A Study on Kendu Leaf based livelihood and possible institutional alternative with special focus on FRA, in Major Kendu leaf Potential areas of Odisha

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Chapter-1

Introduction

Kendu Leave is called green gold of Orissa. Tendu leaf is one of the most important non-wood forest products of Orissa. The Kendu Leaf is also called silver leaf for its greater economic value and how richly it has contributed to the State coffers and how it benefits the poor during hard lean seasons is a well-known fact. The Kendu leaf business is a pride for Orissa because of its specialized operations. More than 8000 phadis are working in the state where the procurement and processing of leaves takes place. The net profit goes to the state exchequer, 50% of which is ploughed back as Kendu leaf grant for the development activities basically in the KL growing areas. According to the Government report it creates 30 million man-days within three to four months.

Kendu leaf (kl) plays an important role for the socioeconomic development of the tribal and dalit of India. Kendu leaf (KL) plucking provides employment and means of livelihood to millions of families spread across the country. Poverty, illiteracy and high degree of unemployment are cited as factors for womenfolk’s and children taking to Kendu Leaf (KL) plucking in a big way. Kendu Leaf provides employment opportunities for millions of tribal, harijans (Dalits) and other landless people during summer when there is no agricultural work or opportunities of wage earnings. In terms of coverage, dependence and revenue to the state exchequer, KL is the most valuable and important non-timber forest produces available in the State. Orissa is the largest producer of processed KL after Madhya Pradesh and accounts for 15% of total KL production in the country. In terms of quality of leaves, Orissa has the unique distinction of producing best quality leaves in the country. This trade creates an estimated 15 million man-days of work in the state. After agriculture this trade accounts for largest number of employment generation. The total turnover of KL trade in Orissa is in the range of Rs. 150 crores annually.

Orissa produces about 14-17% of India’s total production of kendu leaves. It is the only state producing processed leaves, hence has got a monopoly in the market of processed KL. The production of Orissa goes mostly to West Bengal and only about 10% or so is consumed partly
by the bidi manufacturing units of the state, and partly for export purpose. In 2005-06, Orissa had a turnover of Rs.154.035 crores in this trade, as against an expenditure of Rs.84.346 crores.

The valuable leaves are used for wrapping Bidi s, popular smoke especially among poor natives. The states producing BIDI leaf in India comprises mainly MP, Chhatisgarh, Orissa, AP, Jharkhand, Gujarat and Maharastra. Orissa is the third largest producer of kendu leaf next to M.P. and Chatisgarh. The annual production of Bidi Leaf in Orissa is around 4.5 to 5 lakhs quintal, which is about 20% of the countries annual production. Kendu leaf is available in 50 Sub Division of all the 30 districts. In Orissa, Kendu leaf plucking is carried out in a spread out area of 6 lakh hectors in 30 Districts cover maximum Kendu leaf growing areas. The districts are Sundergarh, Anugul, Deogarh, Kalahandi, keonjhar, Kalahandi, Kandhamal, Malkanagri, Nabarangpur, Koraput, Dhenkanal, Jharsuguda, Sambalpur, Baragarh, Bolangir, Sonepur, Boudh and Nuapada. However, if the demand in the bidi market declines substantially or the market prices no more become viable, then the government is likely either to significantly reduce the production, or to denationalize the trade. The kendu leaf of the Balangir District is traded as the best kendu leaf throughout India. The Uniqueness of Orissa’s Tendu (kendu) leaf is in processed form where as the rest of the states in India produces in Phal (unprocessed leave) Form.

In processed form the Kendu leafs are graded into different qualities that are Grade I to Grade IV as per the specification of color, texture, size and body condition of the leaf and packets will be done by taking 5 Kilograms (field assessment suggest 5 kg 250gm this to be scrutinized more) as a Bundle. Kendu leaf in Orissa is sold by a standard weight which constitute one lot is equal to 100 bags and 12 Bundles of 5kg of each are packed in a gunny bag and 100 such bag equivalents to 60 quintals make one truckload. Whereas no gradation is done in respect of PHAL Leaf and only loose leafs are packed tightly inside the gunny bag.

Average selling price of Kenduleaf varies between Rs 30 to Rs 80 per kgs depending on grades. The kendu leaf is collected and processed by kendu leaf wing of the forest department. It is a seasonal operation involving huge number of labourers (both skilled and non skilled) during season of operation. Seasonal Trained workers (Binders) process the KL and after processing of the kendu leaf, the lots are formed and delivered to OFDC for marketing.
The government is already restricting the KL operations to suite the market needs, and as such the target has been reduced. Overall assessment suggests that the reduction in the target is but marginal, but at field level it has moderate to severe implications in some areas where the procurement of KL has either been cut short, or cancelled. Added to the situation is the closure of phadis in the sanctuary areas as per the provisions of the Wild Life Protection Act, 2002.

More than 10 lakh (1 Million) tribals and other forest dwellers are engaged in the Kendu Leaves (KL) collection in the state of Odisha and to take into account their associates in the field, it is a question of the livelihood of around 18 lakh people. Natural damage to the KL crop or reduced/cancelled procurement by the state agency directly affects a major source of their livelihood as KL contributes significantly to their annual income, and happens to be the most important NTFP of its season (Feb-Apr).

Kendu leaves trade in Odisha was done by few private contractors who made huge money in this lucrative trade. Those private contractors were so powerful that they successfully managed to interfere in state politics but also got the ministers of their choice. The interferences were tolerated in exchange of huge donations to political parties to buy favours. The instability of the Odisha governments during 1960s is largely attributed to the powerful Kendu Leaves lobby.

Immediately on coming of the late Indira Gandhi to the centre stage of National Politics; through the then chief minister late Nandini Satpathy nationalized the trade in the year 1973 to get rid of the private contractors. Big claims were made that KL contractors are exploiting poor tribals, as such to save them from being exploited, the trade will be conducted by the state Forest department which was assigned the duty to collect KL from the tribal and process the same and hand over to the Odisha State Forest Development Corporation for marketing.

With change in the players, Private traders' monopoly has been replaced by the Forest Department monopoly.
Chapter-2
About Kendu Leaf

Botanical name of Tendu (Kendu) leaf is Diospyros Melaoxylon {(DM) and Diospyros Tomentosa (DT). Kendu or Indian ebony is very common in deciduous forests of MP, Chattisgarh, Orissa, Jharkhand, Bihar, West Bengal, Andhra Pradesh, Maharastra and Rajasthan States. In Orissa, it is widely distributed in central and western part of the State and can adapt to almost all types of soil. DM and DT vary from each other with respect to bark and leaf characteristics. However both are locally known as Kendu. In normal forest conditions the tree may gain a height of 60-70 ft. and the girth may be upto the size of 7 ft. However in low quality forests, the girth seldom exceeds one mts. and the height of 15 mts.

It is interesting to note that most of the leaves plucked for making bidis are not plucked from the kendu suitable leaves for bidi have been a result of repeated purpose of poles, firewood, an extraordinary power of coppice shoots and root quickly adapt a bushy form bushy forms are mostly found villages, on cultivated fields undergrowth inside forests.

As it is called in India

Tendu in Hindi
Kendu in Bengal & Orissa.
Kari in Gujarat.
Abnus in A.P.
Tembharni in Maharastra.
Balai Tupra in Tamil Nadu

most of the leaves plucked for from the trees. Rather they are bushes as they are the most making. The kendu bushes hacking of kendu plant for fencing materials etc. Having proliferation by sending out suckers, such kendu plant under repeated hacking. Such in marginal forests around the and upland and as
Aroma

The Leaf has Characteristic aroma which go with the bidi tobacco, producing desired flavour while smoking.

Hygroscopic Nature

Tendu leaves possess extraordinary property of being soft after moistening which render bidi rolling easier without breaking.

Texture

Thin and fine texture of leaves, render the same pliable when moistened for easy rolling of bidis.

Burning quality

Slow burning of bidis without getting extinguished once lighted.

Drying

KL dry up quickly without developing wrinkles, cracks, fractures and bidis withstand baking and hot air treatment.

Storage

Capacity to withstand storage without deterioration of quality for considerable time.

Quantity:

Availability in bulk quantities for large scale commercial bidi productions.

On the whole the kendu leaves preferred in Bidi manufacturing industry should be large in size, thin, pliable, non-pubescent, without prominent nerves, good colour and lusture. The following defects in the leaf lamina are considered to be blemishes:

- Cracks, fractures, holes.
- Pox marks.
- Wrinkles
- Moulds, fungus specks
- Tipis (brown dots in the leaf lamina)
- Discolouration due to defective drying/ garvasijja
- Soiled and dirty leaves.
- Immature and thin leaves.
- Mature and over mature thick leaves.
Pruning is the accepted management practice to allow the new shoots and tender leaves to grow. The tree also develops a number of root suckers which can be made to grow profusely through artificial injuries to its root system.
Chapter-3
Study Objective, Methodology and Area Selection

Objective of the study:

- To know the livelihood distribution pattern and KL based livelihood pattern in the selected villages.
- To find out the Kendu leave operation in the selected villages.
- To analyze major key issues in the KL operation.
- To know various schemes/grants/facilities of govt provided for the KL dependants and its loopholes in the selected study areas.
- To know the existing institutional process and its loopholes also to know the possible alternative institutional model.
- To analyze various KL related laws and policies in KL operation.
- To know the govt official’s views in context of KL scenario.
- To analyse the laws/policies which affect the KL trade and to explore different Laws/policies which talk about the right of community over MFPs.
- To know various KL policy scenario in different KL potential state.
- To list out issues to be advocated in KL scenario.
- To list out possible suggestions and recommendation for KL trade.

Methodology:

- Primary data collection
- Secondary data collection
- PRA methods
### Primary data collection
- Interview schedule
- Observation method
- Survey method
- Focus Group Discussion

### Secondary data collection
- Review of literature
- Collection/compilation of KL department data
- Information through RTI
- Browsing through net

**PRA tools used:**
As per the need of the research PRA tools are used, as follows
- Transect walk
  - Social and resources map
    - Livelihood source analysis
      - Resource flow map
        - Mobility map
    - Venn diagram

**Area selection:**
Keenly the areas to be identified by intense discussion with the KL department officials of selected districts and other local experts as well as non-govt organizations because they have the expertise and acquaintance of that area for smooth conducting of the research work.

**Parameter to choose an area:** the areas for the study are chosen with any of the parameters listed below:
- Where the KL puckers is more
- The area is highly KL procured area irrespective of any grades
- The area is recognized as the high grade of KL is produced
- The area is tribal dominant or dominant of other forest dwellers which meet the spirit of FRA
- The area is considered as highly KL traded area
- The major portion of livelihood of people is based on KL

With the help of thumbnail rule one of the above parameter would be chosen.
Respondent selection:

Once the area is selected, than irrespective of heterogeneous or homogeneous group of people in that area 12% out of total population would be taken and the output is dealt in random sampling manner.

