

Suo motu Statement to be made by Hon'ble Minister of Tribal Affairs on the Scheme "Introduction of Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP"

1. An estimated 100 million forest dwellers depend on the Minor Forest Produce (MFP) for food, shelter, medicines, cash income etc. Primary collectors of MFP cannot directly sell their goods to end users or consumers due to geographical limitations and influence of intermediaries. Most of the MFP rich states are affected by left wing extremism making it easier for unscrupulous traders to operate freely in the market and the state is many a time unable to play effective role. Hon'ble Prime Minister announced in his Independence Day Speech (15th August 2012) that a scheme would be launched to ensure that people belonging to Scheduled Tribes get fair and remunerative prices of forest produce they collect.
2. Pursuant to this announcement, a scheme has been designed as one of the social safety measures for the Minor Forest Produce (MFP) gatherers, who are primarily members of Scheduled Tribe. It seeks to establish a system to ensure fair monetary returns for their efforts in collection, primary processing, storage, packaging, transportation etc. and get them a share of revenue from the sales proceeds with cost deducted. It also aims to address other issues for sustainability of process.
3. The scheme has been worked out in consultation with the State Governments and Planning Commission and through inter-ministerial consultation for fair return to the minor forest produce gatherers. A Pricing Cell constituted in the TRIFED would propose and the Ministry will finally approve and announce state wise MSP for each MFP taken up for that state.

4. The scheme will initially be implemented in States having Scheduled Areas and Scheduled Tribes in accordance with Vth Schedule of the constitution of India i.e. Andhra Pradesh, Chhattisgarh, Gujarat, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Jharkhand. Any MFP out of the list of twelve approved items namely, (i) Tendu, (ii) Bamboo, (iii) Mahuwa Seed, (iv) Sal Leaf, (v) Sal Seed, (vi) Lac, (vii) Chironjee (seed), (viii) Wild Honeyi,(ix) Myrobalan (Harita/Harad), (x) Tamarind, (xi) Gums (Gum Karaya) and(xii) Karanj will be qualified for coverage under the scheme provided it is not nationalized by the State Government.
5. Financial support to the State Agencies will be extended on 75:25 sharing by the Central and participating State Governments for upfront payment for procuring MFP for the initial two years and to meet the losses to the state agencies
6. The model envisaged in the scheme advocates quoting all sales price of MFP through web and web-enabled services. This will help the MFP gatherers in making an informed decision on whether to sell MFP in open market or to the state agencies. Whenever the market price of MFP falls below MSP, the designated agencies would be alerted to reach out to the gatherers to procure the MFP. To ascertain market's price, services of market correspondents would be availed by the designated agencies particularly for major market's trading in MFP.
7. The scheme supports primary value-addition as well as provides for supply chain infrastructure like cold storage, warehouses etc. Emphasis on scientific harvesting along with interventions stated in the proposed scheme can sustain the process while ensuring higher return to the collectors. This package of interventions can help organizing the unstructured MFP markets. Appropriate training will be provided by the

TRIFED to the stakeholders regarding resource regeneration, improved practices for extraction and value addition of MFP.

8. This is an epoch making developmental initiative of the Government of India which would provide the much needed safety net and support to the millions of tribals and other traditional forest dwellers of this country whose very lifeline hinges upon dependence on non timber forest produce. In line with the enactment of the Forest Rights Act – a watershed legislation – seeking to undo the historic injustice to tribals and ensure their rightful claims, this is a further concrete step of the Government in empowering tribals and other traditional forest dwellers.
