

SCTC NO.649

COMMITTEE ON THE WELFARE OF

SCHEDULED CASTES AND

SCHEDULED TRIBES

(2004-2005)

(FOURTEENTH LOK SABHA)

THIRD REPORT

ON

MINISTRY OF TRIBAL AFFAIRS

Action taken by the Government on the recommendations contained in the Twentieth Report (Thirteenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes – Working of the Tribal Co-operative Marketing Development Federation of India Limited (TRIFED)

Presented to Lok Sabha on 23.12.2004

Laid in Rajya Sabha on 23.12.2004

LOK SABHA SECRETARIAT
NEW DELHI

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED
CASTES AND SCHEDULED TRIBES (2004-2005)**

Dr. Satyanarayan Jatiya - Chairman

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Secretariat

1. Shri R.C. Ahuja, Joint Secretariat
2. Shri Gopal Singh, Deputy Secretary
3. Ms. J.C. Namchyo, Under Secretary

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this Third Report (Fourteenth Lok Sabha) on Action Taken by the Government on the recommendations contained in their Twentieth Report (Thirteenth Lok Sabha) on the Ministry of Tribal Affairs – Working of the Tribal Co-operative Marketing Development Federation of India Limited (TRIFED).

2. The Report was considered and adopted by the Committee on 16 December, 2004.

3. The Report has been divided into the following chapters: -

I	Report
II	Recommendations/ Observations which have been accepted by the Government.
III	Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government.
IV	Recommendations /Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.
V	Recommendations / Observations in respect of which replies of the Government have not been received.

4. An analysis of the Action Taken by the Government on the recommendations contained in the Twentieth Report of the Committee is given in the Appendix. It would be observed therefrom that out of 34

recommendations/observations made in the Report, 15 recommendations i.e. 44.1 per cent have been accepted by the Government. The Committee do not desire to pursue 11 recommendations i.e. 32.4 per cent in view of replies of the Government. There are 8 recommendations i.e. 23.5 per cent in respect of which replies of the Government have not been accepted by the Committee and which require further reiteration.

NEW DELHI
17th December, 2004
Agrahayana, 1926 (Saka)

DR. SATYANARAYAN JATIYA
Chairman
Committee on the Welfare
of Scheduled Castes and
Scheduled Tribes

CHAPTER – I

REPORT

1.1 This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by the Government on the recommendations contained in their Twentieth Report (Thirteenth Lok Sabha) on the Ministry of Tribal Affairs regarding working of the Tribal Co-operative Marketing Development Federation of India Limited (TRIFED).

1.2 The Twentieth Report was presented to Lok Sabha on 18.12.2001. It contained 34 recommendations. Replies of the Government in respect of these recommendations have been examined and may be categorised as under :-

- (i) Recommendations / Observations which have been accepted by the Government (Sl.Nos. 5,7,11,12,13,14,18, 20, 21, 22, 26 and 32).
- (ii) Recommendations / Observations which the Committee do not desire to pursue in the light of the replies received from the Government (Sl.Nos. 1, 6, 8, 10, 15, 19, 24, 25, 28, 30 and 33).
- (iii) Recommendations / Observations replies to which have not been accepted by the Committee and need reiteration (Sl. Nos.2, 3, 4, 9, 16, 17, 23, 27, 29, 31 and 34).
- (iv) Recommendations /Observations in respect of which final replies of the Government have not been received : NIL.

1.3 The Committee will now deal with the Action Taken replies of the Government on some of the recommendations/observations which need reiteration or merit comments: -

Recommendation (Sl. No. 2, Para 1.22)

1.4 TRIFED with its Head Office at New Delhi has a wide network of 15 branch offices throughout the country for procurement, processing and marketing of forest and agricultural commodities produced by the tribals. In addition TRIFED has proposed to set up 2 Regional offices at Siliguri and Itanagar. One of the main reasons for the setting up of TRIFED is to ensure that tribals get remunerative prices for their agricultural and minor forest produce and to provide large employment opportunity to them. The Committee have noted that the Zonal and Regional Offices of TRIFED are generally located at cities where only a few tribal could reach or where there is hardly any tribal populace such as Ahmedabad Regional Office. The Committee, therefore, recommend that the location of the offices of TRIFED should be close to tribal inhabited areas or districts. The Committee also desire to know the progress made towards the opening up of new offices in Siliguri and Itanagar.

