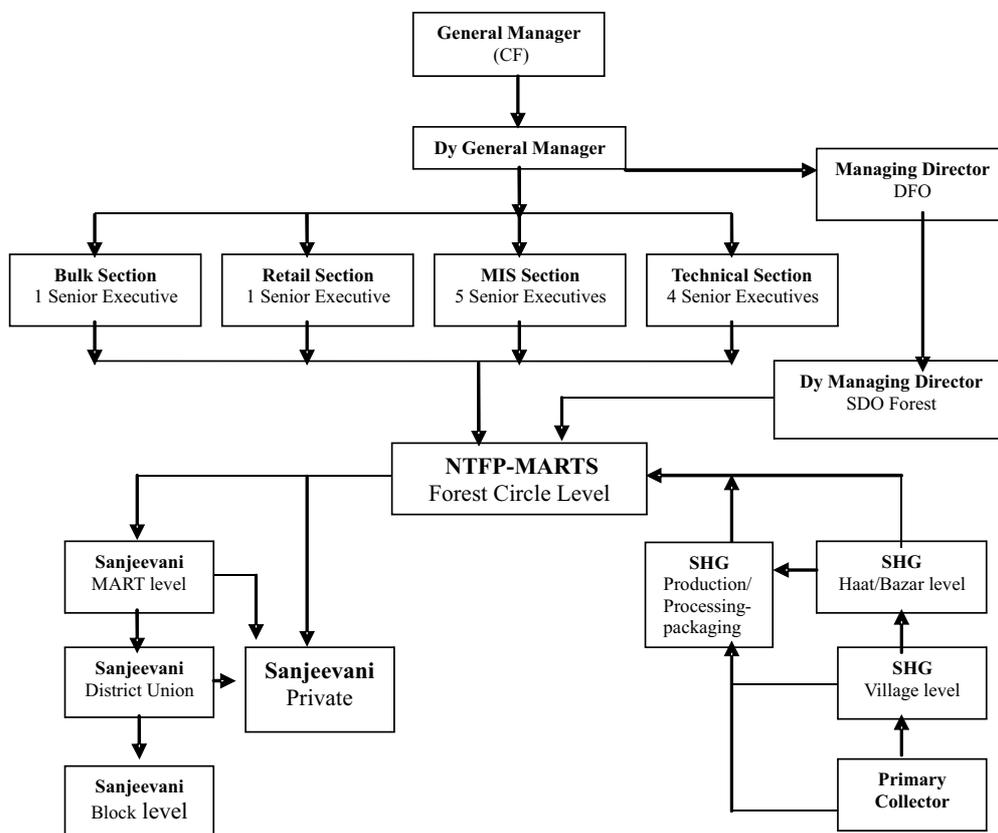
At the forest circle level (Raipur, Durg, Bilaspur, Ambikapur, Kanker and Jagdalpur), 6 NTFP-Marts have been established to ensure purchase of these produces from the SHGs and Cooperative Societies.

As far as the raw material required for processing centres is concerned, SHG members who run the processing centre collect required raw MFPs from the forest directly or purchase the same from the villagers and village level SHGs.

Community-based Processing System

Earlier there were only a few private processing units in the state for NTFPs, especially herbal products. Consequently, the Federation has prioritized species based on area, established community-based small processing units and handed these over to local SHGs selected specially for the purpose. At the time of this study, 42 processing centres (13-mahul leaf, 4-honey, 4-anola, 13-herbal products, 2-oil seeds and 6-tamarind) had been established in various parts of the state with financial support from the European Union. For standardization of the processing techniques of different herbal products, support has been taken from institutions like Central Food Training and Research Institute (CFTRI), Mysore; Central Drug Research Institute (CDRI); Central Lac Research Institute, Ranchi; Central Institute of Medicinal and Aromatic Plants (CIMAP), Lucknow, etc.

Institutional Structure ⁷



Community-based Marketing System

For deciding marketing strategies, a market cell has been created at state headquarters followed by 6 NTFP-Marts, which act as main business units, at the forest circle level for bulk purchase and sale of raw and processed NTFPs. Each Mart consists of a packaging cum processing centre, a sale depot for bulk selling and a Sanjeevani for retail selling of herbs and herbal products. Each has been given INR 2 Million as seed money to develop these facilities. NTFP-Marts operate under the Dy Managing Director (SDO Forest) with the support of Senior and Junior Marketing Managers specially recruited for the purpose. A Memorandum of Understanding (MoU) has been signed between CGMFP Federation and MUDRA, a national level marketing company, for packaging, labeling and publicity campaign of the herbal products. Similarly, a MoU has been signed with TRIFED for marketing the products through their sale outlets.

For retail sale of herbal products and medicines, 46 Sanjeevani retail outlets (6 at NTFP-Mart level, 26 at district union level and 14 at block level) have been established and handed over to SHGs. Each District Union level Sanjeevani was provided INR 0.2 Million (0.5 for decoration and 0.15 Million as working capital). Each Block/Range level Sanjeevani was provided INR 0.1 Million (0.05 Million as working capital, 0.03 Million for decoration and 0.02 Million for miscellaneous expenditure). There is also provision for promotion of private Sanjeevanis but no private Sanjeevani had come into being till the time of this study. Moreover, local Vaidyas, with traditional knowledge of herbal medicine, have been recognized and attached with Sanjeevani retail centres to provide herbal health care in rural areas (Annexure-2).

Other Initiatives

Certification of NTFP products is necessary to ensure access of primary collectors to bigger markets, especially the export market, and thus get fair prices for their products. Considering the importance of certification, CGMFP Federation took the initiative to establish a certification body, the Chhattisgarh Certification Society (CGCERT) under Societies' Registration Act. The staff of CGCERT was trained by the Agriculture Produce Expert Development Authority (APEDA) in developing protocols for processing techniques and products. Protocols for organic certification of honey, anola, lac, tamarind and other herbs were developed in accordance with the standards of the National Programme for Organic Production (NPOP). Various processing units in Bilaspur, Jashpur, Ambikapur and Korba have received certification for products prepared by them, while some like the processing unit in Aasna (Jagdulpur) are yet to get certification for their processing techniques and products.

The collectors and local SHGs, Forest Committee and Primary Cooperative

Society members are being trained in appropriate techniques of harvesting and treatment so that best quality material may be supplied to purchasers. Moreover, SHG members of processing centres and Sanjeevani retail outlets and senior and junior marketing managers have been imparted training in advanced techniques of processing, labeling, packaging and marketing of NTFPs (Annexure-3).

Business Processes

The whole system has been evolved involving a Task Force responsible for timely and effective management of non-nationalized NTFPs. After a comprehensive survey of availability of various non-nationalized NTFPs in the state, 51 NTFPs have been short listed for collection by CGMFP Federation, which declares their purchase and sale prices every year on the basis of prevailing market prices of various raw and processed NTFPs. Some specific processes adopted for collection, processing, value addition and marketing, pricing and sharing of benefits (commission) are given below.

Process of Collection of NTFPs

Primary forest produce gatherers collect raw MFPs from nearby forest areas, do some primary level processing such as drying, cleaning and grading, and sell them to the village level SHG at the rate decided by the Federation. Each village level SHG has been provided INR 15,000/- as revolving fund by the concerned NTFP-Mart for on-spot payment to the MFP collectors. The village level SHGs ensure collection of high quality MFPs. They grade the MFPs and sell them to haat-bazar level SHGs. The village level SHG gets 0.5 per cent commission over collection price and INR 0.25/- per kilogram as transportation charge.

The haat-bazar level SHGs and Primary Forest Produce Cooperative Societies are in charge of a temporary storage and sale centre created by the concerned NTFP-Mart. They purchase raw and semi-processed NTFPs from the village level SHGs as well as from the open market, using the revolving fund of INR 50,000/- provided by NTFP-Mart. These groups collect, store and resale collected NTFPs to NTFP-Mart. The SHGs are entitled to a commission of 4 per cent over collection prices, INR 0.50/- per kg for temporary storage centre and actual transportation charges for supply of MFPs to NTFP-Mart.