[The report is based on the combined finding analysis for all the selected study areas and based on the sample size taken for the study]

Selected Areas details:

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Demography details of Selected Areas

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<td>81</td>
<td>109</td>
<td>3.8</td>
</tr>
</tbody>
</table>

In Aathmallik area/ Angul dist:

<table>
<thead>
<tr>
<th>SL NO</th>
<th>VILLAGE</th>
<th>H.H</th>
<th>POPULATION</th>
<th>SC</th>
<th>ST</th>
<th>H.H Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>KIAKATA</td>
<td>131</td>
<td>553</td>
<td>73</td>
<td>43</td>
<td>4.2</td>
</tr>
<tr>
<td>21</td>
<td>TUSSAR</td>
<td>109</td>
<td>509</td>
<td>29</td>
<td>0</td>
<td>4.7</td>
</tr>
<tr>
<td>22</td>
<td>MADHAPUR</td>
<td>157</td>
<td>756</td>
<td>224</td>
<td>2</td>
<td>4.8</td>
</tr>
<tr>
<td>23</td>
<td>BORDAKATA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In Belpahar Area/Jharsuguda Dist:

<table>
<thead>
<tr>
<th>SL NO</th>
<th>VILLAGE</th>
<th>H.H</th>
<th>POPULATION</th>
<th>SC</th>
<th>ST</th>
<th>H.H SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>JAMGAON</td>
<td>371</td>
<td></td>
<td>127</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>KUREMAL</td>
<td>141</td>
<td></td>
<td>13</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>SAMARBAGA</td>
<td>161</td>
<td></td>
<td>19</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>KUTRAPALI</td>
<td>125</td>
<td>611</td>
<td>217</td>
<td>318</td>
<td>4.9</td>
</tr>
<tr>
<td>28</td>
<td>SUNAJHARIA</td>
<td>65</td>
<td>288</td>
<td>29</td>
<td>180</td>
<td>4.4</td>
</tr>
<tr>
<td>29</td>
<td>KISANPARA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>SIALRAMA</td>
<td>198</td>
<td>941</td>
<td>221</td>
<td>590</td>
<td>4.8</td>
</tr>
</tbody>
</table>

The average family size of the selected villages - 4.87 persons / family


Chapter-4

Socio-Economic condition

Demography details:

Caste profiling:
Generally the villages selected for the study have three caste categories ST, SC and OBC but there is a heavy dominance of ST population that is 59.36% in these studies areas. The drawn percentage is based on the sample size used for the study areas.

KL dependent People status:
There are different livelihood sources people adopt but almost all the villagers depend on Kendu leave based economy in the KL season. There are 82% people dependency is on KL and 18% of the villagers don’t adopt this practice. The remained 18% do have adequate livelihood source so this business finds no interest to them.
Livelihood dependency of people involved in KL:
The involved villagers in the KL operation earn **2500-3000 rupees** per household in plucking activities.

**Gender wise Involvement in whole KL Operation:**
It is seen irrespective of male, female and children, everyone get involved looking at their expertise on particular operation. The selected villages has projected **56% female, 32% male** and **12% children** involves in this whole KL operation. The chart shows overall gender wise participation in KL operation.

![Gender wise Involvement in whole KL Operation](image)

*Source: Field level information*

**Proportion of KL collected areas:**
The major kendu leaves are collected from **non-forest** land that is **64.22%** and it has very less coverage in **forest land** that is **35.78%**. This is analyzed in the selected villages, which is again reevaluated with the RTI data. It is also analyzed due to insufficient sunlight KL is not grown in forest areas and the quality is not up-to the mark than KL collected from revenue land.

![Proportion of KL collected areas](image)

*Source: Field level data cross validated with RTI data*
**Land tenure:**

In the selected villages it is found around 62% is landless and 28% are having some govt land which is possessed by them and 10% people have their govt entitled land. The people possess the govt land have no idea about the land status; also take the advantage of govt ignorance to those areas. The possessed land propagates idea in local level that the possessors have full control over that land.

**Sources of Livelihood:**

The villagers’ main source of livelihood depends on rain fed agricultural practice. They mainly cultivate Mung, Kultha, Harada, Peddy. They are accustomed with rain irregularity so some food stock always preserved for any type of future dire possibilities. The Govt. introduced NREGS work contributes little to their livelihood in a small portion of months in a year; generally they get involved in road construction and pond digging work through NREGS. There is another component of earning source that is Kendu leaves operation which surely provides little livelihood supports to the dependant from *February to April* every year.
It is seen in some selected part of Bolangir dist, people prefer to be migrated to Hyderabad, Mumbai and Raipur for Rickshaw pulling, Brisk making and putting their labour in Shop stores and Houses. Some contractors of Kantabanji and Raipur allure and influence the community to migrate. It is observed that migration has turned into a trend which has not fetched a significant change in their livelihood, Op-course it contributes somehow. It is in a whim to have experience to be exposed to new areas, now days the whim is intercommunicated from those already migrated and their tales attract new people for exodus and people have a wish to search new experience those who have been migrating. It is highly admitted these kinds of desires being induced by the contactors to the community. It is analyzed migration ratio is more in male than female. In new age people it is highly prevailed because they don’t have any want to explore livelihood options from the existing sources as they don’t feel prestigious rather do favor to have experiences in other areas even if they are treated like animal. This ill-treat has not laid any considerable alter in the mind set up of people rather they do opt for re-experience in other new areas.
Chapter-5
Kendu Leaf Operation

It is observed in selected villages, the people engaged in KL plucking/Bush cutting activities from mid of February to March, the entire length of this KL operation starts from February to April.

Bush cutting: - The concern DFO passes an order to the respective Rangers which again convey to the appointed Munshis in Phaddi areas who actually carry out the task by involving the villagers. Than the villagers mainly males are engaged in bush cutting work which takes 10-15 days often held on between Feb to March depending on the areas to cover. Than the chopped bushes are allowed to regenerate which takes a month.

Man-days generated in Bush-cutting:
Since years 2001-2008 this is analyzed from RTI data; Man-days generated in Bush-cutting work is not immensely changed. The alongside chart depicts an idea that since year 2001 to 2008 the Bush-cutting work is continued to produce almost same numbers of man-days and there is no such huge variation in this practice.

[Source: RTI data validated with villages data]
According to the ground level fact, the Bush-cutting activities have continued to generate same amount of man-days in last couple of years. It is sighted people get engaged more in due trend of time, this practice brings an opportunity to generate more man-days in yearly basis; the factor may be in the selected villages the villagers are not having any kind of work in the above said months which fetch an economy for their livelihood. The major factor may be due to good wage as compare to early years this gradual increase in man-days marked.

Gender wise involvement in Bush-cutting work:

Based on field level information, 94% of the male members are involved in Bush-cutting work and the female ration is 6%. Such kind of big variation is only for the social norm which is strictly maintained in the village level social order. There are some works where only males are socially permitted to carry out certain task. The variation may be termed in varied way like only males are skilled enough to perform such task but there always a hidden social intention goes along with the practices.

Plucking:

Soon after regeneration, the villagers are allowed to pluck the leaves, it takes place in last of March to last of April which generally exceeds to May end. In this practice mostly all family members in a house hold engage themselves.

[Source: Field level data]
It is observed that an individual family plucks 3-4 chatta per day (1 chatta= 100 kerry, 1 kerry=22 leaves) (1 Kerry=27 paisa, 100 kerry=27 rupees). In the selected study areas it is known by asking pluckers, munshis, checker and the respective rangers that maximum Kendu leaves are procured from revenue land than forest land, also analyzed the quality of leaves procured from forest land is quite low graded in comparison to the leaves gathered from revenue land, the factor is due to insufficient sun light. Almost till end of May all the plucking process finishes and all the plucked leaves reached to the Phaddi. For issuing plucker card, Munshi takes 5 rupees from each plucker which is against the norm. In one household an average of 3 persons including male, female and children are generally engaged in plucking activities, mostly the 72% of female section contributes their maximum labour in this plucking work than male that is only 9% which is partly assisted by their children that is 19% and 3-4 hours required in plucking activities and 2 hours is required in kerry making where all the family member get involved.

**Man-days generated in Plucking:**

Stand on the RTI data if this is worked out from the year 2001 to 2008 there is not a see change of man-days variation in Plucking work, just a tiny distinction is marked during the years. The chart analyzes though there is a little increase in man-days till the year 2008 but people find the plucking activity as a good source of earning in such months where they do not have any option of livelihood. One more things can be judged people get more engaged due to some so called still folded lucrative grants of government and the major factor may be the gradual increase in wage rate.

(Source: RTI data)
**Phaddi repair:**
The Phaddi repair activity is supervised by the forester. Phadi committee does not know the amount spent on repairing of the phaddi. As such the finance granted for phaddi repair activities is misappropriated by the KL official. The villagers aware about this still become speech-less for not willing to bring unnecessary invitation to litigation.

**Man-days generated in Phaddi Repairing and Maintenance:**
On the yearly basis analysis, man-days generated for phaddi repairing and maintenance there is just an increase of man-days till 2008. This can be gauged that phaddi repairing and maintenance work gradually more rationalized which produce a good source of income to the villagers.

![Yearwise Mandays generated in Phaddi repair and Maintenance](image)

[Source: RTI data]

**Phaddi wise trade:**
During the study the responsible Munshis were interviewed and cross examined with other views involved in KL trade, also analyzed phaddi wise trading and collection from them. The selected phaddi collection in one season is around rupees **1, 30,000 to 1, 50,000** locally called “Khardi”.
KL gradation, price and misapplication:

Leaves grading and charges:

Once the leaves are collected from different areas, those are very keenly segregated according to the grade. The Binders are skilled enough to put the leaves in varied grades.

Generally there are five grades of leaves as follows:

<table>
<thead>
<tr>
<th>Sl no.</th>
<th>Leaf Grade</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M1</td>
<td>Rs 22</td>
</tr>
<tr>
<td>2</td>
<td>M3</td>
<td>Rs 21</td>
</tr>
<tr>
<td>3</td>
<td>IVm</td>
<td>Rs 18</td>
</tr>
<tr>
<td>4</td>
<td>IV</td>
<td>Rs 18</td>
</tr>
<tr>
<td>5</td>
<td>IVs</td>
<td>Not known</td>
</tr>
</tbody>
</table>

[Source: Field level information]

Mostly IV grade of leaves are plucked and very much available but other variety of leaves are having less flow to the Phaddi.

Even though price fixation for binding should take into account on different grades of leaves, the KL department of government is only considering Grade IV. The irregularity in the price fixation by government is not pointed out by the binders in the fear of losing their contracts.

[Source: RTI Data validated with Field level Data]
<table>
<thead>
<tr>
<th>Grade</th>
<th>Colour</th>
<th>Texture</th>
<th>Size and body condition</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Green, lustrous, Shinning</td>
<td>Thin</td>
<td>22 cms. up in length and 8 cms. up in width, free from pubescent, mould dirt, crack,</td>
<td>Should not include immature leaves. The bundle may contain up to 20% of II grade leaves.</td>
</tr>
<tr>
<td></td>
<td>greenish, grey</td>
<td></td>
<td>pliable midrib and veins not prominent, leaf blades not wavy.</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Same as I grade</td>
<td>Thin</td>
<td>18 cms. up in length and 8 cms. up in width. Rest all like I grade.</td>
<td>Should not include immature leaves. The bundle may contain up to 10% of III grade leaves.</td>
</tr>
<tr>
<td>III</td>
<td>Greenish to Greenish yellow,</td>
<td>Thin</td>
<td>Leaves above 15 cms. Length may be little pubescent with slightly prominent veins free</td>
<td>Bundle may contain up to 10% of quality IV-S.</td>
</tr>
<tr>
<td></td>
<td>greenish gray</td>
<td></td>
<td>from mould, dirt &amp; other defects. Leaf blade may be slightly wavy which will not affect</td>
<td></td>
</tr>
<tr>
<td>IV - S</td>
<td>Same as Quality - III</td>
<td>Thin to</td>
<td>15 cms. up in length pubcent may contain mould cracks up to 10% of leaf area. Prominent</td>
<td>Bundles may contain up to 10% grade IV – M leaves.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>medium</td>
<td>midrib and veins leaf blade may be wavy.</td>
<td></td>
</tr>
<tr>
<td>IV - M</td>
<td>Same as quality- III</td>
<td>Thin to</td>
<td>12 cms. up in length. Others same as IV – S.</td>
<td>Bundle may contain up to 10% of quality IV and contain slightly immature leaves.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Mixed Color leaves fit for</td>
<td>Thick</td>
<td>Mixed sized and shape, hairy, valvity with prominent veins, uneven, surface, mould or</td>
<td>May contain up to 10% below specification leaves fit for making one Bidi will be accepted.</td>
</tr>
<tr>
<td></td>
<td>manufacture of Bidi.</td>
<td></td>
<td>blemishes or holes together not exceeding 20% of the leaf area.</td>
<td></td>
</tr>
</tbody>
</table>

There may be further two grades as under.
M – I Mixture of leaves of I & II grades in the proportion of 1: 1.
M – III mixture of leaves of III & IV- S grades in the proportion of 1: 1.
There shall be no grading in respect of Phal leaves.
NB – Leaf length is to be calculated from the starting of leaf area and not from petiole.
Binding:

The binding practice is a traditional adopted by the binder community who are seasoned and skilled to acquire this practice since ages. By persistent guidance and continuous observation also somewhat the compulsion to makes the novice skilled and professional, this way the knowledge is shifted from one generation to next.