Reply of the Government

1.5 One of the basic objectives of TRIFED is to market the commodities procured from tribal areas. The Offices of TRIFED are located in cities having major trading activities and with a view to working in close coordination with the State Tribal Development Cooperative Corporations.

1.6 The proposals for opening of new offices at Siliguri and Itanagar was under active consideration. However, in the mean time a decision was taken by management to restrict the network of offices and to open procurement centres only during the procurement seasons to minimize revenue and establishment cost. The system is operational in North-East through our Zonal Office, Guwahati.

Comments of the Committee

1.7 The Committee do not fully agree with the reasoning preferred by the Government in regard to setting up of offices of TRIFED only in big cities having major trading activities. The Committee, therefore, reiterate its earlier recommendation that the location of the offices of TRIFED should be closer to tribal inhabited areas or districts. As regards opening of new offices at Siliguri and Itanagar, the Committee note that the management of TRIFED have decided to open procurement centres during the procurement seasons only, instead of opening new offices, to minimize revenue and establishment cost. The Committee strongly feel that TRIFED should reconsider the matter and open its offices at Siliguri and Itanagar keeping in view their strategic locations and benefit likely to accrue to tribal people inhabitating close to these areas.

Recommendation (Sl. No. 3, Para 1.23)

1.8 The Committee also note that TRIFED has no branch offices in the tribal dominated States of Meghalya, Manipur, Mizoram, Tripura and Nagaland though these States boast of rich minor forest produce. TRIFED use the service of

TDCCs/Cooperative societies and deputation of regular staff for procurement in these States during harvesting seasons. Recently TRIFED has also entered into handloom, handicraft and artefact items business especially from the North Eastern States. The Committee are of the view that since these North Eastern States have rich natural resources, minor forest produce, agricultural, handloom, handicraft and artefact items, TRIFED has more responsibility and key role to play in the trading activities of tribal produces in these areas. The Committee desire that TRIFED should make its presence felt by the tribals of these States by setting up at least field offices preferably at places predominantly inhabited by tribals.

Reply of the Government

1.9 The Zonal Office at Guwahati is entrusted with the responsibility of carrying out activities in coordination with the nominated agencies of the State Government, state level cooperative bodies or state level TDCCs. However, during the procurement season Guwahati office deploys manpower at the procurement centres to supervise the operations.

Comments of the Committee

1.10 The Committee note that there is only one Zonal Office of TRIFED located at Guwahati to serve all the North Eastern States. The Committee feel that the Zonal Office at Guwahati, working in co-ordination with the nominated agencies of the State Governments, State level co-operative bodies or State level TDCCs, is not sufficient to look after the requirements of the North Eastern States. Each State of this region is endowed with rich natural resources, vegetation, minor forest produces and medicinal herbs. Bamboo used by the tribal people in everyday life is found abundantly in the region and it has been reported to have great commercial value. Moreover, each tribal group in the region has distinct identity which is manifested in their clothing woven in different colours and designs, handicrafts, various designs of arts and artefacts which are not seasonal in nature. The Committee, therefore, reiterate that TRIFED should set up field offices at strategic places in these States to procure maximum products of tribal artefacts, handlooms and handicraft items.

Recommendation (Sl. No. 4, Para 2.8)

1.11 The Committee have observed that the total number of vacant posts in TRIFED after surrender of few posts is 137 as a result of ban on regular recruitment since 1995 and other kinds of restrictions. The Committee fail to understand the reasons furnished for non-filling up of these posts, when there is a need and wide scope for expansion of its trading activities and opening up of new offices that requires fresh talents and manpower. The Committee, therefore,

recommend that TRIFED should fill up these posts as early as possible and in not more than six months period.