At the Mart level, a commission of INR 0.50/- per kg is given to sale depot and senior/junior marketing manager each. The collection price, commissions and transportation costs incurred at various levels involving VAT (4 per cent), TCS (2.5 per cent) and surcharge make up the maximum retail price (MRP) of raw NTFPs. NTFP-Marts sell these raw and semi-processed MFPs through tender.

Box 1 Village Level SHG

SHGs attracting Youths

Jeerapur is one of the forest fringe villages in Kumani Panchayat of Bastar. It has 77 households, of which 35 families (45 per cent) are now involved in collection of NTFPs like *Churaki Ful* (Punder Fu); *Kutaj Chhal*; *Arjun Chhal*; *Patal Umhara* (Bdari Kand) and *Salparni*. They are also working on value addition in the form of grading and drying. All this started two years ago when Rajeev Purush Swa Sahayata Samuh (a three-year-old SHG) was identified for purchase of NTFP raw material. They can sell their collections at Kuranj, a temporary storage centre near their village, but normally they sell their produce directly at Jagdalpur Mart. Considering their activeness and involvement, the forest department has constructed a concrete platform of dimension 27*27 metres for drying, cleaning and grading of raw NTFPs.

In this village almost every family owns two to five tamarind trees, which fetches them INR 2000-4000/- per tree, without value addition.

The last two years have opened up new occupations for substantial family income. Those who were engaged in other activities, are now getting involved in NTFP collection, thanks to the presence of an SHG that will buy their produce.

Processing and Value Addition

The processing of NTFPs starts with the primary forest produce gatherers. In order to ensure better quality of NTFPs, primary level processing such as drying, cleaning, grading, etc. is done by villagers, village level SHGs and haat-bazar level SHGs. The SHGs which run processing units collect the required raw material directly from the forest as well as purchase it from villagers and SHGs. Final processing, packaging and labeling of these produces are done at the processing centre and the final product is sold to concerned NTFP-MARTs. Prices of herbal products/medicines are also decided by the Task Force every year, keeping in view the product cost incurred and prevailing market rates. The processing centre level SHG gets 30 per cent commission on the MRP of the products.

Box 2

Aasna Processing Centre

Case of a Processing Unit

Aasna, a village located 15 km north of Jagdalpur, boasts of a 50-hectare nursery cum demonstration farm run by the forest department. In this farm one finds a processing centre of herbal products run by an SHG of 13 tribal women. Initially, this group was unable to save even a meagre amount of INR 20/ a month as it did not have a steady source of income. As a result, it was becoming difficult for them to continue as a group. Later, Mart Jagdalpur identified its potential and prompted it to come forward and run a processing centre. Once all the administrative formalities had been taken care of, the group was provided with training as well as necessary implements such as mechanical grinder, storage bins, processing utensils and drying platform. The group started making processed herbal products like Shatawari, Safed Musali, Ashgandh, Trikhur powder etc., and became part of the Sanjeevani network. However, due to lack of adequate facilities for drug formation, the centre could not get a licence from the department of drugs and therefore its products were stopped from being sold by the Sanjeevani market channel.

Despite this, the group continued to produce herbal products and sell them directly from the centre. They also started producing other food products like pickles. Group members collect raw materials from the forest area and buy other additives directly from the open market or directly from the villagers. They are planning to grow some basic items in the park itself until they get legal permission from the department. Thus they earn nearly 1200/- a month, through some eight hours of daily work, contributing 10-15 per cent of their family income. The whole process has helped to bring the group members together; to newer levels of cohesion and innovation for getting additional income, but how long it can sustain itself in its present form continues to worry them.

Marketing

For deciding marketing strategies, a market cell has been established at the task-force level. The raw, semi-processed and processed NTFPs supplied by village and haat-bazar level SHGs and processing centres are sold by NTFP-Marts in the open market through tender or at fixed wholesale rate (15 per cent discount at MRP on sale of INR 10,000 and above). The NTFP-Marts are entitled to charge 2 per cent commission and actual transportation cost on supply of processed products to other NTFP-Marts. For retail sale, processed NTFPs in the form of herbal products are supplied to Sanjeevani retail outlets at wholesale rate (15 per cent discount at MRP). Herbal products are sold under the brand name of 'Chhattisgarh Herbals' at retail rates.

Box 3

Raipur Sanjeevani Mart

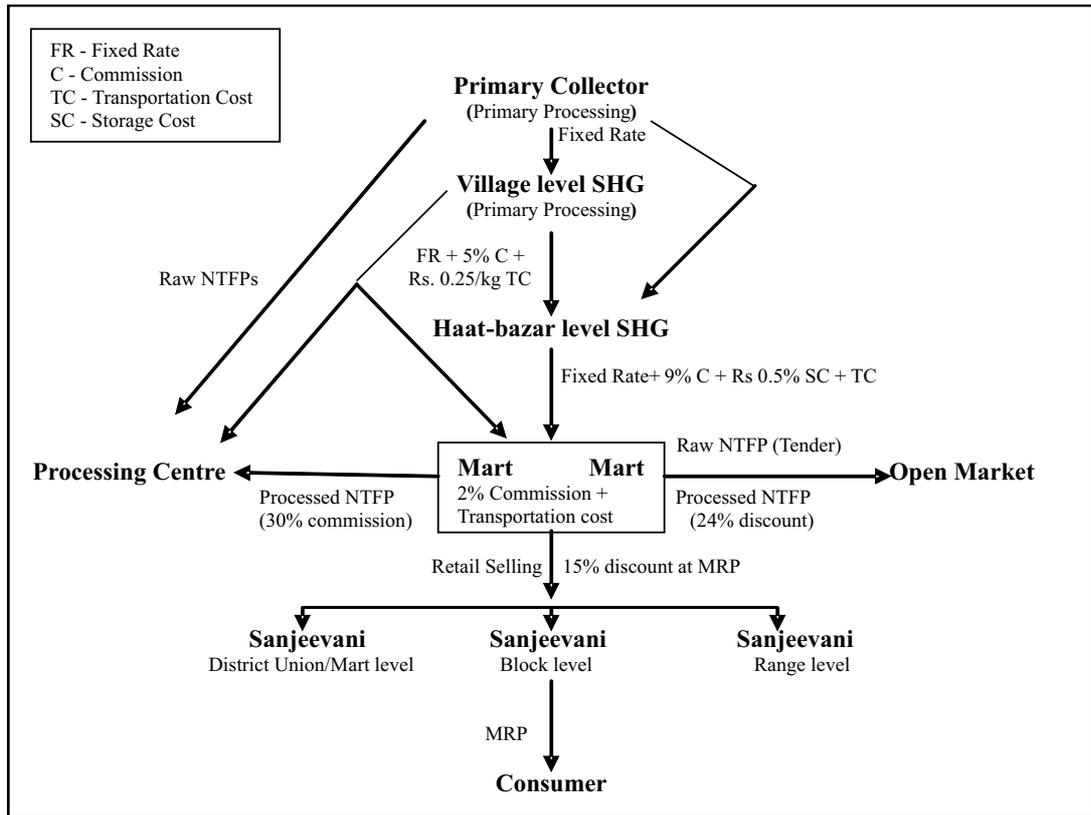
Case of a Sanjeevani Mart

The Sanjeevani Mart in Raipur is run by a 10-member Self Help Group formed in the year 2005. For years it had been involved in savings and helping each other through petty cash. It was like an HSG (Household Saving Group). But since the group did not have its own source of income it was difficult for them to continue this and gradually it began to disintegrate. CGMFP Federation developed Sanjeevani Mart using funds from the European Commission supported project and invited Expression of Interest from SHGs to operate Sanjeevani. The year 2007 brought a new dimension to this SHG, when it got associated with CGMFP Federation for operating the Sanjeevani Mart. The SHG did not make any investment. All the herbs and herbal products were supplied by Raipur Mart. SHG members received training in group dynamics, record keeping, ayurvedic medicine and information.