Who are the Binders and how they are contacted?

The Binders are contacted by the respective Ranger in particular season. First the organizer who headed the particular binder group is got hold of is confirmed by a lump –sum advance. Here an obvious question is raised that “if the binders trick after taking the advance money”, same question struck to our mind and cleared it by inquiring direct to the Binder and the Ranger, same reply achieved from both the side that “it’s all about faith and trust” because for a great period of time these binders have been linked with this occupation and their every frequent seasonal visit assures to steer clear of such doubt.

Generally it is studied the binder group is set up of 15 to 17 members. Than the horde trips to the particular area and stays until the binding work is accomplished.

Binders’ migration:

Generally the migrants hail from Bolangir, Sambalpur, and Aathmallik and Boudh districts. This binding work adds a major portion of income to their livelihood. In binding season the migrants cover 5-6 Phaddis. The binders are grouped in 15 to 17 members. As this practice has been a traditionally acquired practice since ages so the nomadic have well idea about the places to travel for their livelihood.
Income from Binding:

It is observed that a binder’s earning is not wage based but contractual which means the earning is as per the actual volume of work. The terms of contract are as follows,

Per Bundle calculation.
1 Bundle = 5.25Kg
1 Bag (locally called “Bashta”) = 12 bundle

- Two binders involve in this Bundle Binding work.
- The rate of Binding per Bundle (5 kg 250gm) is 18 rupees.
- The amount 18 rupee is divided in two Binders.
- Each get 9 rupee
- Two binders make 7-10 bundles per day.
- Each earns maximum 90 rupees per day.
- The organizer(locally called MAT) charges 18 rupees per bag (1 bag=60kg)
- Each binder saves 50 to 60 rupees in a day and rest amount they spend in food.
- Average selling price of Kenduleaf varies between Rs 30 to Rs 80 per kgs depending on grades.

In each Phaddi the binders take 15 to 17 days to finish the task. During their stay from May to October they cover around 5-6 Phaddis. The male binders contribute their labour from 8 am to 6 pm in a day, and due to lack of proper light facilities they can’t extend their work after 6 pm.
Man-days generated in Binding work:

On the basis of RTI data since 2001 to 2008 very negligible fluctuation in man-days marked. This is such a practice which the binders traditionally adopted and very skilled enough but in other form of livelihood source they may not be fit into and justify consequently this is a kind of such livelihood which they never miss out even if it generate low level of income also.

[Source: RTI data]

Year wise Price fixation per Bundle:

The binders are completely conscious of the pricing status in different years but not so much well versed before the year 1989, the detail are as follows:

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1990-2000</td>
<td>Rs 7.15</td>
</tr>
<tr>
<td>2</td>
<td>2002-2006</td>
<td>Rs 11</td>
</tr>
<tr>
<td>3</td>
<td>1989</td>
<td>Rs 5</td>
</tr>
<tr>
<td>4</td>
<td>2001</td>
<td>Rs 8.60</td>
</tr>
<tr>
<td>5</td>
<td>2007</td>
<td>Rs 14.50</td>
</tr>
<tr>
<td>6</td>
<td>2008</td>
<td>Rs 18</td>
</tr>
</tbody>
</table>

[Source: Field level Information]
Buying and Selling of KL in the current context:
As per the KL official’s version regarding the trading of KL in the selected study areas as follows:

- 1 packet of KL is weighed 60 kg
- 1 quintal of KL is weighed 100 Kg
- 1 quintal of KL is purchased in rupees 1242/-
- 1 quintal of KL is sold in rupees 9000/-

If we see the buying and selling pattern than the graph distinctly higher in KL selling case than buying so as to assume and matter to think how much profit the state generates in this trade and in return what actually the real producer achieves.
Chapter-6
Other Key issues of KL study in selected areas

Since the study focused on KL based livelihood and different aspects in KL trade so much emphasis pushed in KL scenario during the study. The following are the detail findings of the areas covered during the study. Like other livelihood sources Kendu leave collection also brings portion of strength to the rural poor.

Bush cutting:
Males are only involved in the bush cutting operation. Bush cutting is done for **7 to 10 days**. Ranger intimates about the order for Bush cutting to the concern Munshi and Munshi carry out the work. At-least one male member in the family engaged in bush cutting activities whereas the women and children groups are entrusted for collection of leaves.

- The Actual days of bush-cutting is not openly declared by the officials.
- To check wage irregularity in bush-cutting activities, there is always a demand from the people that all the bush-cutting wage should be paid through passbook to maintain transparency.
- No social benefits are provided by the government to the bush-cutter as like health insurance card.
- Which are the areas to cover, how many persons to engage in bush-cutting work should be listed out and made public so as to maintain more transparency in financial transaction.
- There is a heavy negligence by the KL official to develop proper map of the area included in bush-cutting work and always it is seen the bush-cutting work is not started in times which results delay in other related KL operation also proper area mapping results; number of labourers required for bush-cutting work in accordance to the proportion of areas to be covered. The munshi and other related actors involved in phadi level transaction should be taken into confidence while developing map for bush-cutting work.
- The bush-cutters should be provided identity card to assert their rights and genuine demands in the transaction.
It is found the engaged villagers in Bush cutting work get a wage of 70 rupees in a day fixed by the Kendu leave department, it is analyzed the allotted wage is manipulated by the KL official like, one day of labour calculated in 70/- of wage but most of the time it is judged people contributes their labour for 2 and ½ days and get paid of 2 days full wage that is 70/- per day and ½ day of half rate, means 35/- for ½ day work, which is officially calculated in full day work. The remained amount is misappropriated by the KL official and in this process little share is offered to the Munshi who manipulates in keeping the villagers in dark and never allows anyone to know about the financial transaction.

There are multifold of manipulation, like there are some portion of KL found inside forest, that part is lit on fire so that amount allotted for bush cutting is straight diverted to the KL officials’ pockets.

The bush cutting work is not carried out scientifically which hampers the plant to grow properly. The govt official ignorance in this part lead to unsustainable growth of plant and quality would not be ensured in future.

**Plucker and Plucking related issues:**

Pluckers are supplied with insurance card of 10/- as premium in a free of cost which is completely optional. The minimum benefits to the pluckers like chappals, umbrella, insurance is not guaranteed by the department. Even the villagers admit to hear these entire grants for the first time in some selected areas. Pluckers are not aware of the benefit schemes available to them like health issuance.

The details of plucking and procurement are noted down on the Plucker card with amount, value, paid amount.

The major issue in KL operation is the **producers are turned to the wage labour.** Late payment has been a major grievance on the part of the pluckers. Due to continuous delay payment, there is reduction in the number of pluckers.

But it is observed that the card is taken back by the department after the payment is made. Villagers opined that the cards are taken back for verification and maintaining records at the department level.
People have to move deep into the forest for collection where as in earlier days, they were plucking in and around their village boundary it signifies the impact of human extraction on forest.

Pluckers have no idea which grade of leaves they collect. The pluckers are not aware of quality of leaf found around; they should be educated about different qualities of leaves to pluck.

Plucking operation is done 15 days which extends up to 2 months in a year.

The wage rate for one Kerry is 27 paisa. Still there is a disparity in wage fixation per kerry in some places but people are well versed about this situation and have started addressing the issues.

The pluckers have to pay a membership fee of Rs 5/- annually for the Kendupatra tolali mancha, the union. But they do not know about how the money is being utilized.

Completely unaware of Forest Right Act {FRA}.

Delayed payment which is a long run issue with the department is not resolved yet.

Pluckers are not getting their income which takes 3-4 months from the date of finishing leaves collection, as the amount is blocked for such great periods which again put the plucker section in dearth.

The first reason is the dictatorial attitude of the forest officials who have replaced private traders. KL activities have been a milking cow particularly for field staffs like for rangers and forest guards. Fictitious purchases; under counting of leaves and various tricks played in quality gradation of the processed leaves are some of the sources of eating away the money.

In some places it is seen KL pluckers mortgage their cards to the money lenders, who collect the money on behalf of the pluckers. Delay causes further losses of high rate of interest charged by the money lenders.

In many instances it is seen while making Kerry the pluckers set many an unused leaves amid, having intention to bundle up more kerries and earn more, but the Munshi is well accustomed with such kind of pluckers’ manipulation so he more often instructs them to give 25-30 leaves in a kerry in 27 paisa (its turn to 29 paisa in January 2009).
Other family members of the plucker card holder should to be enumerated in the plucker card as they also contribute their labour towards these activities should not be deprived up of other social benefits offered by the government.

**Binding related issues:**

- The binders are immigrated into the area for the binding purpose and operate for more than four months. They lack minimum security of life and deprived of different social benefit schemes from the government.
- The binders are accommodated in such Phaddi where the surrounding is completely not conducive to reside.
- Binders sleep on the muddy floor where always a chance rendered of venomous snakes.
- Binders are not facilitated with mosquito nets so they often fall sick of malaria.
- The binders are completely unaware of their stuck in form of fees in Sangha as well deprived up the expenditure statement.
- No health insurance card is not provided to the binders, in case of any misshapen it straight put the binders in a state of strive.
- It is generally seen in some places the binders come with their families but often the females get sexually harassed by the locals and no steps taken by the govt to mitigate such kind of inhumanity.
- The binders engage themselves in their task from 9 am to 5 pm than come again to their residences.
- Each female binder makes 15 bidda per day.
- It is found they are quite discomfort of the manipulation of govt. KL department in price fixation according to grade but they are again get voiceless because of the predicted chance to cancel their contract if they agitate.
- Lack of proper infrastructure in Phaddi, the Phaddi is in collapsible state.
- The binders have not been facilitated with any medical facilities.
- As per the scheme of govt the binders should be supplied with kerosene and a light each but that is yet to be provided.
Binding operation takes 4-5 months and the binders are moved around different places so in this process their children education is not properly continued and strangely government has not so far able to develop any mechanism despite uncountable time such complaints have been raised nor the union has addressed such kind of situation.

The locals of the Phadi area should be trained to develop binding skill for smoothly carrying out the work in their village level to mitigate many an above said situations.

**Phaddi related issues:**

- The Kendu Patra tolali Mancha is looking after the issues of the KL pluckers, and other seasonal workers.
- Phadi committees are not formed properly. The preferential members are selected by the KL official.
- Phadi committee is not aware of the grants available for KL operation
- There are 7 members in the Phaddi committees selected by the Forester which is again reformed in yearly basis but as per the rule forester should not be the member selector rather he facilitates the process.
- There is no such committee assembly happened in a month.
- There is no transparency over the account of the Kendu Patra Karmachari Sangha and the members are not aware of the detail.
- The villages completely unaware of Phaddi level committee.
- In every year there is a huge financial allotment of govt for phaddi repairing and maintenance purpose but it is seen in the ground that modification and reshaping the ruined phaddi takes place which durability is ensured till a heavy bluster of rain. The KL officials are very much accustomed to modify and reshape the financial grant in official notes.

**Drying and Storage:**

- In many a study areas it is seen there is no such infrastructure developed and proper procedure follow for drying and storage of leaves, as a result of which leaves get damaged frequently.
Seasonal worker:

- Checkers and Munshis are the seasonal workers should be engaged and taken into confidence by the officials in every step of operation from bush-cutting to binding.
- Till date there is no structure of government which recognizes them as seasonal staff nor they are provided with any identification card which ensures their engagement and position in different quarters.
- A Munshi is engaged for 3 months in a year and provided a remuneration of 2500 rupees and a checker who is also engaged in seasonal worker mode gets 3500 rupees in 3 months.
- The given pay is completely inadequate to the seasonal workers; many times they agitate on this issue to raise their pay according to their work but govt has so far become deaf.
- It is seen the seasonal workers due to a restricted pay not at all willing to be engaged in this operation.