Reply of the Government

1.12 Presently ban on recruitment imposed by Government of India is in force and the present financial position of the federation also does not permit further recruitment. In fact the Voluntary Retirement Scheme was introduced with the objective of reducing financial burden on revenue and administrative expenses. With the existing financial resources it will be extremely difficult for TRIFED to recruit fresh personnel except for technical post.

1.13 It is also submitted that in a number of State Government organisations like Girijan Cooperative Corporation Limited (GCC) which are engaged in tribal welfare, the entire salary/perks are borne by State Government. Such an arrangement by Government of India will help TRIFED not only to increase its manpower but also to expand its activities manifold.

Comments of the Committee

1.14 The Committee are perturbed by the fact that TRIFED has not filled up the vacant posts in its offices but has resorted to VRS for its employees. Ban on recruitment imposed by the Central Government seems to be a lame excuse as also the financial position of TRIFED. Taking into consideration the need for expansion in its area of operation and growth in its future trading activities, TRIFED should not have reduced its staff strength. The Committee reiterate that TRIFED should fill up the vacant posts with suitable candidates. The Committee would also like the Government to comment on the proposal of TRIFED for bearing their administrative expenses.

Recommendation (Sl. No. 9, Para 4.7)

1.15 The aims and objectives of setting up the Grain Bank Scheme by the Ministry of Tribal Affairs is to safeguard against fall in nutritional standards of Scheduled Tribes living in remote areas and checking death of children due to starvation and malnutrition. However, it is seen that some remote tribal States like Meghalaya, Mizoram, Arunachal Pradesh and Nagaland do not find a mention in the list of States where the Grain Banks have been set up. Moreover, some States like Orissa and M.P. have more Grain Banks than Bihar, Rajasthan and West Bengal and States like Manipur and Jharkhand do not have even one. The Committee are at loss to understand the policy adopted for establishment of the Grain Banks. The Committee, therefore, recommend that TRIFED and the Ministry of Tribal Affairs must follow certain uniform policy for setting up the Grain

Banks so that all States having sizeable tribal population may also get the benefits of the scheme.

Reply of TRIFED

1.16 TRIFED is implementing the scheme of Grain Bank as provided by the Ministry of Tribal Affairs, Govt. of India (copy enclosed). At present 17 States are covered for Grain Bank Scheme.

1.17 However, this is for the Ministry to decide whether other States like Meghalaya, Mizoram, Arunachal Pradesh and Nagaland can also be covered under the scheme for establishment of Grain Banks or whether any other uniform criteria can be laid down for selecting the states.

Reply of the Government

1.18 In addition to what TRIFED has already stated, it may be clarified that the Scheme of Village Grain Banks in tribal areas was launched during 1996-97, initially in 13 States. The Central Planning Committee had identified 370 blocks in 52 Districts of 13 States for implementation of the Scheme. However, the list of blocks/villages was only indicative and the State Governments were and are free to choose their own areas for implementing the Scheme. It has been the experience of this Ministry that despite repeated reminders, complete proposals do not reach either the Ministry or TRIFED and some of the States like West Bengal and Uttar Pradesh have shown insufficient interest in the Scheme. Copies of the letters received from these States are enclosed at Annexure I & Annexure II. There is a uniform policy in place regarding the implementation of

the existing Village Grain Bank scheme and the States are required to avail the facility for setting up of Village Grain Banks.

Comments of the Committee

1.19 The Committee note that the Ministry of Tribal Affairs have not stated as to whether they would cover the States of Meghalaya, Mizoram, Arunachal Pradesh and Nagaland under the Grain Bank Scheme. If the uniform policy in regard to implementation of Grain Bank Scheme is in place, the Committee may be apprised as to why these States have not been included under the Scheme as yet. The Committee also note that 13 States including the States of UP and West Bengal were identified by the Central Planning Committee for setting up Grain Banks. The Committee have now been apprised that the States of UP and West Bengal have shown insufficient interest in the scheme and have enclosed copies of letters from the concerned State Governments in this regard. The Committee, however, note that TRIFED had already released a sum of Rs 10.88 lakh in 1996-97 to the State of West Bengal. The Committee, therefore, would like to know whether the TRIFED/Ministry of Tribal Affairs have received any feed back from the State of West Bengal as to how did they utilize that amount. If not, what action have the Ministry of Tribal Affairs and TRIFED taken in this regard.

