

COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES (1992-93)

(TENTH LOK SABHA)

TWELFTH REPORT

MINISTRY OF WELFARE

**Tribal Co-operative Marketing Development Federation of
India Limited (TRIFED)**



*Presented to Lok Sabha on 18 Dec., 1992
Laid in Rajya Sabha on 18 Dec., 1992*

**LOK SABHA SECRETARIAT
NEW DELHI**

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**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND
SCHEDULED TRIBES (1992-93)**

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INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to submit the Report on their behalf present this Twelfth Report (Tenth Lok Sabha) on the Ministry of Welfare regarding working of Tribal Cooperative Marketing Development Federation of India Limited (TRIFED).

2. The Committee took evidence of the representatives of Ministry of Welfare and Tribal Cooperative Marketing Development Federation of India Ltd. on 4 September, 1992. The Committee wish to express their thanks to the officers of the Ministry of Welfare and TRIFED for placing before the Committee material and information; the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee today i.e. 9 December, 1992.

4. A summary of conclusions/recommendations contained in the Report is appended.

NEW DELHI;
December, 1992

Agrahayana, 1914(S).

K. PRADHANI
Chairman,
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes

CHAPTER I

A. Background Note on TRIFED

1.1 Tribals particularly those living in the interior forest areas depend for their livelihood to considerable extent on growing mill ts, oilseeds, pulses, minor or agricultural crops, horticulture, forest-operations and also on collection and sale of minor forest produce. Experience in some States has shown that minor forest produce collection and trade can provide large employment opportunity and that too at the doorsteps of tribals at a time when other avenues of employment are minimal. Trade and marketing practices in respect of agricultural produce continue to remain unorganised in the tribal areas in a large measure. Ensuring a fair economic price to the tribals through marketing of forest produce with a view to ending exploitation poses even a greater problem as vested interests are deeply entrenched and even the State-level Cooperative Corporation/Federation find themselves ill-equipped to deal with prevailing private trade practices.

1.2 Seasonal fluctuation of prices, uncertainty of markets and perishability of the products add to the existing complications. Thus, institutionalisation of natural products trade assumed critical importance to bring about socio-economic development of the tribals. TDCCs and other State level agencies can make a dent in this field if they derive strength and marketing support from a stronger organisation at the national level.

1.3 With this background, Government of India have set up a national level apex body under the name. The Tribal Cooperative Marketing Development Federation of India Limited (TRIFED). This national level Apex body has been registered as a cooperative society on 6th August, 1987, under the Multi-State Cooperative Societies Act, 1934 under the Ministry of Welfare. TRIFED is providing marketing support to the State Tribal Development Cooperative Corporations (TDCCs), Forest Development Corporation (FDCs) and Minor Forest Produce Development Corporation (MFPDC) for marketing and export of Minor Forest Produce, 'Surplus Agricultural Produce' collected or produced by tribals so as to protect them from exploitation by private traders. The ultimate beneficiaries of TRIFED are the tribal farmers, tribal farm labour and other segments of tribal society involved in collection/processing/marketing of natural products and agricultural operations and/or engaged in any activity connected with the same.

B. Objectives

1.4 The broad objectives of TRIFED as stated in the Bye-laws are given below:

- (i) To organise and plan the growth and development of natural products and their trade on rational scientific and commercial basis in the interests of the tribal population in the country.
- (ii) To strive to ensure higher earning and large employment opportunities for the tribal population by formulation of suitable economic schemes based on natural products.
- (iii) To ensure full utilisation of natural products available in the tribal areas including farm and forest produce by exploring new uses for the products and by improving their marketability through organised effort.
- (iv) To boost up the economic and commercial viability of the TDCCs, FDCs and other State Level Agencies dealing with procurement, processing and marketing of natural products by providing marketing support to them with a view to achieve the above objectives.
- (v) To arrange finances for itself and its supported activities with the above end in view; and
- (vi) 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.