Inexplicable practice of KL Sangha:

It’s a huge brain storming to think the role of “Kendu Leaves Tolali Sangha”, the played role of Sangha is quite satisfactory which is reflected in pluckers and other involved in this KL operation saying. They have seemed to be gratitude towards the effort put by the Sangha but it is yet to be convinced what exact role Sangha really plays? Each plucker pay 5 rupees, the fees of each Munshi is 51 rupees and each Binder’s fees is 25 rupees in per yearly basis, this fees structure is fixed by the rule maker of KL Sangha. When asked to the depositors about the efficacy of the fees, their reply was, “the Sangha member fight and advocate for our price hike in different KL related operation” so these deposited fees comes in use for the Sangha members’ travel and meeting, which are required in advocacy work. This is what and how the workers are convinced, they are satisfied by thinking the change reflects in their price in different stage is a sole contribution of the Sangha. It sounds quite revolutionary but quite indigestible since none of the member is aware of expenditure status of the deposited fees which must be deliberately not made public. If we see the figure in Orissa there are 10 laks pluckers, 15000 numbers of binders and 8000 numbers of seasonal Munshi (in 8000 Phaddis) engaged. So if the figure is multiplied with the fees fixed for each section than the calculated sum touches such where the expenses for the plea to advocate for price fixation seems to be very tiny.
The following are the calculation:

- 10,00,000 * 5 (each plucker fee) = 50,00,000 (Sangha gets from pluckers)
- 15,000 * 25 (each binder fee) = 3,75,000 (Sangha gets from Binders)
- 8000 * 51 (each Munshi fees) = 4,08,000 (Sangha gets from Munshi)

In grand total = 57,83,000 Sangha receives in yearly basis.

**Leakage: Seasonal staff:** [RTI Data March, 2002]

It is analyzed that the expenditure towards salary amounts to be Rs 873,19,495/- (March 2002: Data through RTI) for 16,000 for seasonal staff (8000 Munshi & 8000 checker) working for the KL operation. Taking into account, the salary of Munshi per season of Rs.2500/- and checker per season of Rs.3500/- there is a surplus amount of Rs. 39.31 lakh unspent. There is no proper record of utilization of such a huge amount. This leakage (?), if otherwise ploughed back to the seasonal staff, there would be an increase of Rs. 245/- on an average in their salary.

**Potential Benefits:**

Study shows that the Government of Orissa generates revenue of Rs. 150 Cr from the KL trade per annum. If this amount is ploughed back directly to 10 lakh pluckers, there would be an addition of Rs.1500/- per plucker on an average. In other words, it can be stated
that the rate per kerry would increase to Rs. 41/- from the present value of Rs.27/- (from 2009 jan it turns to Rs 29/-). This would definitely enhance their livelihood security.

**KL profit sharing:**
As per the govt report in 2008 the total profit is calculated as 300 crore, out of this 5% is taken by the OFDC as its commission and some undefined 5% tax is included for OFDC. Some more than 110 crore is expensed towards “operational and establishment cost” which comprises Salary of KL department employees, Bush-cutting, Plucking, Binding, Phadi repair & maintenance, transportation, seasonal staff salary; than actual revenue is determined that is 150 crore, from which 50% is used for state govt. Budget and 50% is used towards KL grants.

**KL grant:**
One of the most controversial and disputable aspects of KL transaction in the State is the provision of KL Grant to Gram Panchayats. According to section 11(1) of the KL (Control of Trade) Act, 1961, out of the net profits derived by the Government from KL operations, an amount not less than 50% shall be paid to Panchayat Samitis and GPs. In pursuance of the section 11(1), 90% of the amount shall be distributed among the KL growing sub-divisions. Each GP will receive 72% and Samitis will receive 18% of the amount earmarked for each sub-division. This amount shall be distributed as hard cash KL grants.

The allocation of the grant is made on the basis of each year's assessments of the net profits. According to the F & E Department, KL grant has been paid up to the year 1983-84. Although the Accountant General, Orissa up to 1989-90, has certified final accounts final grant due to the Panchayat Samities and the GPs have not been given on grounds of non-availability of funds. Since Performa accounts from the year 1990-91 have not been finalised, Panchayat Samities and GPs are being paid adhoc grants. These adhoc grants have no relation with the actual profit earned by the State.
### Table 2: KL grant position (Amount in Lakhs)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET PROFIT</th>
<th>50% OF NET PROFIT</th>
<th>AMOUNT PAID TO PRIS</th>
<th>BALANCE DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>954</td>
<td>477</td>
<td>251</td>
<td>226(47%)</td>
</tr>
<tr>
<td>1985</td>
<td>1482</td>
<td>741</td>
<td>251</td>
<td>490(66%)</td>
</tr>
<tr>
<td>1986</td>
<td>1395</td>
<td>698</td>
<td>362</td>
<td>336(48%)</td>
</tr>
<tr>
<td>1987</td>
<td>1313</td>
<td>657</td>
<td>330</td>
<td>327(50%)</td>
</tr>
<tr>
<td>1988</td>
<td>2395</td>
<td>1197</td>
<td>251</td>
<td>946(79%)</td>
</tr>
<tr>
<td>1989</td>
<td>10334</td>
<td>5166</td>
<td>637</td>
<td>4529(87%)</td>
</tr>
<tr>
<td>1990</td>
<td>5574</td>
<td>2787</td>
<td>401</td>
<td>85.6%</td>
</tr>
<tr>
<td>1991</td>
<td>5524</td>
<td>2762</td>
<td>599</td>
<td>78.3%</td>
</tr>
<tr>
<td>1992</td>
<td>4552</td>
<td>2276</td>
<td>1000</td>
<td>56%</td>
</tr>
<tr>
<td>1993</td>
<td>5779</td>
<td>2889</td>
<td>1088</td>
<td>62%</td>
</tr>
<tr>
<td>1994</td>
<td>4909</td>
<td>2455</td>
<td>980</td>
<td>60%</td>
</tr>
<tr>
<td>1995-96</td>
<td>2823</td>
<td>1411</td>
<td>980</td>
<td>30.5%</td>
</tr>
<tr>
<td>1996-97</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>980</td>
</tr>
<tr>
<td>1997-98</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1048.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>10179.12</strong></td>
</tr>
</tbody>
</table>

*Source: Forest & Environment Department, Government of Orissa.*

Till 1995-96, the total proposed final grant to the PRIs was to the tune of 235 crores, out of which only 20.82 crores were paid to the PRIs till 1989-90 and another 50.48 crores till 1995-96 as adhoc grant, i.e., about 63% of the net profit is pending since 1984-85 to 1995-96. This implies that till 95-96, pending grants from KL to Panchayat Samities and the GPs is more than 163 crores. Though there is no information on the profit since then, about 20 crores have been given to the PRIs as adhoc grant in 96-97 and 97-98.

**KL grant as Livelihood Support**

Is it not strange that Balangir that produces huge amount of number 1 Kendu leaves registers maximum number of migration to neighbouring states in search of livelihood. Balangir as has been discussed often is the most vulnerable district in terms of drought and incidentally receives maximum amount of adhoc KL grant, i.e., about 15% (2000-2001). Since KL is a major source of income here, it is very important that people get right prices and in time, so that over a period of time they stop migrating as alternative livelihood support could be made available in their village/ Panchayat. Moreover, examples have to be created where this adhoc grant money could only be used for creation of alternative livelihood support options including agricultural development through improved drought proofing agricultural practices.
In 1999-2000, 10 crores were distributed among 4334 gram panchayats and 265 panchayat Samities. In 2000-2001, about 20.619 crores have been distributed among all the 30 districts with Balangir at the top in terms of grant allocation. Since this grant should be distributed only among the KL growing sub-divisions, distributing them among all the 30 districts does not make any sense, especially when KL is procured only from 23 districts.

Utilization of KL Grant:

The amount received from KL trade is utilized to give fair price to the pluckers and for development of KL growing Sub-division. In the Panchayati Raj Budget, Rs.22.91 crores is provided out of which \textit{90\% is distributable among Zilla Parishad, Panchayat Samiti and Grama Panchayat at the ratio 8:10:72}. Although the Act and Rule does not provide for allocation of the net profit to Zilla Parishad, but as per the recommendation of the 1st State Finance Commission, \textit{Zilla Parishad is given a share out of Kendu Leaf Grant}.

\textit{Grama Panchayt/Panchayat Samiti/Zilla Parishad will utilize 80\% of KL grant received during a financial year for infrastructure development according to Shelf of Projects approved by each tier of PRIs.}

a) A separate resolution will be passed in the Grama Panchayt/Panchayat Samiti/Zilla Parishad indicating the project-wise allocation of funds out of KL grant. There shall not be any overlapping in incurring expenditure out of KL grant and other sources.

b) When a project is selected for execution under KL grant, full cost shall be provided out of KL grant and grains allotted to the PRIs. The project shall be completed during one financial year.

c) The amount available under KL grant shall not be spent for completing a portion of the project.

d) PRIs may purchase private land for construction of infrastructure if Government land is not available.

e) If the Grama Panchayat, Panchayat Samiti and Zilla Parishad intend to pool the amount available with them for construction of a project requiring substantial big amount, resolution of Panchayati Raj bodies along with the recommendation of the Collector shall be sent to Government for approval.
f) 10% of the KL grant received during a financial year shall be spent for providing services to public in respect of Primary Education, Primary Health, Safe drinking water, street light, sanitation and public distribution system. Roads and buildings are not to be constructed under this sector. However, toilets and drains may be constructed under sanitation programme.


g) Rest 10% shall be spent under the production activities. Under these activities village artisans may be imparted training for improvement of their skill. Improved instruments may be provided to them. Grama Panchayats may purchase agricultural implements and provide the same farmers on hire. Self-help group may be assisted under this sector.

Rest 10% of the grant termed as Hard Case Kendu Leaf grant is retained by State Government and is utilized for the following purpose.

i. Promotion of socially relevant purposes and activities; and

ii. Improvement of Panchayati Raj administration

Non-political institutions registered under the Societies Registration Act, Government aided institutions and Government institutions shall be sanctioned funds under the above grant.

**KL grants misappropriation:**

The allotted grant always misappropriated by the Grama Panchayt/Panchayt Samiti/Zilla Parishad officials, strange to know from the ground reality that people still have unaware of such grant. The utilization of the KL grant is neatly articulated in the government paper for generalizing to the public but based on ground level fact no such grant is so far used for any kind of social welfare.

**Disproportionate distribution of KL grant benefits:**

It is really surprising to know the KL grant is distributed to every corner of the state where there is no stress of KL at-all; it is to be thought that how the grant is miss-utilized in those areas where no KL is found. The main thing of discussion is KL grant should be distributed to those areas only where KL is grown.
**KL marketing:**

The KL wing makes arrangements for proper drying and processing (putting leaves of different qualities under different categories), and then transfers the stock to Orissa Forest Development Corporation (OFDC), a public sector undertaking, for marketing. The stock thus received by OFDC is sold first through tenders, and then through auction. For this, OFDC gets 4% commission (excluding 1% for construction of godowns in the total 5%) from the gross sale proceeds, and after deducting the working cost plus other kinds of expenditure (tax, etc.), the rest is required to be paid by the Corporation to the government.