Recommendation (Sl. No. 16 , Para No. 5.7)

1.20 The Committee also note that TRIFED has established warehouses, godowns, office complex and residential complex in Mumbai which are meant for use by the Federation and members of the Federation. These facilities are often rented out to outsiders due to seasonality of its operations and also to improve the financial viability of the Federation. The Committee, therefore, recommend that these facilities should be extended firstly and preferably to individual tribals, tribal businessmen and traders, tribal entrepreneurs, tribal institutions and societies who wanted to do business or store goods or arrange sales thereof. The charges for renting out these facilities should be made as low as possible so that more tribals are encouraged to take up commercial activities.

Reply of the Government

1.21 The recommendations will be adhered to depending upon availability and demand in the desired sector and techno economic feasibility.

Comments of the Committee

1.22 The reply of the Government that facilities such as warehouses, godowns, office complex and residential complex set up by TRIFED at Mumbai will be rented out to tribals depending upon availability and demand in the desired sector and techno economic feasibility is not convincing. The Committee feel that availability of storage space in the warehouses and godowns owned by TRIFED should be made known to the tribal people through print and electronic media so that the tribal people engaged in business could avail themselves of the facilities. The Committee, therefore, reiterate that these facilities should be extended at a concessional rate firstly and preferably to individual tribals, tribal businessmen and traders, tribal entrepreneurs, tribal institutions and cooperative societies in consultation with the State Government.

Recommendation (Sl. No. 17, Para No. 5.8)

1.23 The Committee have also observed that almost all the warehouses, godowns, office-cum-residential complex are located in cities like Mumbai. The Committee, therefore, recommend that TRIFED should not hesitate to set up such facilities in other States preferably in areas predominantly inhabited by tribals.

Reply of the Government

1.24 TRIFED has already identified tribal predominant areas in (Jagdalpur) Chhattisgarh and Lahnipara in Sundergarh District of Orissa for setting up such facilities. Extension of such facilities to other States will be considered depending on potentially of the region, the existing infrastructure and techno economic feasibility of the proposal.

Comments of the Committee

1.25 The Committee appreciate the steps taken by TRIFED to identify tribal predominant areas in Jagdalpur, Chhattisgarh and Lahnipara in Sundergarh district of Orissa for setting up facilities like warehouses, godowns and office-cum-residential complex but they feel that a lot more has to be done in other areas also, especially the North Eastern States. The Committee are of the view that setting up of warehouses, godowns and cold storages in the area would be beneficial in the long run with the opening of border trade with Bangladesh, Myanmar and other South East Asian countries. The Committee, therefore, further recommend that to meet the growing requirement of the North Eastern States a multipurpose facilitation Centre should be set up at Guwahati.

Recommendation (Sl. No. 23, Para No. 6.7)

1.26 The Committee note that one of the main objectives of TRIFED is to identify items of Minor Forest Produce (MFP) in different States to be brought under the ambit of the Cooperative marketing and make recommendations for fixation of minimum prices of such MFP in the tribal areas by each State. The commodities mainly procured and marketed by TRIFED comprise of Surplus Agriculture Produce (SAP) and Minor Forest Produce (MFP) which includes medicinal herbs and horticulture produces. The Committee are of the view that there are thousands of medicinal herbs and plants and other natural products, which remained untouched or unexplored. The Committee, therefore, recommend that more items of MFP including medicinal herbs should be identified and also explore new uses so that more items of MFP may be brought under the ambit of the federation for marketing.

Reply of the Government

1.27 TRIFED has been advocating for fixation of minimum support price for Minor Forest Produces. For the purpose of fixation of minimum support price TRIFED has taken up the matter with the Ministry of Environment and Forests, Government of India. As regards identification of new products and also medicinal herbs, TRIFED is coordinating with organisations like FRLHT, Bangalore, Medicinal Plant Board and CDRI, Lucknow. Selected officers from TRIFED have also been deputed for a training to CDRI, Lucknow for identification of medicinal plants and also their uses. TRIFED also has

undertaken procurement of commodities having medicinal use like Karkatia, Marofali, Vanjeera, Dhawai Flower, Kaladana, Chopchini, Laham Bark etc. During the coming years efforts will be made to enhance procurement of commodities of such nature.

Comments of the Committee

1.28 The Committee note that TRIFED has taken up the matter with regard to fixation of Minimum Support Price (MSP) for forest produces with the Ministry of Environment and Forests. The Committee would like the Ministry of Tribal Affairs to pursue the matter with the Ministry of Environment and Forests so that a decision on the matter is expedited and tribal people may get at least Minimum Support Price for their Minor Forest Produces.

Recommendation (Sl. No. 27, Para No. 6.30)

1.29 The Committee note that the collection and marketing of MFPs being a State subject, the prices fixed for various kinds of MFPs will differ from State to State. And due to unseen market forces, demand and supply, seasonality of production and total yields etc. the prices to be paid for MFPs will fluctuate from place to place and from time to time. The Committee, therefore, recommend that a fund should be set up to maintain stable prices for major/minor forest produces of the tribal area such as Niger Seed, Mahua Seed and Flowers, Tendu leaves, Gum-karaya, Lac etc. and also to ensure remunerative prices to tribals to encourage them to make higher collection of these produces.

Reply of the Government

1.30 This could be achieved if Minimum Support Prices are declared for MFPs. As advised by Ministry of Tribal Affairs the matter has been taken up with the Ministry of Environment and Forests, Government of India for consideration.

Comments of the Committee

1.31 The Committee have been apprised that the absence of Minimum Support Prices for Minor Forest Produces (MFPs) is the main hurdle faced by TRIFED in its commercial operation, especially procurement and marketing of MFPs. As MFPs constitute the main items of trade, the Committee recommend that the Ministry of Tribal Affairs should take up this matter with the Ministry of Environment and Forests and impress upon them the need to consider the request of TRIFED on priority basis. The Committee also reiterate its earlier recommendation that a separate fund should be set up to maintain stable prices of major/minor forest produces and to ensure remunerative prices to the tribal people.

Recommendation (Sl. No. 29, Para No. 6.40)

1.32 The Committee have observed that it has been seen that several items such as Gum Karaya, Niger Seed, Lac, Soya, Rapeseeds, Tendu Leaves, Spices, Pulses, Mango Kernel and De-oiled Cake produced by the tribals have found an international market in a big way as a result of the efforts of TRIFED. The Committee are of the view that there is still scope for expansion of the number of items of export produced by the tribals. The Committee, therefore,

recommend that more items of MFPs, SAP, horticulture spices and medicinal herbs may be brought under the ambit of the list of items for export as such a move will have a resultant impact on the tribal producers in terms of more production, more wages and higher remuneration for their produces.

Reply of the Government

1.33 Efforts are being made to increase the scope of exports. TRIFED's Mumbai office has been exclusively entrusted with the work of exploring new avenues of exports for various commodities.

Comments of the Committee

1.34 The Committee are shocked to see the lackadaisical approach of the Federation towards the work of exports, especially when the domestic markets are almost on the verge of saturation. The Committee feel that expansion of exports by identification and inclusion of more items for exports and by exploring new avenues for export will not only revive the sagging fortune of the Federation but also sustain its commercial activities. The Committee, therefore, reiterate that the task of expansion of export networks should not be assigned to a zonal office like Mumbai but should be handled directly by the Head Office for efficiency and expedition. Besides, the work of export expansion should be speeded up without any further delay.

Recommendation (Sl. No. 31, Para No. 6.42)

1.35 The Committee note with concern the manner/approach in which the Management of the Federation and the Ministry of Tribal Affairs have tackled the trade dispute with the USA. The Committee felt that inordinate delay on the part of the Ministry of Tribal Affairs for a decision concerning it will put the poor tribal producer of Niger Seed as well as the Federation in a more commercial disadvantage/loss because USA is the single largest consuming country of Niger Seed- a commodity widely grown by the tribals. The Committee, therefore, recommend that the Ministry of Tribal Affairs should take immediate decision in this regard for the overall interest of the poor tribal producers.

