



SHIVRAJ ... NGH CHOUHAN

CORTANDAMENTAL CONTRACTOR

D.O. letter No. 1084 /CMO/10

Dated: **1** October, 2010

Dear Dr. Manmohan Singh ji,

Kindly refer the discussions on the implementation of the provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) in respect of Minor forest Produce (MFP), in the meeting of the National Development Council, held on 24.7.2010.

- 2. I would like to inform you that Madhya Pradesh was the first State to implement the provisions of PESA with respect to MFP. Soon after passing of the Act, and in order to give MFP gatherers a sense of ownership in the trade, it was decided in 1998 to pass on all the net income to cooperative societies formed with the membership of MFP gatherers.
- 3. In fact, Madhya Pradesh had started involving the MFP gatherers in the collection and trade of MFPs way back in 1989. In order to protect MFP gathers from exploitation by middlemen and to make them partners in the trade, it was decided to entrust the collection and trade in MFP to them, through a three tier cooperative structure. At the primary level, the Primary Forest Produce Cooperative Societies were constituted with all the MFP gatherers as members. At present, there are 1066 such primary level societies, with elected management committees, which take all the major decisions with regard to conservation and collection of MFP. At the district level, there are 60 District Forest Produce Unions, which also have elected boards to manage their functions. At the apex level, the MP State Minor Forest Produce Cooperative Federation is managing and funding the operations. The Federation also has an elected board including the chairman.
- 4. I would also like to bring to your kind notice that in Madhya Pradesh only 4 minor forest produce are being collected through this 3-tier cooperative structure. The state government has not, at any stage, abridged the rights of tribals and others to collect MFP from the forests and other areas. The reason for cooperatives to be involved in the trade of important MFPs like tendu, lac,

and sal seed is to ensure adequate wages and timely payment to the gatherers. Moreover, such intervention has the full support of the MFP gatherers, and is in no way responsible for any kind of extremism. Past experience has also shown that in the absence of such an arrangement, the MFP gatherers are subject to exploitation by the traders and middlemen, as the holding capacity of the MFP gatherers is very limited and they often end up settling for distress sales.

- 5. I would like to state that the wage payment to the gatherers of MFPs has increased steadily and substantially since the introduction of cooperatives in this process in 1989. As is evident from the enclosed chart-I, the collection wage rate and total collection wage payment to the tendu leaf gatherers have increased substantially from 1988, when there were no cooperatives. In addition, 60% of the net income is redistributed to the gatherers as bonus in proportion to their collection, and the remainder amount is used for development of rural infrastructure and regeneration of forests. The enclosed chart-II highlights this aspect of tendu leaf trade. The figures given in this chart show that a substantial additional amount has been paid to the tendu leaf gatherers as bonus.
- 6. Some NGOs are calling for the inclusion of bamboo in the list of MFPs, which is presently untenable, as the Indian Forest Act, 1927 defines bamboo as a tree.

I, therefore, strongly urge Government of India not to tamper with the present system of collection and marketing of MFP in Madhya Pradesh, so that the middlemen do not exploit the tribals and other forest dwellers under the cover of PESA.

With regards,

Yours sincerely,

(Shivraj Singh Chouhan)

Dr. Manmohan Singh, Hon'ble Prime Minister of India, South Block, New Delhi