**OFDC Sales Procedure**

OFDC sells the KL through the following 4 procedures:

i) Public Auction sale

ii) Tender sale

iii) Negotiation sale

iv) Sale at outside Sales center

Many a times tenders are followed by negotiation sale. Prior to every KL season, the procurement price is finalized by the Kendu leaf Coordination Committee which generally meets during the month of August/ September. This is done on the basis of final report submitted by CCF-KL who prepares it on the basis of reports send by the respective DFOs. This report basically contains periodical projections. Related matters are finalized in the KLCC meeting and a monthwise schedule of requirement is prepared by the Managing Director of OFDC and CCF-KL which is subject to the condition that the projected target would be achieved and thus an agreement is made in this regard.
Working Capital arrangement and other expenditure:
As per the agreement with KL department, OFDC Ltd. has been providing the entire working expenses1, which includes establishment costs of the KL wing as well as the entire working capital requirement, of the C.C.F. - KL, Orissa well in advance. The OFDC after realizing the sales proceeds, which includes taxes chargeable, deducts the advanced amount from the sale of KL of that particular year along with its commission and gives the rest amount to the Government. The OFDC is getting a commission of 5 percent of the sale value for marketing the stock. Out of the 5 percent commission 1 percent is used for construction of central go-downs to facilitate the storage of the KL collected. This is illustrated with an example.

The kendu leaf of the Balangir District is traded as the best kendu leaf throughout India. The Uniqueness of Orissa’s Tendu (kendu) leaf is in processed form where as the rest of the states in India produces in Phal Form.

Orissa forest Corporation, the oldest forest corporation of India was created in 1962 with the main objectives of
i. exploiting the state's vast forest resources scientifically without sacrificing the apparent forest values,
ii. Ensuring a fair wage to forest labour force
iii. To provide sufficient non-tax revenue to the State Exchequer
iv. To promote feasible forest based industries in the state.

The kendu leaf is collected and processed by kendu leaf wing of the forest department. It is a seasonal operation involving huge number of labourers (both skilled and non skilled) during season of operation. Seasonal Trained workers process the KL and after processing of the kendu leaf, the lots are formed and delivered to OFDC for marketing.

OFDC then call open tender in prescribed formats mentioning the list of lots and the intended tenderers offer their prices against the interested lots subject to specified terms & conditions. On
fixed date the tenders are opened and announced the prices quoted by each tenderer before all the tenderers.

A chance is given for negotiating the offer where the tenderers may enhance the rate against the quoted rate after words the successful bidder are declared and rectification order is issued in favor of them. After execution of an agreement the purchaser lift the kendu leaf on a valid issued by forest department.

One who is interested to participate in the kendu leaf tenders must have to register with the OFDC limited. After paying a fixed amount of Rs 10,000 in the form of the bank draft or NSC drawn in favor of OFDC ltd from any nationalized bank payable at Bhubaneswar.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount Of Revenue Generated in Kendu Leaves during last six years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Rs-35 cores</td>
</tr>
<tr>
<td>2004</td>
<td>Rs-20.25 cores</td>
</tr>
<tr>
<td>2005</td>
<td>Rs- 42.14 cores</td>
</tr>
<tr>
<td>2006</td>
<td>Rs-105.00 crores</td>
</tr>
<tr>
<td>2007</td>
<td>Rs-100 crores</td>
</tr>
<tr>
<td>2008</td>
<td>Rs- 150.54 crores</td>
</tr>
</tbody>
</table>

(Source RTI Data)

The above table has shown an increase trend in finance, the causes may be year wise price hike per Kerry leaves and heavy human extraction on forest convert the forest land into other agricultural land which is conducive for KL growth.

**Ecological impact:**
The quality and quantity of KL is largely affected by the large scale deforestation and conversion of forest/ waste/ encroached land into agricultural land. While tactfully asked to the villager about their reach on KL resource in forest, they replied in early time the forest was quite nearer to the village than current time, so it is scrutinized due to peoples’ much dependency over forest resources led to deforestation and forest becomes far away from the village and scare to assume
the day is not so far when forest would be a story stuff for upcoming generation. Due to increasing population pressure, lot of forest land/fallow land is being converted into agricultural land leading to destruction of KL bushes as well which gets uprooted.
Chapter-7
Schemes/grants/facilities provided by the Government

Government Schemes:
For this deprived section govt has planned and lunched many a schemes to provide an opportunity for their betterment. That is something different issues whether the lunched schemes are in reach to the section or not but govt is quite satisfied for the triumph. The following are some schemes:

- **Plucker’s card:**
  In the selected villages plucker’s cards are issued to everyone who seems to be eligible, anyone below 18 years is not eligible to obtain plucker card. This is meant for maintaining transparency in transaction. This card is required to maintain the exact amount of leaves one collects. But it never be ignored the family members of the card holder also engage themselves in this exercise and their labour also reflect on the card so if we look at this ground than other family members of the concerned plucker are to be enumerated in the plucker card.

- **Plucker’s Pass Book:**
  It is seen there is no such awareness of thepluckers what are the scheme govt has offered, no one could able to recall when they were provided a pair of shoes and umbrella which is guaranteed by the Kendu Leave department. The Villagers are quite aware of the newly lunched scheme that is pluckers’ pass book, sounds very lucrative and systematic. During field visit it was given much
priority about the intention of govt and purpose of this Pass book card facilities, it is found govt has intentioned and made the purpose of this pass book system in following ways:

- The contributed labour amount of pluckers which is blocked for a long period of time should immediately returned to the pluckers through this pass book, which was earlier channalized through many a official fold than return to the Munshi he again distribute the money and the process used to take 3-4 months.

- Now for immediate money refund to the plucker, this pass book system is lunched. Every post office or nearby post offices are endorsed to open pass book for the pluckers.

**Loopholes in this system:**

- But it is analyzed in field that there is no such immense change in immediate money through pass book rather again this system hang around the plucker section for 3-4 months like early time to gain their income. The concern official always comes with a readymade answer that they are completely unaware why such delay in repayment occurs in this new structure.

- Also marked in village level the actual pass book transaction is not taught to the community and the villagers often get scared up of dealing through pass book.

- Many a post offices positioned much far away from the villages and often get closed due to monopolistic attitude of the post master, even opened no villagers seemed to be interested to transact through post office because of humiliation or exploitation or unnecessary harassment by the concern official as the villagers’ are completely ignorant about the deal.

- For opening a pass book in post office 50/- deposit is required which is again added to the pass book, but incomplete knowledge about the procedure/formalities to open a pass book put the plucker in awkwardness.

- During the field visit it is marked many a people pass book is not updated because the pluckers are not coping with the system.

**Health scheme:** The govt. has a health scheme, which is provided Phaddi wise in yearly manner, there free health check up and medicine distribution is done. There is a provision of health insurance facilities but based on the field level observation the section are completely deprived up such facilities. The health insurance provision is supposed to cover the financial assistance if any kind of misshapen takes place during the operation and if a plucker has transacted more than
500 rupees of leaves can be eligible to avail this scheme. But strange to know the dependants are quite unaware of such provision lunched by the govt.; about the provision of free health check up in phaddi wise is happened to be like once in a blue moon.

**Scheme like shoes for the pluckers.**

An amount of Rs.3.00 crores have been sanctioned for supply of chapal to pluckers for protection from scorching heat. By taking various field level instances, many areas like Bolangir, Boudh, Atthmallik, Jharsuguda and Kuchinda the dependants’ view on such scheme has astonished to know the plucker section got to aware of such scheme for the first time. It is even observed in Jharsuguda region that a pair of Chapal was given to the pluckers once in 2006, which were also not matched to the size of the pluckers. In many cases, the respondents informed the provided pair of shoes (Chapal) comes for one side of feet (both are meant for either for right or left foot).

**Provision of kerosene lamp:**

In this current situation Govt. has offered the binder section “Kerosene and lamp”. In male dominated Phaddis the scheme has supported with one light (Lalthan) and required quantity of kerosene but in case of Female Phaddi, each family is facilitated with light and required kerosene.

It is observed that neither a light nor the required kerosene the binders have been provided. The Govt. had launched some scheme for Binder till 2003, through that scheme Govt provided Rice and Dal in 4.50 rupees but that provision did not last after 2003.

**The Govt. had been providing to each Binder till 2003**

- 1 kg of rice,
- 100 gm of Dal and
- 100 gm of Oil

but in lieu of that each Binder had to bind 1 unit per day (1 unit = 5 bundle).

Sometimes such kind of Govt schemes making the Kendu Leave plucker section in confused state as they start scaring to adopt the Govt experimented new facilities. The experiments of govt put the plucker section to feel hesitant to pursue the practice. Such kinds of schemes are found to
be useless for the beneficiaries, who actually can’t access the real purpose of the facilities. If such kinds of schemes/grants/facilities are lunched than proper analysis, knowledge and uses should also be looked into so that real reason would be justified. For example the pass book facilities lunched by the govt, is found to be futile as the ultimate beneficiaries are hesitating to use the facilities due to lack of proper awareness to use the benefit and the structure itself has not so far proofed enough to get rid of the problems of late payment of the pluckers as such it takes the same time as early.
Chapter-8
Institutional process
(Phaddi committee and alternative institutional model study)

Phaddi committee:
Phaddi committee is formulated in order to enhance transparency of the operation and to reduce complaints of nonpayment of wages, delayed payment, harassment of pluckers and workers.

Formation of phadi committee:
The KL dependant people who cater to any particular phadi are to be entrusted as the general body of KL workers of the concern phadi, the seasonal workers, viz, the phadi munshi and chaprasi of the phadi will also be members of the said general body. The KL range officer will convene a meeting of the general body well ahead of the operation of the year. In that meeting the general body will nominate/select about 10-12 persons as its representatives. The body of representative will comprise of adequate representation of women, schedule caste and schedule tribe members of the general body and will be designated as the “phadi committee”. The phadi munshi and chaprashi who are seasonal workers engaged by the kendu leave organization may also be nominated to the phadi committee of the general body so likes. All members of the phadi committee will be given identity card.
Role of the committee:
The role of the phadi committee will be both advisory and supervisory. It will advise the forest officials engage in KL operation to determine the area of Bush-cutting and proper grading of KL kerries including rejection of leaves unfit for Biddi making. The committee will supervise proper implementation of Bush-cutting operation, proper drying and storage of leaves, as well as proper repair labourers.

The finding about the phaddi level committee:
- There is a great irregularity seen in committee member’s assembly and decision making.
- Phaddi committee does not know the financial assistance provided for KL operation.
- Phaddi member’s selection procedure is found to be more dominant by the KL official than the villagers.
- There is no such role clarity marked among the phaddi committee members.
- The committee is formed for the sake of formation; everything is administrated by the KL officials.

Findings of Alternate institutional building process:
Production of KL
Since 1973, the SFD-KL wing has been in charge of the production of KL and is supposed to perform the following functions for ensuring the output and quality of KL. For carrying out these operations, the KL wing receives trade advances from the OFDC. The Orissa KL (Control & Trade) Rules clearly specifies the role and responsibility of KL wing employees at various levels and also makes clear provisions relating to operational details.

In this whole operation the KL wing utilizes five types of workers: bush cutters, pluckers, binders, packers and seasonal workers (Munshi & Checkers). These categories of workers have been existed from the pre-nationalization period.
KL trade

a. In the surveyed area, pluckers feel that a large portion of the KL potential remains untapped due to improper bush cutting, improper running of Phaddis, closing down of certain Phaddis etc. According to the survey conducted in selected KL range areas, only 64.22% of the total potential KL is collected.

b. The proportion of good quality leaves is steadily decreasing.

c. In selected study areas especially Belpahad range within the study area, bidi making has been emerging as the most popular enterprise. As a result, leaf supply to the phaddi houses has drastically reduced. Consequently, many phaddi houses have been closed down in the region. According to information, the number of Phaddis under Belpahad range has reduced from 74 to 49 at present. In-fact a large proportion of good quality leaves goes for bidi making without any administrative sanction. Some sources say that the bidi making actually does not yield out additional benefit to the plucker; rather they are at loss if the total labour employed in bidi making is taken into consideration. But the only reason of their getting into this trade is quick and prompts payment which is not there in the case of leaf.

d. Maintenance expenses are on the rise due to construction of temporary phaddi houses.

