



MSP for Minor Forest Produce

Why in news?

\n\n

Union Cabinet recently approved a centrally sponsored scheme for providing Minimum Support Price (MSP) to forest dwellers for minor forest produce (MFP).

\n\n

What is the decision?

\n\n

\n

- The Centre has notified a varied hike in MSP ranging from 200% to 5.6% for 19 MFPs.

\n

- The government has also added 17 more items (existing 23) to the forest produce covered under the market support scheme.

\n

- [These include mahua flowers, dried tejpatta, jamun dried seeds, dried amla pulp (deseeded), soap nut (dried), Arjuna bark and Giloe among others.]

\n

- A total of 52 items is proposed to be brought under the MFP for MSP umbrella.

\n

- The notification puts out prices for 40 items for now.

\n

- The Central government plans to spend around Rs. 960 crore while states would contribute about Rs. 250 crore.

\n

- The ministry of tribal affairs (MoTA) issued the notification and it is now for the states to implement this.

\n

- Tribal Cooperative Market Development Federation of India Ltd. (TRIFED) has also been given directions.

\n

- They are to develop market linkage between state agencies (through State Nodal Department), and bulk users and buyers to enable implementation.
- \n

\n\n

What is the objective?

\n\n

- \n
- The scheme for providing MSP for minor forest produce comes on the lines of support price for agricultural products.
- \n
- The decision is being taken in view of the general cost escalation on all fronts.
- \n
- The objective is to ensure fair and remunerative price to MFP gatherers.
- \n
- According to the ministry, nearly 5 crore tribals are expected to directly benefit from this revamped scheme.
- \n

\n\n

What are the concerns?

\n\n

- \n
- **Funds** - MSP system for minor forest produce had been introduced by the previous government as well.
- \n

\n\n

- \n
- The centre has earmarked nearly Rs 1,100 crore for this programme in the past 5 years.
- \n
- But hardly 25% of this has been released to the states.
- \n
- The bulk of even the disbursed funds has remained unutilised.
- \n
- Moreover, none of the major forested states has submitted the audited report on funds utilisation.
- \n
- **Remuneration** - The minor forest resources have been made freely accessible to forest-dwellers under the Forest Rights Act.

- \n
- These include mahua, tejpatta, wild honey and similar others that have several industrial, therapeutic and cosmetic uses.
- \n
- However, the tribals, who gather them from the woods, do not get the fair remuneration for these articles.
- \n
- It's because they normally have to sell them at meagre rates at local haats dominated by cartelised traders and contractors.
- \n
- **Middlemen** - Some state governments have acquired monopolistic marketing rights on the much sought-after forest products.
- \n
- E.g. tendu leaves, bamboo, tamarind
- \n
- But, the state agencies nominated to lend price support often prefer to buy the stuff from middlemen.
- \n
- They fail to create the infrastructure for procuring it directly from individual collectors.
- \n
- Thus, for all practical purposes, the collectors of the minor forest produce are at the mercy of middlemen.
- \n
- **MSP** - States also do not pay the MSPs even though the Centre is supposed to bear 75% of the losses incurred on such operations.
- \n
- Odisha is one of the few states which have opted to implement the MSP scheme for selected forest products.
- \n
- But it is reported to be considering to discontinue the scheme because of the heavy financial burden.
- \n

\n\n

What is required?

\n\n

- \n
- The government has largely failed to realise the futility of raising the MSPs of crops without their effective enforcement.
- \n
- The need, therefore, is for well-advised marketing reforms in this sector.
- \n

- This should be aimed specifically at ending the middlemen's role over the minor forest produce trade.
\n
- Equally important is to encourage direct linkages between forest produce gatherers and end-users of these products.
\n
- E.g. the pharmaceutical, cosmetic and food-processing industries
\n
- These are essential to meaningfully complement the move to fix MSPs for the minor forest produce.
\n

\n\n

Source: Times of India, Business Standard

\n



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative