

**Tribal Cooperative Marketing Development Federation of India (TRIFED)  
Ministry of Tribal Affairs, Government of India**

**BRIEF NOTE**

**On**

**Scheme for Marketing of Minor Forest Produce through  
Minimum Support Price (MSP) & Value Chain Development**

**Jan 2019**

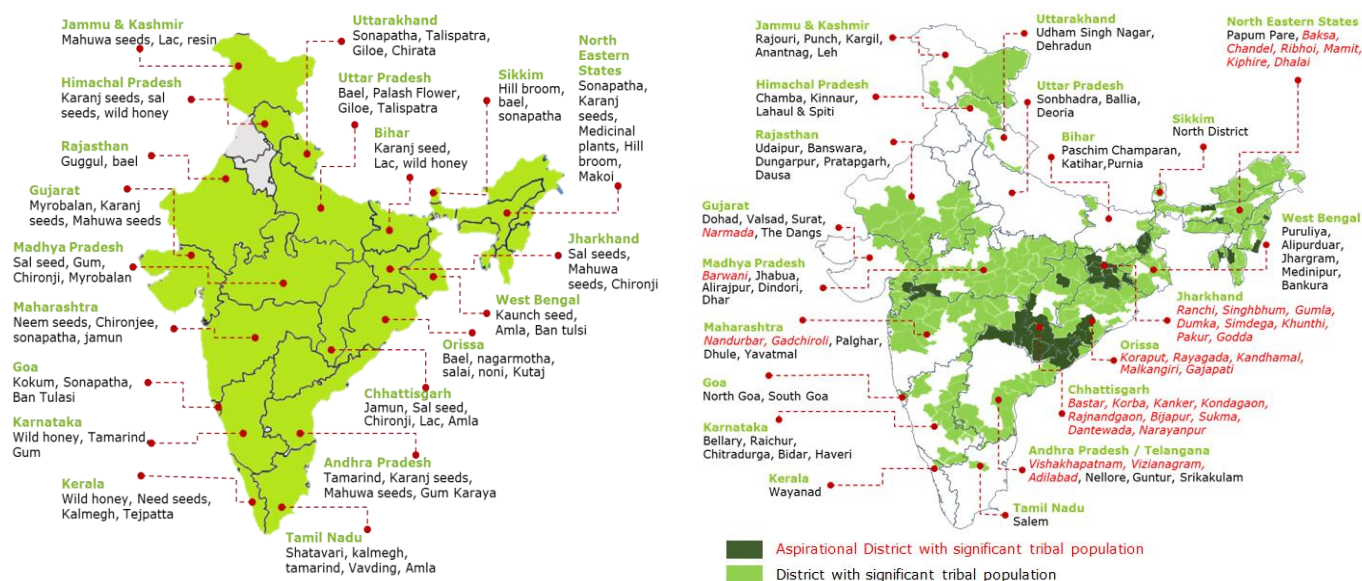
# Scheme for Marketing of MFP through MSP & Value Chain Development

## 1 Introduction

- **Inclusive growth subsumes tribal development**
  - Scheduled Tribes population in India is 10.43 Cr i.e. 8.6% of national population (Census, 2011)
- **Transformative growth of tribal community is centric to Minor Forest Produce (MFP) development**
  - About 50% tribal population is estimated to be residing in forested area
  - **PESA, 1996** and Recognition of **Forest Rights Act, 2006** conferred ownership of MFP to forest dwellers
  - Collection and sale of MFPs contribute 40 – 60 % of tribal annual earnings, particularly tribal women, who collect/ primary process/use / sell the MFP
- In this backdrop, the Government of India launched **Scheme for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) & Value chain Development in 2014**

## 2 Estimated Availability of MFP in India & Potential Outreach

- **Estimated Availability of MFP**
  - As per the **Haque Committee Report, May 2011**, the procurement value of 14 major MFPs is estimated **Rs 1900 Crores** (including tendu & bamboo)
  - Based on a survey and data collected by TRIFED, the value of potential stock of proposed 55 MFPs is estimated to be **about Rs. 20,000 Crores**
  - ISRO Satellite imagery based resource mapping commenced to further identify and pin point pan-India availability of MFPs
- Potential for marketing of MFP across all 27 states including 307 tribal districts with significant tribal population (together with 39 aspirational districts) **covering 5.5 Cr tribal population dwelling in forest areas**



Source: Based on survey and data collected by TRIFED

### 3 Scheme for MSP for MFP and Development of Value Chain

#### **Objective:**

- A. To rid the MFP gatherers from the clutches of predatory middlemen who take advantage of inaccessibility to large markets, at the haat bazaar
- B. Providing a fair and remunerative MSP to Tribal Gatherers for their produce
- C. MFP Value Chain Development through value addition and marketing

#### **Salient Features of the Scheme**

- **To buy MFPs at MSP at tribal haat bazaars** so that it pushes market prices to higher levels than MSP, which assumes presence of procuring agency at all times
- **Assuring presence at tribal haat bazaars (and not mandis)** where tribals bring their produce on headloads if the programme is to benefit tribals
- Supports **decentralization of decision making at the district level**, micro-market reforms and **modernization of traditional tribal markets** i.e. haat bazar/ MFP phads in spirit of the findings of the studies which lead to the Scheme formulation (*presence of gunny bags, weighing machines, MSP hoarding etc.*)
- Creation of **storage infrastructure near to collection/ aggregation** centers
- **Promotes value addition to MFP** through primary/secondary/ tertiary processing
- **Training for value addition and development of value chain** to treble tribal income

### 4 Need for Recalibration of the Scheme

- Centralization (top-down) vs Decentralization (bottom-up approach )
- One-size-fit vs District Centric dynamic model (let a thousand flowers bloom approach)
- Revision of Guidelines
- Advocacy
- Division of responsibility and accountability – MoU
- Convergences
- Oversight & Monitoring - IT enabled

### **'HEART TO HAAT BAZAAR'**

- **Bring the tribal haat bazar into focus through reforms**
- **Rid the tribals from the clutches of the middlemen/ money lender nexus which promotes unfair trade practices**
  - Re-boot the existing 10,000 tribal Haat Bazars located in far flung forest areas as micro-markets for tribal-centric trade of NTFP
  - Recognize haat bazars as a micro-market and support fair trade practices
  - Procurement sheds
  - Weighing machines
  - Storage (short & long term) and transportation
  - Accounting systems
  - Payment system
  - Information dissemination
  - IT enabled monitoring network
- **Coordinated Through a District/ State level federations of tribal SHGs**

### 5 Convergences for MSP for MFP and Van Dhan

- Niti Aayog / Aspirational District Program - Priority in 39 Aspirational Districts with majority tribal population
- Ministry of Rural Development (MoRD) - Convergence of tribal SHGs under Ajeevika Mission
- Ministry of Home Affairs - Livelihood generation in LWE affected districts
- Ministry of AYUSH - Development & value addition to Medicinal and Aromatic Plants of forest origin
- Department of Financial Services – Jan Dhan / CSR, Provisioning of Insurance, Pension Schemes etc.
- Linkage with Mudra Scheme and NABARD for loans
- Ministry of Environment & Forests (MoEF) – NTFP Policy
- Ministry of Panchayat Raj – Regulatory authority for field level implementation and 'Panchayat led micro-market' development
- Chief Secretary, State Government & District Collectors - Scheme monitoring, evaluation & feedback
- ISRO, Department of Space for MFP resource mapping
- CSR funds from PSUs/ Banks/ private sector