

**Minutes of the Value addition workshop on 17th & 18th November 2005 at Khariar,  
Organised by SRUSTI**

The workshop was inaugurated by Shri G. Rajesh DFO ( T ), Khariar, Secretary, SRUSTI. Biswajit Padhi welcomed the participants. Participants were from NGOs, CSOs, Panchayat Raj Bodies, Advocacy groups, VSS (Forest Protection Committees), Self Help Groups, Marketing organisations, NTFP traders, Ayurvedic Pharmacies, bankers, Forest & Panchayat Raj Department.

**Aims & objectives of the workshop**

- To facilitate grassroots level value addition activities.
- Initiating a platform for experience and knowledge sharing about NTFP market promotion strategies

**1st Session- “NTFP & its management “**

Ms. Rekha Panigrahi advocated for representation of DFO, TDCC, OFDC & Trifed's representatives in the price fixation committee meetings for fixing a realistic price. She also discussed ways & means for greater participation of Panchayat Raj bodies in ensuring price to primary collectors. Further the discussion was on the shift in policy approaches and the government's change of interest and attitude towards sustainable management. Previously the forests were treated as a source of revenue & advocated ways & means for sustainable management of the forests. For the first time in March 2000, sixty items of NTFP were classified as Minor Forest Produce (MFP) & the panchayats were given the power to regulate and trade those items in their respective areas. Some members cited about the irregularities in price fixation by panchayat samittee. .

G. Rajesh , DFO , Khariar spoke on “NTFP potential of Nuapada district & the way ahead“. In Khariar Forest Division, Sustainable forest management is possible effectively in 1356.4 square kilometers of forests , 345 square kilometers being village forests. The area has around 15 – 20 varieties of NTFP of marketable quantity. The forest department identified that storage of NTFP is essential for ensuring remunerative price to primary collectors. Till date 43 storage structures have been constructed in different blocks of Nuapada with the support of World Food Programme. He admitted that the production figures as available with the forest department are not the actual potential of the division & advocated the need for a fresh survey to know the

potential of the division. Since the district has good potential of NTFP, local value addition needs to be promoted & for that the VSS, PRIs & CSOs need to work closely. Further, the Panchayats could organize temporary NTFP markets atleast during the season. The NGOs could play a big role in facilitating such a process by bringing the groups on a common platform.

Mr. Biswajit Padhi said that the panchayats have been sufficiently empowered by pro – people policy of the government, but they need to take their responsibility seriously so that the benefits will accrue to the primary collectors. The government had received Rs. 2.87 crores in royalty prior to freeing MFP from it in the hope that the primary collector will gain from it. However the capacity of the PRIs were never built to face the new challenge. This has to be urgently done. Further, there is a need to involve all kinds of groups in price fixation & value addition activities. Since the working plans are also quite old & there is little information on the potential of the district, trading activities are getting hampered. The VSSs can play a greater role in promotion of value addition activities with little facilitation.

## **2nd Session: “ Linkages for NTFP Value addition promotion”**

G. Sharvari, YP, DSMS, Nuapada spoke on the role of women in NTFP management. Discussing broadly on how SHGs can take a proactive role in IGP, she advocated for taking on the major NTFP's processing on a priority basis. Since the potential of many NTFPs are not known, it is difficult to plan an activity. Siali leaf plate stitching & pressing can be a major activity & the DSMS can play a major role by providing trainings to women & even provide machines at subsidized rates. She went on to suggest women could also take up Neem Oil making, Myrobolan processing as is being successful in other districts.

Zilla Parishad Member Balakrishna Sabar regreted that many PRIs are not aware of the present policy & hence have not been able to take any proactive role. Most importantly the PRIs don't fix the price in time which is why the primary collectors suffer. But the government has also not taken any steps to build their capacity to meet the demands of the new policy. Thanking the organizers for providing a scope for learning, he promised to take up the matter in the Zilla Parishad & facilitate infrastructure development in the district. People, mostly women could be trained under SGSY & it needed to be taken up on a priority basis. He also requested the organizers to organize an orientation for the Zilla Parishad members of the district on how they can play an active role in promotion on NTFP based livelihoods.