For operating the Sanjeevani, responsibilities are shared among the 10 members working in three shifts for 10 hours every day. They have mutual understanding about the time and at a time one finds two members managing the shop. As MART is also attached they also get support from Executives (Senior and Junior). Presently, Sanjeevani has 38 drugs/products which are supplied by Raipur Mart on demand by the group. Tie-ups have been done with two local Vaidyas, who sit in Sanjeevani twice a week each and prescribe herbal medicines to customers. Side by side, customers are also given advice about the use of different medicines through a technical pamphlet by the group members. Along with the main Sanjeevani store, the group member sets up stalls for sale of herbal products in exhibitions and fairs. The SHG gets a commission of 15 per cent on the total sale in a month. The monthly sale of herbs and herbal products in Raipur Sanjeevani ranges between INR 1,25,000 and 1,50,000, which takes the commission up to a tune of 18750 to 22500. This amount is distributed equally among the 10 members. They take pride in contributing to 25-30 percent to their family income. The president of the SHG said that with the income from Sanjeevani she has started sending her children to convent school. The SHG members see this as a life-changing job opportunity. Now they also train members from other SHGs who plan to start Sanjeevani in their city/town.

During discussion the group members pointed out that sale of herbal products is increasing every day. They also use their personal network for advertising and sale of the herbal products. However, the members also pointed out that many medicines which are much in demand by customers, are not available at their Sanjeevani and this affects their relation with customers. They demanded regular supply of all the products from the Marts.

Figure 1
Static Supply Chain of NTFP



Outputs, Outcomes and Impacts

All the interventions were planned with the ultimate goal of enhanced income for forest dwellers and other poor households. The study has tried to measure the impacts in terms of new families getting engaged in NTFPs, additional employment and thereby incomes generated; percentage contribution to livelihood basket and participation in supply chain of NTFPs. On the wider canvas of rural livelihood, this program is at the infant stage therefore it is too early to measure its impacts on the socio-economic front. However, some of the milestones achieved are given below.

- The intervention was successful in initiating processes of organizing the trade of non-nationalized NTFPs. At the time of this study, nearly 40,250 poor forest produce gatherers had got associated with the trade channel established by CGMFP Federation. In the first year (2006-07), the total purchase and sale of both raw and processed NTFPs done by all 6 NTFP-Marts amounted to INR

64.7 Million and INR 45. Million respectively. In the next year (2007-08) this reached INR 147.6 Million and INR 103 Million respectively (see annexure-3). But this trade volume is too little in comparison to the total trade of INR 3000 Million of non-nationalized NTFPs in the entire state. However, it is showing an increasing trend and, therefore, it has helped to check the exploitative practices of middlemen to some extent.

- Gaps were identified in the value chain of non-nationalized NTFPs and interventions initiated to fulfill those gaps for 51 raw products. At least 40 finished products are being produced by establishing 42 processing centres in different parts of the state.
- The mission mode approach with quality production, collection and processing, better packaging and intensive marketing, has created a foundation for the herbal medicine industry and, as a result, a good number of ayurvedic preparations are prepared under the brand of '*Chhattisgarh Herbal*' such as *Triphala Churan, honey, Chavayanprash, Kotch Churan, Aswagandha Churan Satawar, etc.*
- Contribution of Chhattisgarh in the Lac trade at the national level has increased from 20 per cent (2004-05) to 38 per cent (2007-08)⁸, creating new employment opportunities for the rural poor, especially women.
- The state wide network of 46 Sanjeevani retail outlets has assured availability of herbal products to communities even in the remote areas.
- Infrastructure creation such as drying platform and storage centres at grass-root level has opened up new avenues for the rural community to undertake primary processing, thus fetching additional prices for rural women engaged in collecting and processing NTFPs on the one hand and sale of various herbal products on the other.
- Along with herbal products, it has also opened opportunities for processing of food products like pickles, sweets, pachak anola, etc.
- Small scale processing units provide additional employment and thereby income of INR 15,000-25,000 to the rural poor.
- Out of 10-12 SHG members, 4 to 6 members are associated with Sanjeevani retail outlets and are earning INR 1,000-3,000 per month as commission for operating the same. In a nutshell, 150 women in 46 Sanjeevanis earn an average monthly income of approximately INR 1,500.
- As reflected by the CGMFP Federation office in Raipur, some farmers from peripheral villages also come seeking information on cultivation of herbs like *Ashwagandha and Vantulasi*.
- The community also feels that the processes of organized production, collection, processing and marketing involving SHGs have increased social cohesion in rural society. For instance, villagers of Jirapur organize camps for collecting NTFPs in forest areas for weeks.
- Overall, the NTFP based intervention has increased awareness towards the importance of forest resources in economic terms and this has led to their non-destructive use.