Phaddi level cooperatives

- Most people are conversant with phaddi level operations. It was also observed during the study that large sections of pluckers are well aware about the quality aspect of leaves.
- Local community does not understand the importance of organizations and feel the importance of genuine cooperatives which are managed by members themselves.
- Pluckers in the study area have shown very little interest in collective management of phaddi level activities through organizing phaddi level plucker’s cooperatives.
- Few Munshis in the study area and outside have shown interest in serving under the phaddi cooperative.
- The officials and other concerned individuals have disagreed on the concept of cooperatives as functional for management of phadi level activities.
- During the course of study it has become increasingly clear that the Munshi is unable to carry out phadi level operations in a proper method. As a result they are forced to take up unethical
practices like deduction of rows etc. for discharging their duty. This fact is being accepted by number of Munshis during the course of study and has expressed interest in soliciting guidance and assistance of active pluckers in this job.

- Phadi level plucker’s cooperatives do fulfill the intention of the government to streamline the phadi operations, for the purpose of which it decided to set up phaddi committees in the year 2000 for supervising and managing phaddi level operations. However in the existing setup the idea could not gain much ground due to non-interest shown by the field level staff and structural problems with the phadi committees causing dependency on FD officials for its functioning. In-fact phadi level plucker’s cooperative is the true form of such phadi committees which provides opportunities for functioning in a self-reliant manner.

**Some basic concerns:**

1. Besides being a huge revenue earner for the State, KL is also an important item for the poor giving them a critical cash income. However the pluckers do not get a fair return for the labour they put in. This fact is also acknowledged by government and various committees constituted by it. In this context it becomes the duty of the society and more so of the government to ensure that these poor pluckers join hands to improve their well being.

2. As mentioned under the findings, many irregularities exists at the phadi level which causes lot of discontent among pluckers and the government is blamed for this. It is observed that most irregularities occur due to improper supervision as there is no local level management structure. Also room for such a structure does not exist in the present system. This calls for some kind of change in the existing system without any additional financial involvement.

3. Over the period of time there has been gradual decline in the quality and quantity of leaves seriously affecting the trade and its future prospects. This is highly worrying not only for the government but also for the local poor who critically depend on KL. Thus there is a need for improvement of quality and quantity of procurement of KL at the phadi level. This is possible by streamlining the basic unit of management of KL trade i.e. the Phadi. The phadi has to be responsive to the needs and problems of the pluckers. At the same time it also has to be responsive to the requirements of the trade.

4. The whole KL trade depends on the interest of the pluckers. Thus a system should be in place where their interests are protected and where they can take up the system and manage the
operations. Under the current system, the pluckers do not have any stake where they can equally share responsibilities being the pivot of KL operations. It has been clearly opined in various interactive meetings and workshops on the issue that making stringent rules and giving in lot of powers to the FD won’t do any good. It is only through their positive involvement in the KL operation that the whole system can expect any improvement.

Cooperative as option:
Looking into the above-mentioned issues and concerns, it becomes increasingly clear that majority of problems affecting the KL trade is related to improper management of phadi level activities. Thus phadi level cooperative are a need in the prevailing situation. It is important to note here that pluckers in the study area have expressed deep confidence in managing phadi level activities through cooperatives and are willing to shoulder collective responsibilities. Most of the pluckers have adequate knowledge on phadi works and quality aspects of leaf. Such an initiative would also not require any substantial additional financial arrangement and would function within the existing system of nationalization. All this make phadi level cooperatives a strong viable option. In this manner it would be able to address the concerns raised above and would lead to sustainable rise in the income of pluckers and increased revenue for the government. Even Mr. N.C. Saxena, Ex-Chairman, Planning Commission of India, has strongly advocated for cooperative at phadi level as one of the better options for managing the operations and expressed possibilities of certain easy policy changes which can ensure direct benefit to lacs of poor pluckers of the State (Government Policy for NTFPs in Orissa). Such cooperatives shall be formed and managed under the Orissa Self-help Cooperative Act 2001 which has been enacted by the Orissa government as an act parallel to the Orissa cooperative Societies Act 1962. The purpose of the 2001 act, which became operational from June 2002, is to encourage formation of cooperatives which are owned, managed and controlled by the members themselves. In case of phadi cooperatives, the government would not have to take the burden of meeting administrative expenses nor would have to depute staff to run the management of the cooperatives. The structure, management system and activities of such cooperatives in consonance with the provisions laid down by the Orissa Self- Help cooperative Act 2001 for promotion of self-reliant cooperatives, is briefly narrated as under:
Membership:
All the pluckers within a fixed geographical area shall be the members of the cooperative. At the beginning, the area under the cooperative can be made co-terminus with the area under the existing phadis. However the area can be further rationalized depending upon the ground situation and necessity.

Management:
The formation and functioning of the KL pluckers cooperative shall be governed by its articles of association which will set-out the rules and regulations of governance. Such rules of governance shall have to confirm to the Orissa Self-Help Cooperative Act 2001, according to which the management of the cooperatives shall be vested in the following structures/ posts:

- General body (all members): Overall control and guidance.
- Board of Directors (elected by members): Formulation of policies and programmes and general control over day to day functioning.
- President (elected by the directors): Implement the policies/ programmes formulated by the General Body & Board.
- Chief Executive (to be appointed by board): Assist president and board in functioning of the office and day to day work of the cooperative. The board of the cooperative shall appoint capable person as the Chief Executive (or Manager) of the respective pluckers’ cooperatives, may be from the existing cadre of seasonal workers whom they deem fit.

Activities
The different activities to be undertaken by the KL plucker’s cooperative shall be:

i. Preparation of KL operation plan (KL collection target, annual budget etc) for the area under the cooperative in consultation with KL organization of the government.

ii. Organizing and supervising bush cutting operations.

iii. Undertake KL procurement on pooling basis.

iv. Carryout Phaddi level processing operations (Drying, sorting, grading and packing).

v. Dispatch of packed KL to the government (KL organization).

vi. Receipt of funds from the government (KL organization).
vii. Payment to members (pluckers), bush cutters, Munshi, other workers.
viii. Payment of bonus to the members (pluckers).
ix. Training and orientation of members, directors, president, vice-president, manager and others on sustainable KL production and harvesting, management of the cooperatives, etc.
x. Organise bidi rolling wherever found feasible and required with due permission from the government.
xi. Maintain proper books of accounts and other records and share important information with members and the government.

**KL Cooperativisation: Challenges**

In the course of study various questions have been raised by pluckers, PRI members, Union people, some department staff, individuals, retired officials, academicians etc. Also positive responses to these issues have emerged from various quarters. An attempt has been made to discuss these in the following paragraphs.

**The concept of cooperativisation contravenes the policy of nationalization.**

The concept of cooperativisation does not breach the provisions of nationalization. It talks of organizing the phaddi level works through pluckers cooperatives which shall handover the bundled KL to the government for onward marketing and the same shall operate within the system of nationalization. In this way it would help in streamlining the phaddi level operations leading to increased revenue for the government and improved income of the pluckers.

**Cooperatives are non-functional.**

This apprehension is guided by the functioning of cooperatives under the 1962 Act where the government was heavily burdened in terms of meeting administrative expenses and for providing managerial staff. However the proposed pluckers cooperatives shall be managed under Orissa Self-help Cooperative Act 2001, which provide opportunities for promotion of self-reliant cooperatives which are owned, managed and controlled by the members themselves. In the case of these cooperatives, the government also would not have to take the burden of meeting administrative expenses nor would have to depute staff to run the management.
**Pluckers do not have managerial capacity**

A fairly large number of pluckers have good idea about the activities at the phadi level. This is so as most of the tasks are labour oriented. Besides, the pluckers, contrary to what is generally believed in the government and upper circles, have a fairly good idea on quality and production related aspects of KL and the factors responsible for quality of KL and quantity of production. As is widely known, many SHGs and Mahila Samitis are managing several economic activities effectively. Recently three primary self-reliant cooperatives have been formed by the forest dependent women in Tamparkela & Burda of Gurundia block of Sundargarh district and Salehbhadi of Kuchinda block of Sambalpur district, which have undertaken a very smooth and effective Mahua collection and marketing operation. Ten such cooperatives in the area are in different stages of formation. All these indicate the capacity of the tribal women to form and manage cooperatives. The cooperatives shall organize a number of training and orientation programmes to continuously upgrade the knowledge and skills of the members, directors and cooperative functionaries.

**Formation of plucker’s cooperatives shall affect smooth functioning of KL trade.**

As said earlier, there would be a programming committee consisting all the presidents of the phaddi cooperatives, the Range Officers and other senior staff in a Range. This programming committee will meet as often as necessary but definitely once before the beginning of collection, once immediately after the collection season is over and once to finalize the accounts. It would be the responsibility of the programming committee to prepare a range level KL trade plan. Each of the cooperatives shall be responsible for execution of the KL trade plan for the season as is applicable to their respective cooperatives. The rangers and presidents / munshis of the cooperatives shall have to be trained and oriented towards holding effective programming committee meetings. On the whole the programming committee would ensure coordination among various cooperatives.

**Who would facilitate formation of plucker’s cooperatives.**

There could be several approaches to address this question. First the government has to declare its decisions to handover phaddi to plucker’s cooperatives. Once such a decision is made public, the pluckers may themselves take the initiative to form cooperatives. But in most cases there
would be need for facilitation of the process of formation of cooperatives and this role can be well played by voluntary organizations/ mass organizations and CBOs. The government may earmark some funds to assist organizations keen and capable of facilitating the formation of KLPCs, organizing training and orientation programmes for members and functionaries of cooperatives and government officials etc.

In case the government would permit only pilot level cooperativisation, then Vasundhara can take the responsibility in facilitating and formation and functioning of KLPCs in two selected ranges to be decided mutually by Vasundhara and the Government (KL organization). Similarly other organizations may be given this responsibility without any financial burden on the government.

KL cooperativisation shall affect the revenue of the State.
The government’s revenue is dependent upon the marketing of KL, which will remain with the government. With the increase in quality and quantity of KL collection, the total sale proceeds is expected to rise. The government is required to give to the plucker’s cooperatives the value of KL dispatched and the operational & administrative expenses that are presently being incurred at the phadi level. There shall be no additional burden of expenditure and there is a fair chance of increase in quantity and quality of KL collection. Cooperativisation would therefore mean higher sale proceeds for the government.

Social Feasibility
One thing is common to all the KL pluckers is that they belong to a particular class of society which is very poor. From the study it can be seen that the annual average income of plucker’s family is to the tune of Rs. 4942 per annum, which is much below than the so called poverty line set by the government. Out of the surveyed pluckers, 62 % are landless and more than 10% are marginal farmers. Thus in terms of class they form a homogeneous group and any move towards their economic betterment would unite them on a common platform. The women in the study area face various kinds of subjugation in all kinds of societies including the tribal societies. Under these circumstances, any enterprising move would require building up of the awareness level of the men folk who should realize that the benefit arising out of cooperativisation would
benefit the entire household. Since KL is plucked mostly by women (72%) in the study region, organization of them in the form of cooperatives is quite feasible as they are actively involved in various kind of economic activities like collection of forest produces, wage labour etc. for running their households.

**Physical Feasibility**
Under the present KL arrangement, every phaddi covers around 2-3 villages and the farthest village is about 2-3 km away from the phaddi house. However in some cases the situation is more difficult as a plucker has to walk for around 5-6 km for depositing the plucked KL in the phaddi house. If we see the overall general situation, primary cooperative may be organized by taking the existing phaddi centre as the basic unit. It needs to be added in this context that the pluckers have over the period of time got used to the arrangement. However in certain cases certain re-organization of phaddi areas needs to be done according to the priority of the local community. In such cases new phaddi houses may come up especially in non-phaddi areas which have tremendous potential of KL.
Chapter-9
KL related Laws and Policies discussion

**KL Trade and Policy scenario in Orissa**

In the Pre-independence period contractors / traders were given long term lease to collect the leaf from all over the ex-state areas including the private lands. Among the *Khalsa* areas sale of KL only took place in Angul, Sambalpur and Khondmals. At this point of time the tenants had no right over the trees or any other forest produce from their own land. Thus the traders collected KL both from government forest as well as private lands.