Reply of the TRIFED

1.36 The matter is under consideration with Ministry of Tribal Affairs, Government of India.

Reply of the Government

1.37 The out of court settlement will cost TRIFED more than Rs.1.25 crore, which TRIFED at their present level of export would not be able to cover in even more than a decade. However, the issue was taken up with TRIFED time and again but they are yet to respond to the detailed queries raised by the Ministry to ascertain the responsibility of such huge losses incurred by TRIFED in this area which significantly impacts their export potential. Despite repeated reminders the relevant information is still to be received from TRIFED. It may not, therefore, be correct to attribute the delay to the Ministry.

Comments of the Committee

1.38 The Committee are very much distressed to know that both the Ministry of Tribal Affairs and the TRIFED have not been able to sort out the problem between themselves in deciding the out of court settlement amount to the US company. Moreover, they are giving different versions for the delay in the matter. The Committee take serious note of it and expect them not to give lame excuses. Already 14 long years have gone by since the case was initiated against TRIFED. Embargo on TRIFED by the US Court has not only affected the export income of TRIFED from USA, it has indirectly affected the economy of tribal people engaged in growing of Niger seeds. Delay in the settlement of the dispute not only causes further financial loss to TRIFED, but it can put its credibility at stake in the market at home and abroad. The Committee, therefore, reiterate that the Ministry of Tribal Affairs and the Management of TRIFED should settle the dispute without further loss of time.

Recommendation (Sl. No. 34, Para No. 7.10)

1.39 Regarding its working pertaining to fixation of procurement prices, process of procurement and marketing of the Tribal products TRIFED has listed down some important points- the proper implementation of which will help TRIFED in achieving its objectives satisfactorily. These are introduction of MSP for MFPs; nomination of TRIFED as nodal agency for MFPs and SAPs; free movement of MFPs; enhancement of Share Capital; establishment of overseas branch offices for exports; designation of the Ministry of Tribal Affairs as single authority for all MFPs and SAPs in tribal areas and funding for specialised activity. The Committee feel that these are important issues which required immediate attention, redressal and implementation for the development of Tribals and also for the commercial expansion of TRIFED. The Committee, therefore, recommend that both the Management of the Federation and the Ministry of Tribal Affairs should sit together and tackle all the issues on priority basis, work out a solution, and implement them wherever necessary.

Reply of the Government

1.40 TRIFED works in close coordination with the Ministry of Tribal Affairs to achieve its mandate.

Comments of the Committee

1.41 The Committee are not satisfied with the reply of the government. The Committee feel that the points mentioned by TRIFED need serious considerations. Overcoming these problems will help the Federation in achieving its objectives. Simply, working in close coordination with the Ministry will not help in achieving the objectives unless the Management of the Federation and the Ministry feel their responsibility seriously with a clear intent to find solutions to the problems. The Committee are of the view that the problem which is most crucial to the Federation from the commercial point of view should be dealt with first and thereafter other problems may be looked into and resolved without any further delay.

Para No. 6.37 and 6.38 of Original Report

1.42 The Committee have been informed that during 1990 a dispute arose with M/s Universal Coop. Inc., Minnesota, USA which was referred by the party for redressal to the US Court. The judgement against the said claim has gone against TRIFED. The US Court has further imposed an embargo on TRIFED's exports to the United States. With this judgement of the US Court the exports of TRIFED have come to a grinding halt to the USA which is the major consuming area of Niger Seeds, commodity widely grown by the tribals.

1.43 In view of the importance of USA market, which is the largest trading partner of India, an out of court settlement was contemplated. The party agreed for an out of court settlement if TRIFED pays an amount of USD 2,49,900/- i.e. Rs.110 lakhs (1USD = Rs.44/-). The proposal in this context is under submission to the Ministry.

NEW DELHI
17th December, 2004
Agrahayana, 1926 (Saka)

DR. SATYANARAYAN JATIYA
Chairman
Committee on the Welfare
of Scheduled Castes and
Scheduled Tribes