C. Functions

1.5 In order to achieve its objectives, following main functions are to be performed by TRIFED:

- (i) To undertake or to promote on its own or on behalf of its members inter-State, Intra-State or International trade, Commerce and Industry, also, to undertake wherever necessary purchase, import, sale, export franchising, distribution, trade etc. of natural products and allied articles and commodities in pursuance of the above objective.
- (ii) To undertake or to act as an agent of any Govt. Agency, Cooperative or other organisation for purchase, import, storage, processing, production, distribution, marketing, export etc. of natural products and commodities, articles as well as finished products derived from raw material based on natural products.

- (iii) To undertake preparation of techno-economic feasibility reports and where necessary, to take up installation and management of factories, processing houses, projects and similar industrial or commercial ventures for and on behalf of members/ Govt. agencies, Cooperatives and other organisations in fulfilment of its objectives.
- (iv) To undertake consultancy work for the benefit of members. Also to undertake consultancy work for any party, person, organisation, business institution or other organisation including Govt. and semi-Govt., in the areas where Federation has expertise.
- (v) To organise seminars, workshops, conferences, exhibitions, trade-fairs and such other activities within the country and abroad to further the objectives of TRIFED.
- (vi) To undertake product development, product innovation, market development, market research, sales promotion, publicity, advertising and allied activities to further the development of natural products, trade and industry.
- (vii) To undertake or organise, training in technical and commercial marketing and other related areas for members, employees etc.
- (viii) To organise and maintain information and data bank to disseminate information to the members as well as planners, researchers and associate organisation and business circles.
- (ix) To coordinate and undertake pricing, production, processing, storage, sales, distribution and similar policy formulation for all members with a view to help the members to enter the domestic and foreign market on a united front.
- (x) To undertake identification, designing, planning, organisation, implementation and monitoring of forestry or agro-forestry projects of commercial importance so that marginal and otherwise unproductive resources including land yields optimum results to generate and maximise economic growth for ultimate beneficiaries and members.
- (xi) To do all such things or undertake such other business or activity as may be incidental or conducive to the attainment of any or all the above objectives of the TRIFED.

D. Organisational set up

1.6 (i) Membership

Under bye-laws the membership of TRIFED shall be open to the following:

- State Level Tribal Cooperative Federation/Corporation;

- State Level Organisations dealings in Minor Forest Produce collected by tribals;
- Any other specialised cooperative commodity Federations dealing in tribal produce;
- Government of India;
- National Cooperative Development Corporation (NCDC);
- National Agricultural Cooperative Marketing Federation (NAFED).

1.7 Besides there is provision for 'Nominal Membership' with the following conditions:—

"Such other persons / societies / institutions not covered above with whom TRIFED is likely to do business or store goods or arranged sales thereof provided the application for admission to such membership is received alongwith the admission fee of Rs. 1000/- and is duly accepted by the Board of Directors, may be admitted as nominal Members. Such Admission fee shall not be refundable in any case. Such Members will not have the right to vote or participate in the management of the federation or in the sharing of its profits or liabilities."

The total membership of TRIFED as on 31.1.1992 was 24.

(ii) General Body

1.8 The General Body of TRIFED shall consist of one representative each of the members admitted under Bye-law 4 and the Directors on the Board of Directors of the TRIFED including Co-opted Directors.

1.9 The ultimate authority in all matters relating to the administration of TRIFED shall vest in the General Body provided that the General Body shall not interfere with the exercise by the Board or any officer of any power conferred on them by these Bye-laws.

1.10 According to Bye-laws of the Federation (TRIFED) there shall be a Board of Directors which shall exercise all the powers of TRIFED except those reserved for the General Body. The Managing Director who shall be appointed by the Board of Directors with the prior approval of Government of India, shall be the Chief Executive Officer of TRIFED and shall conduct the business of the Federation and shall exercise control over the administration of TRIFED subject to the decisions of the Board/ General Body.

1.11 During the evidence, when the Committee asked, if the tribals could become the members of TRIFED, so as to save them from the

exploitation of sowcars (money-lenders) who might become the members by paying the requisite membership fee Rs. 1000/-, the witness replied:

“The sowcar cannot become the member of the society. They could form Tribal Cooperative Societies. There are nominal Tribal Cooperative Societies. We are persuading them to become members. They can become the nominal members on payment of Rs. 1,000/-. We recently added one from Manipur tribal society. We are organising them.”