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- NTFP-Marts are also involved in exporting raw and bulk herbal products to other industries outside the state, linking up collection, crude processing and fine processing with the herbal industry in the country.

Analysis

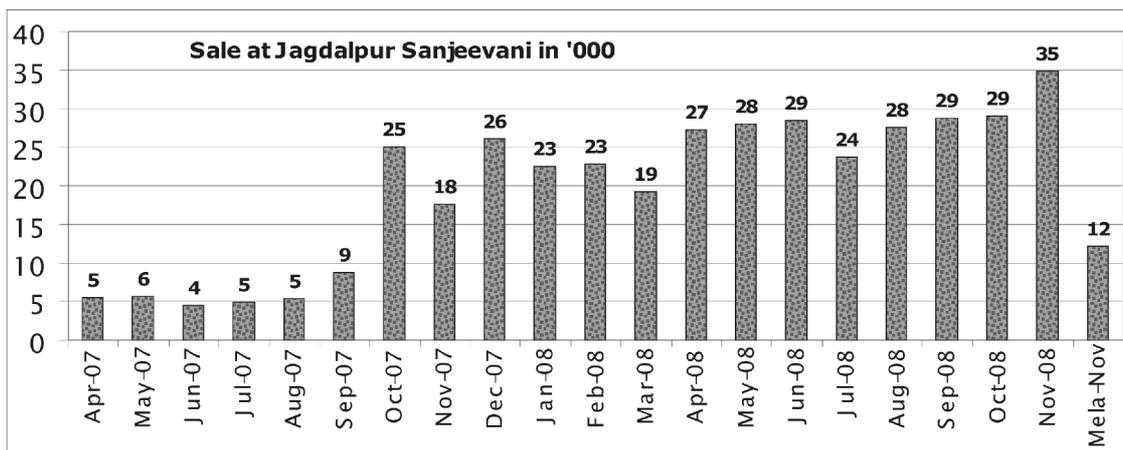
The study has tried to analyze the information available, focusing on livelihood enhancement issues and sustainability of trade with regards to outputs and outcomes as reflected above. The points given below are mainly on the theme, how it affects the livelihood of the poor.

- A detailed NTFPs trade map, charting availability, quantity, market, processing units, trade volume and consumption level, helped judge demand conditions in the form of trade volume of 300 crores. The survey brought out block-wise production, processing units, traders, trade volumes etc., indicating clear cut potential for evolving Chhattisgarh as a '*Herbal State*'.
- Assessment of industrial conditions related to NTFPs for establishing processing units contributed in making decisions pertaining to supply of machinery, implements, packing material, credit availability, transport services, ayurvedic medicine system and its prevalence in the area. It was observed that Raipur and Bilaspur are commercial centres where industries and service providers are available for all required support in this sector.
- Following professional approach of involving specialist institutions like CFTRI, Mysore, CDRI, Central Lac Research Institute, Ranchi and CIMAP, Lucknow has facilitated the adoption of the best possible techniques and processes for production, processing and marketing of the NTFPs.
- Considering the fact that the forest department lacks expertise in community organization, and also to avoid duplication, the program followed the process of identification of successful SHGs initiated under ICDS (Integrated Child Development Scheme), Zilla Panchayat and NGOs etc. through grading. The Federation followed the strategy of motivating groups and building their capacity towards NTFP based livelihood, which helped to avoid duplication of work on the one hand and involve matured groups on the other. During the case studies, the team happened to interact with five groups namely Rajeev Purush Swa Sahayata Group; Mahila Group at Sanjeevani Raipur; Mahila Group at Sanjeevani, Jagdalpur; Mahila Group at Aasna and Mahila Group at Balapura.