### **3rd Session**

Motilal Sharma, proprietor of the Gayatri Ayurvedic pharmacy said the ayurvedic drug industry is greatly dependant on the forests. The forests in Nuapada is endowed with many products of medicinal value & used by the industry. But people are unaware of it & also don't recognise them. He gave countless examples of valuable products available plentifully in the forests But they need to be sustainably harvested to for the benefit of community & industry.

R.B. Dhala Mahapatra, Branch Manager of KAGB, Khariar mentioned that Banks can effectively prevent distress sale provided the groups come up with viable proposals for finance & the NGOs need to facilitate that. There is also a need to produce local product & graduate to a producer from supplier.

### **2nd day 1st Session**

Mr. Biswajit Padhi, discussed of various ways & means to ensure better price to the primary collector. Collectors need to adopt sustainable harvesting methods & also proper drying & storing methods to send high grade products to the markets. Analysis done by SRUSTI shows the benefit of producing good quality products is much more than the wage component involved. The local consumption of the products has to be increased by bringing out new products & innovative marketing strategies. Producing cow feed using Mahua could increase its local consumption & create a demand there by increase in its price. NGOs & CSOs should come forward to promote local value addition of NTFP not only to generate more income from fewer products but also generate wage employment, particularly in the lean season. He advocated for establishing linkages with ayurvedic drug industry for marketing the locally value added products.

Pradeep Mohanty of RCDC, Bhubaneswar discussed about the various stages the product goes through to reach the market. He also discussed the behaviour pattern of various markets on the basis of wide experience of RCDC. The lucrative price offered by big traders outside the state has certain risk factors also. The exploitation of primary collector is mostly because the awareness about actual price never reached them. Advocating that SHG cooperatives will have better bargaining power & also the opportunity. Further since market dynamics are hard to predict & but the primary collector is not even aware about the ground rules of the market.

Farooq Md, a trader from Boden provided some rare insight into the trade of NTFP in the region. The traders are doing business & are dictated by markets & markets are dictated by demand & supply of the product. Welcoming the decentralization of price fixation mechanism, he advised the Panchayat Samittees to involve the traders in the process to make it realistic. The price fixed by different blocks in Nuapada has wide difference, contrary to market price. No trader can pay a price higher than the prevailing market price & hence such unilateral price fixations will become redundant. He also advised SHGs can go for collective marketing to get better price, but they need to have proper drying sheds for producing quality products which is the primary requisite for fetching good price. The villagers need to use the concrete roads (recently constructed under various schemes) to dry Mahua as both way heating helps.

## **2nd Session**

The session recapitulated the discussions held so far. The house was divided into 5 groups & each group discussed on three topics & recommended the following:

### **ROLE OF PRIMARY COLLECTORS IN COLLECTION, SALE & PROCESSING**

1. Identification & mapping of NTFP in their given area for facilitating forward linkage.
2. Form federations, cooperatives for better bargaining power
3. Create local markets for the products by value adding them & producing new value added products.
4. Create awareness about rules governing forest produce & act as a pressure group. Different agencies like Panchayats, forest department can be motivated to implement rules/ law in letter & spirit.
5. Establish linkages with government & non-government bodies working on NTFP for market Promotion & establishment & advocacy for favourable policy.
6. Pressurize DRDA, forest department & NGOs to create more storage space for NTFP.

### **ROLE OF GOVERNMENT & PANCHAYATS**

1. Implement policy guidelines & law in time . Panchayats to fix price in time & take steps for its wider publicity.
2. Enforce rules to register traders in Panchayats so that primary collectors get price.
3. Facilitate value addition of NTFP through SGSY & other schemes of the government . It should also provide infrastructural & training support for such activity.

4. Take exemplary permission against traders exploiting primary collector.

#### **IF ANY POLICY CHANGE IS REQUIRED FOR AIDING NTFP TRADE**

1. Value addition of NTFP should be recognised as a key activity under SGSY & given industry status for easy bank fiancé norms.
2. Infrastructure support like storage space, cold storage to aid local VA promotion.
3. Research for newer products & stabilizing the present VA products.

The workshop ended with vote of thanks proposed by Pabitra Pradhan of SRUSTI.

**Minutes written by- SRUSTI, Khariar**