1.12 On being suggested by the Committee that with a view to open the membership to the Tribals, whether the bye-law regarding membership could be amended the witness said:

“That is accepted. We can make them nominal Members.”

1.13 The Secretary, Welfare, also accepted it as a very good suggestion and stated that “We will see to it as to how it can be implemented.”

1.14 Under bye-laws of the society, Persons/Societies/Institutions can become nominal members of the TRIFED with an admission fee of Rs. 1000/- after due acceptance by the Board of Directors. This enables the nominal member to do business or store goods or arrange sales thereof. The Committee also find that the sowcar (money-lender) cannot become the member of the TRIFED. The Committee feel that there is need to involve tribals in the trading activities of the Federation and therefore, it is essential that membership should be open to them. The Secretary, Welfare also promised to look into the matter as to how the involvement of the tribals in the affairs of the Federation can be implemented with or without amending the bye-laws. The Committee, therefore, recommend that the Ministry of Welfare may give urgent attention to this aspect and apprise them with the action taken in the matter within a period of three months.

E. Area of Operation

1.15 It is enjoined upon TRIFED to cover entire tribal area of the country. However in the 3rd Annual Report (1990-91) of TRIFED, it has been reported that the operations of the Federation are severely constrained by the absence of authentic data base on the tribal areas and the tribal population of the country. A comprehensive study covering all the districts in the country for the Integrated Tribal Development Programme Blocks was proposed during the year and the Ministry of Welfare has sanctioned the funds required for a pilot project in this regard. It is expected that this pilot project will lead to the establishment of norms and standards for application in surveys to be undertaken in future.

1.16 As regards the number of Integrated Tribal Development Councils in the country, the Committee have been informed that there are 193 ITDCs functioning in the Country.

1.17 During the evidence the Committee desired to know the position regarding survey of Tribal areas, the Managing Director explained:

“We have proposed surveys. We have not yet done it. The Questionnaire is being finalised. We are hopeful to do it by the end of this year.”

1.18 It has been stated:

“The Head Office of the TRIFED is located at Delhi. There are three Zonal Offices located at Bombay, Guwahati and Calcutta and 7 Regional Offices at Madras, Kanpur, Ahmedabad, Jagdalpur, Hyderabad, Ranchi and Bhubaneswar. There are three field offices located at Bhopal, Cochin and Bhagalpur.”

1.19 During the evidence when the Committee pointed out that in Madhya Pradesh out of the three Branches of TRIFED one was located right in the heart of tribal belt whereas in Orissa the only Branch in Bhubaneswar was nearly 500 kms. from the tribal areas, the Managing Director explained:

“The location of offices have been considered by the Board of Directors of the Company from time to time. They have taken into consideration the data based on the population of tribals, the possibility of business from the tribals, etc. Jagdalpur has a branch because it is in Bastar District where the district authorities were cooperative, they gave a piece of land at a throw away price. They wanted us to set up the project first; so we set it up there.”

1.20 When the Committee sought a clarification about the opening of offices of TRIFED, it was stated:

“We are a cooperative federation. We go by the opportunity to work. Jagdalpur and Ranchi offices are in tribal areas. Ahmedabad is very near to it. We have opened office in Guwahati & Imphal. We are planning to have offices in Arunachal Pradesh, Meghalaya, Nagaland, Manipur, Tripura and Sikkim—all are tribal areas.

As of today we are operating through State Development Corporations, State Forest Development Corporations, etc. They are our principal bodies. Today there is a zonal office at Bombay. If I do not have an office in Bombay I cannot do the Rs. 16 crore export which I am doing now.”

1.21 On being pointed out by the Committee that in Orissa no cooperative society or LAMPS was functioning effectively due to financial constraints, the witness submitted:—

“Ours is a supplementary role. If the LAMPS is operating, then we need not be there. This is fundamentally our point. We do not overstep the State ventures where they are operating and provide price directly. We do try through the State Organisations. If LAMPS

(large area multipurpose cooperative societies) is functioning better, we try to use LAMPS. Where none of these agencies help us, then only we organise things either from the regional offices or sometimes we organise teams from head office which go to the tribal areas like we sent to Lakhimpur Kheri in U.P., Devas in Madhya Pradesh and Arunachal Pradesh. Like-wise we do go to the tribal areas and buy directly from them."

1.22 The primary aim with which the TRIFED has been set up is to see that the tribals living in the interior forest areas, are not exploited and get remunerative prices for their agricultural or minor forest produce and provide large employment opportunity. The Committee find that the location of Offices of TRIFED have been generally far away from the tribal areas. In Orissa, the TRIFED has opened one Branch Office only in Bhubaneswar which is nearly 500 Km. from the tribal area. It has been stated by the representative of the TRIFED that there is a supplementary role and if the LAMPS or any said organisation is functioning in an area than they do not feel the necessity to be there. The Committee are unable to accept this argument and feel that not much purpose will be served if the federation cannot get first hand knowledge of the conditions of the tribals living in interior areas. They, therefore, recommend that the location of the Offices of TRIFED should be close to the areas where tribal population is concentrated so that the benefits intended under the scheme can reach tribal people.

1.23 One of the functions of TRIFED is to undertake identification, designing, planning, organisation, implementation & monitoring of forestry or agro-forestry projects of commercial importance so that marginal and other-wise unproductive resources including land-yield optimum resource result to generate and maximise economic growth for ultimate beneficiaries and members. It has been stated by TRIFED that the operations of the Federation are severely constrained by the absence of authentic data viz. on the tribal areas and the tribal population of the country. The Committee have been informed that the Federation has proposed surveys and hope to do it by the end of this year (1992-93). The Committee are unhappy to note that although the Federation has been in existence for more than 5 years, yet this important operation for identification of the areas/blocks has not been taken up in the right earnest. Obviously, the benefits of expertise in achieving optimum results for forestry or agro-forestry products, have not accrued to the tribals and no worthwhile economic growth for ultimate beneficiaries has been achieved. The Committee, therefore, desire that the surveys to identify the areas for implementation and monitoring of forestry or agro-forestry projects of commercial importance be taken up and requisite information collected from other agencies like State Forest Corporation be completed within a time frame of six months.

CHAPTER II

FINANCIAL RESOURCES

A. Share Capital

2.1 TRIFED started with an authorised share capital of Rs. 20 crores, out of which Rs. 10 crores was the equity participation of the Government of India. Recently, the authorised share capital has been raised to Rs. 50 crores, and an additional Rs. 15 crores has been released by Government of India to TRIFED. In 1987-88, its turn-over was about Rs. 20 crores. Upto the month of August, 1992 its turn-over reached Rs. 40 crores and it was expected to reach about Rs. 100 crores by the end of the financial year. When it was started, the direct and administrative expenses to sales stood at 65.65 and 143.42 per cent and these expenses had been brought down to 9.41 and 17.95 per cent respectively, in 1991-92.

2.2 According to present and perspective action plan of TRIFED the extent of financial resources required during the next three years is as follows:

(figures in crores)

Year	Procurement & Marketing	Processing Industries	Trading Centres in tribal areas	Plantation based rural activities	Total
1992-93	77.00	32.00	4.00	2.00	115.00
1993-94	85.00	32.00	—	2.00	119.00
1994-95	95.00	—	—	—	95.00

2.3 Commenting on the availability of funds, the Secretary (Welfare) explained the position during the course of evidence as under:

“Whatever problems that arise, we always try to sort them out. But basically, the programme lacks adequate funding. The TRIFED has Rs. 50 crores existing share capital which is not adequate to take those programmes which it wants to take up. We are submitting for raising the share capital to Rs. 100 crores and the proposal has been recommended to the Planning Commission. But in view of the various constraints, we are not sure what type of response this proposal will have. But anyway, TRIFED should be strengthened as far as these activities are concerned.”

2.4 During the evidence the Committee were informed by the Managing Director that:

“The Public Deposit Scheme introduced during the year 1990-91 for raising finance to the tune of Rs. 3.90 crores, was a failure, we actually raised only Rs. 12.60 lakhs. In this context, it is all very well to go to market, but will there be a response based on market experience? Ultimately, we went. What we did in 1991 depended on what we did earlier. I would be able to get better support from last year's financial position. If I would go with the purchase in the market, then I am sure I can do better. But the apprehension is always there whether they would come forward. When you go to market, the national cooperative level is not so good. If it can be brought under Financial Companies Act, then things will be easier.”

The Managing Director had earlier informed the Committee that:

“I still think that equity support should be given. We have requested the Government of India to raise the authorised capital to Rs. 100 crores and paid-up capital up to 80 per cent because 50 per cent restriction which they have kept is generally for public sector enterprises, which we feel are in operation for 5 years. The capital base has to be expanded because once I have money, I can go to other financial institutions and they will certainly be helping. The Ministry is considering our paper for Rs. 100 crores.”

2.5 As regards capital re-structuring, the witness explained:

“We have very limited choice to go to the market for the capital structure. We can not go in for debentures or anything unless the capital structure is amended — either it should become recognised under the Companies Act or the Companies' structure itself is amended to take care of the kind of methodologies which are permissible to the cooperative bodies. If that amendment has taken place, then only it can be incorporated. But my suggestion is that there is a possible way to deal with the situation, other than the 100 per cent, dependence on the taxpayer's money. But it should come from the market. Once the law is amended, then we can certainly go in for what you have suggested.”

2.6 On a suggestion to broad-base the capital structure, the Secretary (Welfare) further explained:

“That can be done, sir, with some amendments to the bye-laws here and there. Whatever applied to other, it applies to the tribals also.

My submission is there is no difficulty to amend bye-laws. Generally, they will not come forward to buy the shares, because the public sector corporations do not perform so well."

2.7 When suggested by the Committee that the well-off amongst the tribals should be approached to buy the shares of the TRIFED and poor tribals can be involved by allotting the shares to them from Government loans, the Secretary (Welfare) accepted the suggestion and told:

"Your point is a very valid on that we should take them as our shareholders. It can be a very good experiment. I think we should try that."

2.8 On being suggested for preparing a scheme to raise the deposits/share capital for the welfare of tribals, the Secretary, Welfare said "We will try that".

2.9 TRIFED has at present a share capital of Rs. 50 crores out of which Rs. 25 crores i.e. 50% has been funded by Govt. of India. Public Deposit Scheme introduced in the year 1991 has failed as only Rs. 12.60 lakhs could be collected against the target of Rs. 3.90 crores. The proposal to increase the share capital to Rs. 100 crores has also been made to the Govt. of India by the Federation. The Committee have been informed that TRIFED cannot raise funds from the market by issue of bonds/debentures unless the bye-laws relating to capital structure are amended or the federation is converted into a company. The Welfare Ministry has also discounted the possibility of raising funds from the market even if bye-laws are amended because the Public Sector Corporations do not perform so well. The Committee strongly feel that the objectives of the TRIFED will remain on paper only unless adequate capital is raised and made available to the Federation to implement the programmes. They, therefore, recommend that besides raising more capital to Rs. 100/- crores, the Federation should make a beginning by involving well-off tribals to contribute towards share capital/deposits by amending the bye-laws.

2.10 It is seen that the perspective action plan of TRIFED envisages an outlay of Rs. 95 crores in 1994-95 on procurement and marketing operations only and no funds have been provided for other activities such as processing industries, trading centres in tribal areas, plantation based rural activities, etc. In fact the perspective total outlay will go down from Rs. 115 crores in 1992-93 and Rs. 119 crores in 1993-94 to Rs. 95 crores in 1994-95. The Committee feel concerned in the declining total outlay and desire that other sectoral schemes are not allowed to wither away due to lack of funds. The Committee recommend that allotment of funds should be increased proportionately for the activities such as processing industries, trading centres in Tribal areas and plantation based rural activities.

B. NOIDA land deal losses

2.11 In a post-evidence reply regarding the losses incurred in NOIDA land case deal for creation of International Trade and Research Centre on Minor Forest Produce and Herbs at NOIDA, the TRIFED has explained the position as under:—

The Board of Directors of TRIFED in its meeting held on 3 July, 1989 after detailed examination, had approved the creation of International Trade and Research Centre on Minor Forest Produce and Herbs at NOIDA. In this Centre apart from research and marketing, test house, certificate house, herborium and research institute and trade chambers were proposed to be set up.

2.12 On the request of TRIFED, NOIDA had approved allotment of 2 lakh sq. mtrs. of land in their institutional area Phase-II at an approximate price of Rs. 8.5 crores. They directed TRIFED to deposit an advance within 30 days as there were large number of applications pending for allotment. Since TRIFED did not have adequate resource, the Ministry of Welfare was requested that either a Grant-in-aid of Rs. 10 crores or an interest free loan for the same amount be released for the purchase of proposed land. Since the funds could not be arranged at a short period so extension of time was sought upto 20 February, 1990.

2.13 In the meantime pending sanction of the Grant-in-aid or interest free loan from the Ministry of Welfare, an application for a loan of Rs. 7 crores anticipating the margin from own sources, was made to Syndicate Bank, Nehru Place, New Delhi. The Bank sanctioned the loan on 30 January, 1990 with a stipulation that the loan will be repaid in 36 months in monthly instalments or from out of the grant-in-aid to be sanctioned by Ministry of Welfare, whichever is earlier. This long term loan carried 18% rate of interest at quarterly rest. All these decisions were ratified by the Board of Directors of TRIFED in January, 1990. The entire amount was released to NOIDA and in the meantime letters were exchanged requesting NOIDA authorities for the possession of land. TRIFED's assumption was that the cost of land will be based at the rate of Rs. 425 per sq. mtr. and the development cost would make ultimate price of the land only marginally higher than Rs. 8.5 crores but NOIDA informed TRIFED that the actual cost of land would depend on the land use and specified the following rates for different kinds of land use:

Land Use	Rate per sq. mtr.
Trade & Commercial Activities	Rs. 5,000
Office Complex	Rs. 2,500
Training and Research Area	Rs. 1,000
Herborium & other Activities.	Rs. 1,000

2.14 The assessment of the actual cost depending on the land use was assessed in TRIFED office was Rs. 3,325.72 lakhs. So an additional amount of Rs. 24.00 crores was needed. The Board of Directors in November, 1990 discussed the proposal threadbare and constituted a Committee to find out the viability of the project. The Committee recommended to surrender the land as it was not possible for TRIFED to mobilise funds to the extent of Rs. 23.00 crores. The Board of Directors at their meeting held on 8 January, 1991 decided to surrender the land keeping in view the recommendations of the Sub-Committee nominated by Board of Directors of TRIFED. The land was surrendered in 1991 and on the requisition of TRIFED, NOIDA refunded Rs. 8.5 crores to TRIFED.

2.15 In the event of the above process, the TRIFED paid an amount of Rs. 1.14 crores as interest to Syndicate Bank for the short term loan. In the final account for the year 1989-90 the interest so accrued was adjusted in the expenses account.

2.16 The Committee have taken a serious view that TRIFED has incurred losses to the tune of Rs. 1.14 crores on account of land deal for setting up International Trade and Research Centre on Minor Forest Produce and Herbs at NOIDA. Had the TRIFED management enquired in full about the cost of land and development charges well in advance from the NOIDA authorities, this huge loss would not have occurred. This was more important in this case, because TRIFED has a limited capital base of Rs. 50 crores and is engaged in the developmental and welfare activities for Scheduled Tribes. The Committee strongly recommend that responsibility should be fixed on the authorities who took the faulty decision in haste to buy the land without verifying the cost and development charges of the land from NOIDA Authorities and the Committee should be informed of the action taken against the erring officials.

CHAPTER III

SOCIO-ECONOMIC PROGRAMMES

3.1 TRIFED is implementing following schemes to ensure higher earning and better employment opportunities to tribals:—

A. Java Citronella Plantation Cultivation and Distillation

In an effort to wean away tribal families from Jhoom cultivation and to settle them on permanent cultivation sites in North Eastern Region of India, TRIFED identified a number of pockets which are agroclimatically suited for plantation of essential oil bearing grasses like Java Citronella. Under the scheme each tribal family is allotted 3 hectares of land from the local authorities on a permanent basis for which required plantation materials e.g. seedlings and necessary technical expertise has been provided by TRIFED. With this, each tribal family will be able to earn Rs. 14,000/- per year during the first year of plantation and Rs. 36,000/- per year in subsequent years.

3.2 TRIFED is implementing two projects at Phuloni in Karbi Anglong and Mahur/Hathikali in North Cachar Hills Districts, Assam, where 360 hectares and 450 hectares of land respectively is proposed to be allotted by District Council Authorities to the local tribal beneficiaries for cultivation of Java Citronella grass.

So far 214 hectares of land have been planted at Phuloni where 100 tribals families have been settled. At Mahur/Hathikali 134 hectares of land has been planted where 79 tribal families have been settled so far. On completion of these projects, TRIFED will promote similar schemes in other States.

3.3 During the evidence when the Committee asked about the germination rate of the plantation projects, the witness stated:

“It is just very good on that climate.”

3.4 When the Committee enquired whether any survey had been made in the Tribal Areas for cultivation of crops such as tea, coffee etc. to ameliorate the economic conditions of tribals, the witness explained:

“The Tea Board, Coffee and Spices Board have done a lot of study. When the project comes to us, we can get in touch with them. We can certainly consider that. We started with this kind of a project and later on we stopped..... We will certainly take up the matter afresh and study the areas where we can go. But we would not like to duplicate the work. The Coffee

Board etc. are the agencies started by the Government. But they are not committed to the welfare of the tribals."

3.5 On being suggested by the Committee that as the Tea or Coffee Boards are commercial organisations and not committed to the cause of tribal development, TRIFED being directly involved in the cause of tribal development can make its own survey to help them in their economic upliftment, the witness while accepting the suggestion stated "We will do that".

3.6 The Committee have noted that TRIFED has started Java Citronella Plantation, Cultivation and distillation projects in North Eastern Region to wean away tribal families from Jhoom Cultivation and to settle them on permanent cultivation sites and earn sufficient money. TRIFED also envisages to promote similar schemes in other States. Since the climate and germination rate of the plantation is good, and many tribal areas are also good for tea, coffee, rubber and other such plantation also, the Committee recommend that since coffee, tea, rubber, Spices Board, etc. are commercial organisations and not directly concerned with the tribal development activities, the TRIFED being directly involved in the cause of tribal development and welfare activities, should survey the tribal belts all over India on its own so as to determine which areas are fit for a particular plant/seed cultivation/plantation. Besides the Government should provide all necessary infrastructural, monetary and expertise assistance to run the plantation project in tribal areas where tea, coffee, rubber, Spices Board, etc. do not want to go in for such projects.

B. Price Support Scheme

3.7 Since 1989, TRIFED has been nominated as an agency for procuring paddy, wheat and coarse grain from the tribal areas. In 1990, this scheme was extended for pulses and oilseeds also. The scheme is formulated for giving tribals fair prices for their produce, which has resulted in ensuring remunerative prices for the tribal products. Under the Scheme, minimum support price is announced for undertaking procurement of food grains, pulses and oilseeds, before the start of the season.

3.8 The prices of Agriculture Produce are periodically reviewed and revised by Government of India / State Federations before the start of the season. For forest produce, certain items are nationalised for which State Governments announce minimum procurement prices. For other produces, prices are reviewed and revised by TRIFED before the start of the season of the commodity. The revision of price depends upon the market trend and availability of the commodity in that season.

3.9 Under this scheme, TRIFED has so far procured few agricultural-produce items from U.P., Orissa, Andhra Pradesh, Arunachal Pradesh and Assam.