The study found that while participating in this program all these SHGs had lost their basic characteristics (it could be the same for all other SHGs) and they had stopped regular activities like meetings, thrift and credit, sharing and discussing issues of common interest, supporting each other. For the majority

of members involved in this, it has become a sort of 'employment opportunity'. Similarly, the involvement of SHG members in NTFP collection is only 10 per cent of the identified groups in Jagdalpur, data are not available for other regions.

- In Jagdalpur, out of a total of 200 SHGs, Sanjeevani identified 80 SHGs for involvement in trade, based on criteria like vicinity to forest area, known involvement in MFP collection to some extent etc. Data of purchase at Jagdalpur Mart have indicated that active involvement in collection and trade is limited to a very few SHGs.
- As 100 out of a total of 913 Primary Forest Producer Societies have been involved in the collection of non-nationalized NTFPs, it has also helped widen opportunities for them.
- In the trade channel of non-nationalized NTFPs, a system of commission for groups working at various stages such as village level, haat bazar level, processing unit level, Sanjeevani retail outlet level is fixed but it has yet to get established in the whole trade.
- The process of price fixation by CGMFP Federation is dependent on market forces as all purchase prices are decided according to prevalent market prices. Therefore, rather than influencing the market and benefiting collectors, the price fixed by CGMFP Federation is itself controlled by the market. This sometimes affects purchases due to lower prices of CGMFP Federation instead of comparatively higher prices in the market and adjoining Orissa. This indicates that pricing processes are yet to be evolved, targeting benefits to collectors.
- Constitution of multi-disciplinary Task Force, involvement of departmental functionaries and community-based institutions at various levels and the mission mode helped significantly in the initial stage of institutional set-up of Sanjeevani and its share has reached nearly 3-4 per cent of the total trade of non-nationalized NTFPs.
- The Task Force followed a proactive approach in the processing and sale of NTFPs. Tie-ups have been done with private agencies like Mudra and others for packaging, labeling and marketing strategies. Similarly, tie-ups have also been forged with various agencies such as TRIFED and Tirupati-Tirumala Devasthan Trust in order to improve sale and develop linkages at the national level. Participation in various state and national level exhibitions and fairs has resulted in better sale and popularization of the herbal products. But these collaborative events are exemplary and cannot serve the purpose till the volume of such participation increases.
- Under the market strategies some learning and innovations are followed to ensure better sale. Some Sanjeevani shops have been shifted to prominent market locations from isolated places and it has brought subsequent changes in sales as well. For example, sales at the Sanjeevani in Jagdalpur were around INR 6,000 per month, but shift in location took the figure up to INR 28,000 (see the chart below).



- Provision of revolving funds at different levels has significantly helped in smoothening the functioning of the system and thereby might be helping the rural poor to come out of the clutches of money-lenders and their exploitative practices, but no data have been monitored and collected to substantiate this hypothesis.
- Timely flow of information and decentralized decision making are two crucial aspects of this whole institutional set-up of five levels of transactions. For example, in Bastar region, *Arjun* Bark and *Kutaj* Bark are found in plenty and thus the Primary Forest Produce Co-operative Societies used to purchase these items from village level SHGs. But later on, the forest department decided not to buy these items and thus a huge quantity was blocked at the temporary storage centre. This indicates need of timely and regular communication of decision, otherwise the whole process may be harmed.
- Long term continuance of a group has a direct bearing on the measurable benefits of working as a group. Women involved in different Sanjeevanis get varied honorariums linked to sales proceeds, ranging from INR 6,000 to INR 18,000 a month. The majority of Sanjeevanis are located in rural areas where remunerations are limited to INR 600 per month or only INR 20 a day. This needs to be seen with respect to break-even level. A similar exercise is required to work out breakeven for each level, be it collectors, village level SHGs, haat-bazar groups, Sanjeevani level groups, processing groups etc.

Conclusion

We can conclude that even though the interventions are designed to suit demand, factor, institutional and industrial conditions, many more steps have to be taken to develop the trade in MFPs for sustainable and beneficial support to livelihoods of forest dwellers. Though the intervention is still in its infant stage, the outcomes and

impacts created so far indicate potential for bringing about positive changes in the livelihoods of Adivasi women, the traditional forest dwellers, the landless, the small and the marginal farmers.

