

**GOVERNMENT OF INDIA
TRIBAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3841

ANSWERED ON:24.08.2004

TRIFED

Gamang Shri Giridhar

Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Government has undertaken any study to find out the drawbacks and setbacks of Tribal Co-operative Marketing Development Federation (TRIFED) since the starting of the Federation;

(b) if so, the details thereof?

(c) the year-wise losses borne by TRIFED during the last three years and action taken to check the losses thereof;

(d) the manner in which this organization has fulfilled the aims and objective and benefited the tribals in the country; and

(e) the action taken by the Government against the individuals and organizations for such losses, if any?

Answer

MINISTER OF TRIBAL AFFAIRS (SHRI P.R. KYNDIAH)

(a) & (b) Yes, Sir. M/s Insight Management Consultants, New Delhi was appointed by TRIFED for indepth study of the organization. The Management Consultants submitted a report during September 2002 suggesting a number of recommendations mainly comprising change in the role and direction of TRIFED, downsizing the man power, outsourcing on contract basis of professionals, etc. and providing financial support to TRIFED by the Central Government. The recommendations were accepted by the Board of Directors of TRIFED during meeting on 27-28/4/2003.(c) The details are as under:Financial year Loss/Profit (Rs. in Crores)

2001-02	Loss	Rs. 16.18	
2002-03	Loss	Rs. 7.67	
2003-04	Profit	Rs. 0.92	(Provisional)

The actions taken by the Federation to check the losses are as under: (i) After a thorough review and careful consideration of the past performance, from July 2002 onwards, TRIFED started shifting its focus of activities from direct trading of commodities to Marketing Development of tribal products. (ii) Under the new Bye Laws the role of TRIFED has been changed to Service Provider. (iii) Strict financial austerity measures and discipline have been enforced since last two years. Unproductive and unauthorized expenditure have been curtailed to the maximum extent possible. (iv) During the last two years, Internal & Statutory Audit Unit and Vigilance Unit have been strengthened for both preventive as well as punitive measures.

(d) A statement is given at Annexure-I.

(e) A total 52 disciplinary cases have been initiated against employees of TRIFED and 12 employees have been removed/dismissed from service. Suitable action has been taken wherever any discrepancy has come to the notice of the organization.

ANNEXURE - I

STATEMENT TO PART (d) OF LOK SABHA UNSTARRED QUESTION NO. 3841 FOR 24.8.2004 REGARDING TRIFED

Since inception, TRIFED focused its activities on procurement of the produce of tribals with the idea of providing remunerative prices to the tribals and also to help Member Societies in disposing their stocks procured from tribals as per their mandate. The total procurement of both Minor Forest Produce (MFP) & Agricultural Produce (AP) since inception till 31.3.2003 stood at Rs. 877 Crores.

Such a heavy focus of past activities of TRIFED on mere trading of tribal produce branded it as a commercial organisation. The net result was that there was an expectation that TRIFED through such trading activities would generate profit, which would make it a self-sustaining organization; whereas the reality has been that it could never be possible to meet such expectation. It is mainly because on the one hand TRIFED was expected to do the welfare by providing remunerative prices to tribals and on the other hand, earn profit in

competition with unscrupulous private traders. It was gradually realised that it may not always be possible to reconcile the welfare and commercially viable objectives. TRIFED has changed its Bye-Laws during April 2003 in accordance with the New Multi State Cooperative Societies Act, 2002. This was also in line with the main recommendations of the Management Consultants.

As per the new Bye-laws, the main objective of TRIFED is to serve the interest of its members in more than one State for the social and economic betterment of its members by conducting its affairs in professional, democratic and autonomous manner through self help and mutual cooperation for undertaking marketing development of the tribal products. Under the new Bye-laws, besides natural products, the tribal culture products like tribal arts and crafts have been included as tribal products.

In April, 1999, TRIFED also ventured into procurement and marketing of tribal arts and craft items through its retail outlet called TRIBES situated at New Delhi. Total procurement of the Handicraft items by the TRIBES Shop upto 31.3.2004 stood at Rs.110.47 Lakhs.

In the changed role direction, TRIFED has initiated the following Marketing Development Projects for the benefit of tribals:

(a) Ambedkar Hastshilpa Vikas Yojna project for promoting tribal handicrafts in Purulia and Veerbhum Distt. of West Bengal; Chamraj Nagar Distt. in Karnataka; Vadodara Distt. of Gujarat and Kokrajhar Distt. of Assam through formation and mobilization of Self-help groups (SHGs). It is a scheme run by Development Commissioner (Handicraft) for comprehensive development of Handicrafts.

(b) Cultivation and Marketing of Safed Musli at Jagdalpur: It is a demonstration project for marketing development of Safed Musli grown by tribals.

(c) Collection and marketing of Hill broom from Jagdalpur: This project envisages procurement of Hill grass from the tribal areas of Narayanpur, conversion of Hill grass into brooms and marketing under a brand name of TRIBES to ensure better realisation and providing marketing linkages on a sustainable basis.

(d) Installation of Dona Pattal machines at Orissa, Jagdalpur, MP : A new machine to make Dona Pattal which is operated through Biomass Fuel and which has been developed by IIT, Kharagpur, has been provided by TRIFED to the tribals in Madhya Pradesh, Chhattisgarh, Orissa, West Bengal and Jharkhand . As the machine runs on Biomass therefore there is no cost to be incurred by way of electricity consumption or its installation. It can be installed at any place where Biomass is available and is very easy to operate. Even the elderly people and women can use it gainfully.

TRIFED organised training for tribals at IIT Kharagpur and has also directly imparted training to tribals at Mandla, Madhya Pradesh before distributing the machine.

44 Dona Pattal machines valuing Rs.3.52 lakhs has been distributed to the tribals in the various States as per details below:

Madhya Pradesh	: 20
Chattisgarh	: 03
Orissa	: 14
West Bengal	: 03
Jharkhand	: 04

Total : 44

(e) Training center at Jagdalpur: A training center is being developed at the TRIFED's land available at Jagdalpur. Tribals will be trained in different activities related to collection of MFPs.