However with the merger of ex-States in the year 1948-49, people were given right to trees over their own land. With attainment of ownership, people obstructed to plucking of KL by the traders from their private lands. In this they were instigated by the large number of petty traders who came forward and entered into contracts with the individual tenants for collection of KL.

This resulted in stiff competition which disturbed the established KL traders who also started putting pressure on the government to take some steps to contain this. The traders were paying one third of their total investment per quintal of leaf to individual landowners, as a fixed cost.

The royalty payable per unit of land growing Kendu trees and bushes could not be lowered due to stiff competition among the traders. However the traders tried to reduce the fixed cost per unit of leaves in order to increase the output per unit of land.

In-fact these new traders neither had the requisite knowledge nor skill for proper handling and processing of the leaf. All this resulted in the following:

- Collection of immature leaves resulting in deterioration in the quality of leaves.
- Unrestricted procedure led to smuggling from government forests as it was not possible to distinguish between the leaves collected from govt. lands and private lands.
The immediate effect was a decline in the state revenue from KL. In response to the deteriorating situation and continuous pressure from the lobby of the established traders, the Govt. of Orissa came out with the KL (Control and Distribution) order in 1949. It was declared as an essential article in pursuance of the power conferred by section 3 of the Orissa Essential Articles Control and Requisitioning (Temporary) Act, 1947.

Orissa was the first State to regulate the KL trade. The salient features of this order were:

- The traders/contractors who wish to deal in KL must obtain a license and KL could be leased out to only such license holders/contractors. The lease was given for 3 years through a tender system.
- It had a provision for tenants, which said that the price payable for tenants would be about 25% higher compared to those from government lands. It was ensured that the license holder is bound to purchase from private growers at the prescribed price within a unit.
- The payment given to pluckers from government and community land was to be fixed from time to time by the concerned District magistrate / Sub-divisional officer/Divisional forest officer.
- There was a provision that 50% of the revenue would be shared with the village Panchayat for development activities since the revenue from KL comes from forest as well as community lands.

In 1957, Forest Enquiry Committee headed by Sri Radhanath Rath, the then Minister, Development, was constituted to look into various forest policies and practices including that of Kendu leaf. The enquiry committee looked into the following major options for KL: (Report of the Task Force).

- Introduction of free trade through abolishment of KL control order.
- State trading through a government department.
- State trading through a public undertaking.
- Working through cooperative societies.
The Forest Enquiry Committee came up with the following recommendations as far as KL is concerned:

- Control regarding pricing and licensing of traders on KL ought to be continued.
- The rate of payment, for collection of KL from government and private lands should be fixed by the District Advisory Committee and
- Recruitment of adequate supervisory staff to ensure the wages received by pluckers is in line with the rate fixation.

These recommendations led to a revision of the KL policy and enactment of the Orissa KL (Control of Trade) Act 1961. Beside this, new rules were framed called the Orissa Kendu Leaves (Control of Trade) Rules 1962.

The thrust of this policy was on regulating the KL trade through a state monopoly. As per the act, only the government authorised officers, or agent of the government, could purchase or transport KL.

The Act provided ample discretionary powers to the state government for appointing agents and purchasers. Misuse of the discretionary powers led to the government being dragged to court. A plea for the nationalization of KL trade was put forward by some of the members of the State legislative assembly and also by the trade unions. Immediately on coming of the late Indira Gandhi to the centre stage of National Politics; through the then chief minister late Nandini Satpathy nationalized the trade in the year 1973 to get rid of the private contractors. Big claims were made that KL contractors are exploiting poor tribals, as such to save them from being exploited, the trade will be conducted by the state Forest department which was assigned the duty to collect KL from the tribals and process the same and hand over to the Odisha State Forest Development Corporation (OFDC) for marketing. The scheme of nationalization was to be implemented within the purview of the 1961 Act. The major change had been that the entire trade function was completely taken over by the State.

With change in the players, Private traders' monopoly has been replaced by the Forest Department monopoly. Since 1973, a long period of thirty five years has passed. It can be safely
assumed that the plight of the tribals must have changed within this period in the KL trade. It is shocked to see that the plight of the tribals has on the contrary worsened. Poor tribals have become pauper.

**Laws ensure the right of the KL dependants:**

The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006:

An act to recognize and vest the Forest Rights and Occupation in forest land in forest dwelling Scheduled Tribes and Other traditional forest dwellers who have been residing in such forests for generation but whose rights could not be recorded, to provide for a framework for recording the forest rights so vested and the nature of evidence required for such recognition and vesting in respect of forest land.

Whereas the recognized rights of the forest dwelling scheduled Tribes and other traditional forest dwellers include the responsibilities and authority for sustainable use, conservation of biodiversity and maintenance of ecological balance and thereby strengthening the conservation regime of the forests while ensuing livelihood and food security of the forest dwelling Scheduled Tribes and other traditional forest dwellers;

And whereas the forest rights on ancestral land and their habitat were not adequately recognized in the consolidation of the state forests during the colonial period as well as in independent India resulting in historical injustice to the forest dwelling Scheduled Tribes and other traditional forest dwellers who are integral to the very survival and sustainability of the forest ecosystem;

And whereas it has become necessary to address the long standing insecurity of tenurial and access rights of forest dwelling Scheduled tribes and other traditional forest dwellers include those who were forced to relocate their dwelling due to state development intervention.

This Act has come into force since January 2008 after much struggle by forest communities and civil society organization and it seeks to secure rights of forest communities over forest land and
forest resources. There are specific provisions in this law which deals with rights of Minor Forest Produce.

Section 3 (1) (c) of the Act provides right of ownership, access to collect, use and dispose minor forest produce traditionally collected from the forest within and outside of the village boundary. According to this law MFPs mean non-timber forest produce which include kendu leaf, lac, bamboo, honey etc. It is important to note that this provision also ensures right over nationalized produce such as Kendu Leaf and Bamboo.

**Constraints in FRA:**

The Act only recognizes right over MFP on forest land but it is seen that KL is mostly grown and accessed on revenue land. So communities collecting KL from revenue land are unlikely to get their rights using FRA. Forest rights act besides recognizing ownership of occupied land in the forests and provides rightful access to collect 'minor forest produce', including Kendu leaves, Bamboo, Honey besides other minor forest produces. FRA provides unrestricted collection of minor forest produces by tribals and other forest dwelling communities. It also allows one time processing and sales to whomsoever they wish. However, in absence of clear rules, some confusion remains on how to transport the material from the forest to the customer's destination.

**Confusion areas of FRA in regards to KL:**

- Also in FRA two sections are seems to be in opposition to each other that sec 4 (i) and 13.
- In sec 4 (i) - notwithstanding anything contained in any law for the time being in-force, and subject to the provisions of this Act, the central Govt. hereby recognizes and vests forest rights.
  
  (Reorganization of forest rights provided under the act shall not be affected by any of the existing laws)

- In sec 13:- save as otherwise provided in this Act and the provisions of the Panchayat (Extension to the scheduled areas) Act, 1996, the provision of this act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

- Under sec 4(i) if FRA supersede any other law and the ownership over KL is transferred to community than they only get access over the resources in forest land but what about the KL production in revenue land?
- If it is seen under sec 13, PESA (special provision to include PESA under this act) can be added to recognize revenue as well as forest land but only in schedule V area. Than what about the KL grown other than Schedule V areas.

- Still it seems to be confused; if at-all KL is accessed in revenue land which is govt governed than any moment of time Govt could take over the land for any kind of purpose.

- The on-going discourse about the forest rights seems to suggest that these rights are absolute and override all existing provisions of conservation oriented laws. This is a classic case of missing not only the letter and spirit but also between the lines of the act. The act does not bar the operation of the other laws and it gains supremacy only to the extent of the process of recognition of forest rights. (source: sanjay upadhyay “Yojana sep-2008)

**SCOPE OF PROVISIONS OF THE PANCHAYATS (EXTENSION TO THE SCHEDULED AREAS) ACT, (PESA 1996):**

The Panchayat Extension to The Schedule Areas (PESA) Act, 1996 is one of the more progressive legislations for tribal regions, providing for self-governance and recognizing the traditional rights of tribal communities over their natural resources. Recognizing the importance of the fifth Schedule areas in 8 states, the Act has provided for powers of social audit, and prevention of land alienation to the Gram Sabha. The main objective of PESA was to enable tribal society to assume control over their livelihoods, conserve and manage natural resources and protect their traditional rights.

The Government of Orissa amended 'The Orissa Gram Panchayats Act, 1996' on 22 December 1997, which is now called 'The Orissa Gram Panchayats (Amendment) Act, 1997' in its efforts to ratify the PESA. However, this has been done with much dilution of the powers of the Gram Sabha, and with fairly sweeping powers provided to the administration at the district level in various matters.

Critical issues such as access to natural resources, especially the definition and rights over minor forest products, remain unresolved and in general the intentions of the PESA have not been realized in any serious measure in any of the States with large tribal populations.
Provisions of Central Act (PESA)

1. Section 4(c) & (e) Grama Sabha has been given power to approve plans, programmes, projects, selection of beneficiaries under the Poverty Alleviation Programme.

2. Section 4(i) No acquisition of land for development projects and for resettling and rehabilitating persons affected by such projects can be made without prior consultation with Panchayat.

3. Section 4(j) Management of Minor Water Bodies has been given to Zilla Parishad.

4. Section 4(k) Recommendation by Panchayat is necessary prior to issue of prospecting license or mining lease, minor minerals.

5. Section 4(m) Grama Sabha has been authorized to exercise control over bonafide manufacture and sale of intoxicants.

6. Section 4(n) Regulation and trade in 69 items, specified as Minor Forest Produce, have been transferred to Grama Panchayats.

Scope of this Act:
There is a scope in this act that the community can exceed their rights over MFP in schedule V area.

Constants of this Act:
This Act only recognizes rights over MFP irrespective of any land only in schedule V area, but KL is collected schedule V as well as other areas. The PESA rule is not yet framed to exercise the provision of this act.
Views of Govt KL official on the KL scenario in different context

Views of Mr. Sudam Dash, Retd General Manager OFDC in context of FRA:
Mr dash views on KL in context of FRA is, since KL is a nationalized produce and is in a structure arrangement since ages, people have been addicted to operate through this, now the new act exclusively has stressed upon the rights of community over the MFPs including KL, if that happens than the existed structure could be destroyed but there could be a huge risk of setting up a manipulative market as before 1961. His scary version on unseen possibility suggested, we should not advocate such thing which brings disparity in KL trade. While combing through the RTI data, he got tangled to see the KL procurement area portion in entire state. It was just irresistible for him to see there is no or very negligible trace of KL obtainment from forest area, he added this is completely a misguided information the RTI provided because this is such a reality the officials have to coat in different colour as this is one area of monetary manipulation takes place where huge money is invested.

Views of Mr K. N. Dalai, DFO Bolangir (KL):
MR K. N Dalai viewed on KL trade is as follows:

- Bolangir dist is having huge potential of KL in the state.
- Still the pluckers are marginalized.
- He admits the pluckers are treated as the wage labour.
- Still Payment is getting late due to finance is channelized from many a routes
- Major KL is produced from revenue land than forest land
- Properly the KL grant is utilized.
- Government has provided all schemes granted to the pluckers and Binders and that too reaching to them properly.
- The area is considered to be the best grade of leaves produced area in the state
- Completely unaware of FRA, also added the existing structure won’t be ruled out.
- There is no manipulation in any ground of KL trade.
- The finance grant for phaddi repair/maintenance is appropriately utilized.
• The provided RTI data has all the authenticity; there is very tiny stress of KL in forest areas.
• Community won’t be able to trade this produce of their own even if ownership is transferred as this structure brings strength to their livelihood.
• The said FRA would fetch untidiness in KL trade.

The DFO’s description on range wise sales price of KL, Titilagarh comes in first position than Padampur than Patnagarh and at-last Bolangir in entire state.
Chapter-10

Kendu leaf has been an important source of revenue for the government not only in Orissa but also in other neighboring states as well. Realizing the immense potential of KL as an important source of earning, all the governments in the said States have over the period of time enacted several Acts and passed various orders in this regard. One thing common among such initiatives has been a gradual trend to extend the State control over the KL trade. In the following paragraphs an attempt has been made to examine the policies and provisions as regards KL existing in the above-mentioned states.

Madhya Pradesh

MP has been the highest producer of KL in the country. It accounts for nearly 60% of the total production of the country. Prior to abolition of proprietary rights by the then Madhya Bharat in 1951, individual traders were given contracts to harvest KL by the malguzars and ex-zamindars. After abolition of this right in 1951, all the proprietary rested with the State government, however the wages to the pluckers was decided by the contractors who took the lease. However in order to check increased malpractices, the government took over the KL trade by enacting the Madhya Pradesh Tendu Patta Vyapar Viniyam Adhiniyam (1964). One of the major objectives behind such initiative has been to provide adequate wages to the KL pluckers. With this the KL areas were divided into units and agents were appointed for the same. The agents used to collect and deliver the leaves to the purchaser. The system continued till 1980 when to further check leakages and prevent exploitation of private traders, the State government appointed MP State Marketing Federation as agents in some units.

For extending more benefits to the pluckers, MP State Minor Forest Produce (Trade and Development) Cooperative Federation was formed in 1984 and under MARKFED and the MFP
federation; collection of KL was entrusted to LAMPS and PACS cooperative societies. However the cooperative societies played only a negligible role.

In this backdrop the government in 1988, decided to cooperativize the KL system. The major idea was to develop a system, where collection of KL would be done by actual collectors “so that the tribal and other backward classes who bear the brunt of the trade secure commensurate monetary benefits from the trade.

For implementation of the aforesaid scheme, three tiers cooperative structure was formed which consisted of the following:

- Primary Forest Produce Cooperative Societies.
- District Forest Produce Cooperative Unions.
- MFP Federation

Besides ensuring proper management of KL system through the structure, other benefits are also given to the pluckers in the form of loans, insurance cover, collection cards and account of pluckers in the bank.

**Chhattisgarh**

The system in Chhattisgarh is same as that of Madhya Pradesh. It s after creation of a separate state, the apex structure in the form of MP MFP Federation is replaced by Chhattisgarh State Minor Forest Produce (Trading and Development) Cooperative Federation. Under this there are 906 Primary Forest Produce Cooperative Societies and district Unions. However in the naxalite affected areas, the FD goes for advance sale of the units by inviting tender. In addition to the above, the benefit sharing mechanism has also changed as compared to what it was in the undivided Madhya Pradesh. The net profit from the KL trade is distributed in the following manner:

- 70% directly to the plucker (50% cash & 20% in kind)
- 15% for development of basic facilities.
- 15% for development of forest and NTFP.
**Jharkhand**

The KL system in the State is still governed by the rules and regulations/ Acts enacted during the period of undivided State of Bihar. Prior to nationalization, KL was sold on gross for a unit/subunit. The purchaser of the unit had the right to collect as much as he could from these units (Sharan 1999). It was nationalized with the enactment of Bihar Kendu Patta (Control of Trade) Act 1973. With this the State was divided into units and production from each unit was standardized in terms of standard bag of 50000 leaves. These units were then auctioned to the highest bidder who is appointed as an agent for collection from that unit.

Further in the year 1984, Bihar Forest Produce (Regulation of Trade) Act was promulgated to regulate the trade and in the year 1987, Bihar State Forest Development Corporation was entrusted to carry out trade in KL.

Soon after creation of new State, Jharkhand State Forest Development Corporation was appointed as the sole agent for procurement of KL. The traders have to make lumpsum payment for the units, which does not include the cost of storage and transportation. Although the leaves are purchased by JFDC, traders themselves select the leaves. Later these are purchased at a rate fixed by the government. Earlier the revenue generated out of the trade was not shared back with the pluckers. But the government of the newly formed State has resolved to share a major portion of the revenue with the pluckers.

**Andhra Pradesh**

Kendu leaf (called as abnus in AP) is a nationalized product in the State. Earlier the trade in KL was governed by Control of Trade Act 1956 and in the same year the Girijan Cooperative Corporation (GCC) Ltd. was established with an aim towards socio-economic upliftment of the tribals by procurement and marketing of minor Forest Produce. The following legislations govern the trade of KL in Andhra Pradesh:

- AP Minor Forest Produce (Regulation of Trade in Abnus Leaves) 1970.
- AP Minor Forest Produce (Regulation of Trade) Act 1971
- AP Scheduled Areas Minor Forest Produce (Regulation of Trade) 1979.
For the purpose of KL trade, the area is divided into number of units. The forest department goes for pre-plucking sale of the units through auction by inviting tenders. The purchaser of the unit procures the leaves at the rate already fixed by the government. As per the latest order VSS shall be entitled to a 50% share of the KL net revenue arising out of the KL produced in the area.

**Comparative Analysis: Policy and practices.**

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<td>No processing</td>
<td>No processing</td>
<td>No processing</td>
<td>Processed &amp; graded according to quality.</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>Sales Tax: 10% Surcharge: 6.25%</td>
<td>Sales Tax: 20% Surcharge: 15%</td>
<td>Sales Tax: 12% Surcharge: 10%</td>
<td></td>
<td></td>
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<tr>
<td>Sale Unit</td>
<td>Standard Bag – a bag contains 1000 bundles with 50 leaves each (50 kgs aprox.)</td>
<td>Standard Bag – a bag contains 1000 bundles with 50 leaves each (50 kgs aprox.)</td>
<td>Standard Bag – a bag contains 1000 bundles with 50 leaves each (50 kgs aprox.)</td>
<td>Quintals</td>
<td></td>
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<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Production</td>
<td>3.35 lac qtl.</td>
<td>10.63 lac qtl.</td>
<td>7.6 lac qtl.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>Advance sale by FD.</td>
<td>Tender/auction/negotiation by OFDC.</td>
<td>Tender/auction/negotiation by MP MFP federation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit Permit</td>
<td>Required within the State or for sale outside.</td>
<td>Required for moving the produce from collection centres and outside the district.</td>
<td>Required for moving the produce from collection centres and outside the district.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Sharing</td>
<td>Latest order says that 50% of the revenue generated is used for.</td>
<td>50% directly to the plucker.</td>
<td>70% directly to the plucker (50%)</td>
<td>50% of the profit to be shared with</td>
<td></td>
</tr>
<tr>
<td>net revenue from leaf produced in VSS area would be shared with the respective VSS.</td>
<td>meeting out expenses of FD and profit goes to the government.</td>
<td>cash &amp; 20% in kind). 15% for development of basic facilities. 15% for development of forest and NTFP.</td>
<td>the panchayat. However from 1983 onwards, KL grant is being given on ad hoc basis.</td>
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<td></td>
<td></td>
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<tr>
<td>30% for development of basic facilities. 20% for development of forest and NTFP.</td>
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</tbody>
</table>
Chapter-11
Advocacy issues for strategy Formulation

Issues to be advocated within the current structure:

a. KL pluckers should be recognized as owners of the produce and the ownership may be transferred to Gram Sabha through an amendment to NTFP policy resolution 2000 and Orissa Gram Panchayat (Minor Forest Produce Administration) Rules 2002. On this basis, the State should share profits of the trade directly with pluckers. Similar initiatives have been taken by governments of MP, Chhattisgarh and Andhra Pradesh which may be referred to.
b. There is no proper enumeration of KL pluckers. Government data speaks of 10 lakh registered pluckers which is not true as in many cases more than one family member are involved in plucking. Being unregistered, they continue to be deprived of beneficial schemes and risk cover measures adopted by the government.
c. Late payment is a common phenomenon. Often this ranges from 3-6 months.
d. In 2000, government constituted phadi level committees comprising of plucker representatives to supervise and monitor phadi level operations for ensuring accountability and transparency. This saw formation of ‘paper committees’ with pluckers having no knowledge about this development.
e. Phadi level committees may be vested with complete powers to monitor and supervise phadi level operations. These committees may gradually be shaped into cooperatives which may deal in other NTFP produces in course of time. This would help in establishment of stake of pluckers who are actually fulcrum of the KL trade. In the entire scheme, the KL wing may play the role of facilitator and capacity builder while OFDC would continue to undertake the marketing function.
f. Plucker owned and managed Phadi level operation is expected to result in the following:
   - Efficient and smooth phadi level operations.
   - Decrease in operational costs over time.
   - Increase in proportion of quality leaves.
• Steady increase in quantity of collection.
• Check in illegal diversion of KL for Bidi rolling and other purposes.
• Rise in government’s revenue from KL and higher income for pluckers.

g. Lack of transparency and accountability in KL operation results in gross inefficiency; leakages and misappropriation of funds. This adversely affects the entire production and marketing chain of KL causing loss to the exchequer.
h. The government must consider inviting representatives of Kendu Patra Tolali Mancha for having further dialogue on the matter.
i. KL grant should not be equally distributed where there is no KL trace at all (particularly to Costal belt).
j. From the ground reality the KL dependants people are deprived up of many a social benefits schemes offered by the government.
k. The fees structure maintained by the KL Sangha should be removed.

Issues to be advocated by using FRA and PESA:

• The State refuses to recognize the plucker as owner of KL produce and treats them as piece rated wage earners. This situation continues in-spite of legislations like PESA, NTFP resolution 2000, Orissa Gram Panchayat (Minor Forest Produce Administration) Rules 2002 and the recently enacted Forest Rights Act (FRA) which completely talks of vesting of ownership to local communities over forest resources. Thus ‘owners’ have turned ‘labourers’ in this case. Hence the profits of trade are not shared with pluckers.

• The profit would be shared and ownership over MFPs could be made possible if the community should take the opportunity of these Acts.
Chapter-12
Suggestion/Possible solution

Government policies and institutions have failed to raise the economic condition of the tribals all these years. PESA and Forest Rights Act are two legal provisions that empower tribals to shape their future and improve socio economic conditions. A beginning has been made but lot more needs to be done. There is an urgent need to spread awareness amongst tribals about their rights on forest produces including Kendu Leaves and other forest produces so that they can demand justice and start using those rights for their speedy economic recovery.

We should be very meticulous before promulgating any hope to the community if at all their rights would be recognized through FRA, once that part is ensured than there could be a chance to establish an exploitative market on this specific produce. In any manner our stand should be so tight not to bring the history of injustice which was happened before the year 1961.

There are many a legal interpretations lying on the Acts which sometimes block the chance of community to access their rights over MFPs so on priority basis the community should go for claim making process (under the procedure of FRA) than the govt stand on KL would be determined which again guides us to bring some new dimension in KL ownership issue.

In order to avoid/minimize such risks, and secure the livelihood of the pluckers, the following measures are recommended:

- Orissa has competitors only in case of phal leaves, and this has created a lot of uncertainty (in the business) many times. The currently practiced advance sale mechanism seems to be a solution to this problem, but quite limited in space & time as it does not work in all areas. Hence, the phal trade, which forms the regular vulnerable part of the KL business, should be restricted to only such areas & quantities where there is no alternative. This will help reduce the vulnerability of the trade.

- Operations of OFDC should be reoriented, and it should be made free from corrupt practices, mismanagement, and adamant behavior. OFDC lacks proper market intelligence on the KL trade dynamics, and often works with a monopolistic attitude whereas both these
things are derogatory in respect of business ethics. One of the major grievances of the Corporation has been the amount of commission it receives in this business, because despite repeated requests the rate of commission has not been increased. However, if an increase in the same is not justified, then at-least there should be provision for incentives in case of successful sales.