Notes

1. Rajendra Singh Gautam is Faculty member and Deepak Sharma is the extended Faculty Group Member of The Livelihood School
2. State of Forest Report, Forest Department, Government of Chhattisgarh, 2005
3. www.cg.gov.in
4. Census, Madhya Pradesh 2001
5. Market Survey Report, Chhattisgarh State Minor Forest Produce Co-operative Federation, Raipur.
6. Guidelines for establishing Micro-enterprises, Chhattisgarh State Minor Forest Produce Co-operative Federation, Raipur.
7. See 6 above.
8. CGMFP Federation (unpublished data)

Annexure-1

Estimated production and collection of non nationalized NWFPs in Chhattisgarh State

SI No	Category of NWFP	Major Component	Total species	Trade in Crores
1.	Non Nationalised – Non medicinal	Kusum, Palash, Mahul, Karanj, Thikhur, Baichandi, Imli, Mahua, lac, Mahul Leaves, chironjee etc.	30	250
2.	Non Nationalised – Medicinal	Honey, Bel, Kalijiri, Dhavai, Shatawar, Baibaring, Malkangani, Nagarmotha, Bahera, Bhilawa, Marodfali, Vanjeera, Kalmegh, Aonla etc.	42	50
	Total		72	300

Source : CG MFP- Federation

Annexure 2
Total business done by NWFP-Marts

Business By NWFP Marts							
Rs. In Lakhs							
Year	NWFP-Mart	Purchase			Sale		
		Raw	Processed		Raw	Processed	
		NWFP	NWFP	Total	NWFP	NWFP	Total
2006-07	Raipur	2.37	24.33	26.7	0.25	30.67	30.92
	Durg	0	6.78	6.78	0	1.49	1.49
	Ambikapur	1.02	3.7	4.72	0.15	0	0.15
	Kanker	10.8	5.19	15.99	2.21	4.5	6.71
	Jagdalpur	5.74	0.84	6.58	3.39	1.76	5.15
	Bilaspur	0.29	3.62	3.91	0	0.6	0.6
Total		20.22	44.46	64.68	6	39.02	45.02
2007-08	Raipur	2.57	46.63	49.2	2.43	32.94	35.37
	Durg	12.59	5.7	18.29	16.49	4.05	20.54
	Ambikapur	1.69	22.3	23.99	2.14	5.37	7.51
	Kanker	16.71	16.18	32.89	12.34	13.17	25.51
	Jagdalpur	8.02	6.88	14.9	5.45	4.03	9.48
	Bilaspur	0.59	7.71	8.3	0.41	4.22	4.63
Total		42.17	105.4	147.57	39.26	63.78	103.04
2008-09	Raipur	1.03	37.89	38.92	2.39	16.66	19.05
(upto	Durg	0.32	0.67	0.99	0.4	1.37	1.77
Nov, 08)	Ambikapur	1.85	1.54	3.39	1.46	3.83	5.29
	Kanker	12.83	6.2	19.03	23.82	7.19	31.01
	Jagdalpur	2.64	2.31	4.95	2.05	3.18	5.23
	Bilaspur	0	8	8	0	6	6
Total		18.67	56.61	75.28	30.12	38.23	68.35
Grant Total		81.06	206.47	287.53	75.38	141.03	216.41

Source : CG MFP- Federation

Annexure – 3
Training imparted at various levels

S No	Trainings	2005-06	2006-07	2007-08	Total
1	Lac Cultivation - Master Trainer	400	373	38	811
2	Lac Cultivation- Farmers	1200	0	0	1200
3	Tamarind Processing	0	323	292	615
4	Kullu Gum - Master	80	80	0	160
5	Kullu Gum- Collectors	200	200	0	400
6	Kullu Gum - Refresher	3	0	0	3
7	Honey Collection	435	627	346	1408
8	Herbal Plants cultivation	579	360	0	939
9	Herb Collection	0	3159	653	3812
10	Mahul Leaf Plate	153	363	301	817
11	SHG formation and strengthening	0	116	454	570
12	Retail sell of Herbs	0	0	125	125
13	Resource Inventory	0	0	734	734
Total		3050	5601	2943	11594

Sources: CGMFP Federation