3.10 It has been observed that whenever TRIFED intervened directly, the seasonal fluctuation have been controlled to a considerable extent. For example, TRIFED procured tamarind during the year 1989-90 through various State Federations, when it was a bumper crop and prices were expected to fall. At that time, TRIFED intervened and paid remunerative prices to save the tribals from the exploitation of middlemen who would have purchased it at a throw away price. Although, TRIFED had to incur heavy losses in this exercise, it has achieved its basic objectives to some extent in the process.

C. Central Grant-in-aid Scheme

3.11 Under Central Grant-in-aid Scheme, TRIFED received an amount of Rs. 194.97 lakhs for procurement of oil seeds, construction of processing unit and price fluctuation fund. This grant will help TRIFED in giving remunerative prices on sustained basis and in creating infrastructure facilities for augmenting collection of oil seeds.

3.12 As regards some incentives to the farmers, it has been stated:

“No such direct incentives are being given but tribals get higher earnings due to better realisation of produce which encourages them to grow / collect larger quantities of produce to augment their income.”

3.13 It has also been stated:

“TRIFED has not only achieved its objective of increasing the prices being paid to tribals wherever it has intervened, it has also tried to procure commodities from such areas where the private traders have been buying at throw away prices. Operations have been extended to almost all the States of the country.”

3.14 Committee have noted that since 1989, TRIFED has started Price Support Scheme for procuring paddy, wheat and course grain from tribal areas. This scheme has been extended to pulses and oilseeds also. By this scheme tribal are getting remunerative prices for their produces. But so far, procurements have been made from U.P., Orissa, Andhra Pradesh, Arunachal Pradesh and Assam only. The Committee recommend that this scheme should be extended to all the tribal States such as Bihar, Madhya Pradesh, Gujarat, West Bengal etc. also which have sizeable tribal areas, to pay remunerative prices to the tribals of those areas and to save them from losses through the exploitation of the middlemen and also the vagaries of the nature. The Committee also expect the TRIFED to cover more items of forest produce under this scheme in addition to the already covered crops.

3.15 The Committee further recommend that the Central grant-in-aid to TRIFED should be enhanced suitably to give remunerative prices on sustained basis and to create infrastructural facilities for augmentation of collection of oil seeds, Scheme should also be initiated to give some direct incentives to the tribal farmers, so as to encourage them to collect / grow larger quantities of produce to augment their income.

D. Price Fluctuation Fund

3.16 TRIFED has created a Price Fluctuation Fund for tree borne oil seeds only with the grant of Rs. 27.00 lakhs received from Ministry of Welfare. The objective behind creation of this fund is to provide remunerative prices to the tribals for Sal Seeds every year on a sustained basis irrespective of international / domestic price fluctuations in Sal oil and deoiled cake (DOC). All profits over and above 10% (which will cover TRIFED's administrative costs) are proposed to be transferred to this fund on yearly basis. If TRIFED incurs a loss in the transaction related to Sal oil De-oiled cake in a particular year, the total or part of the losses shall be met by transferring funds from the price fluctuation fund. In this way, this fund will act as a buffer against fluctuations in price of Sal oil / DOC in domestic / international market and price paid to the tribals. It is expected that remunerative procurement price on a sustained basis will motivate the tribals to collect large quantities of Sal Seed. It will not only result in higher collection of oil seeds but also raise the socio-economic level of the tribals.

3.17 The Committee find that with the grant of Rs. 27.00 lakhs received from the Ministry of Welfare, TRIFED has created a Price Fluctuation Fund for Sal-oil and De-oiled cake to give remunerative procurement price to tribals on a sustained basis. The Committee, recommend that such price fluctuation funds should be created for major / minor forest produces of the tribal areas such as niger-seeds, mahua seed and flowers, Tendu leaves, Gam-Karaya, Honey, Lac, Tamarind seri-culture etc. to give remunerative prices to tribals and to encourage them to make higher collection of these produces which in turn will raise the socio-economic level of the Tribals.

E. Centrally Sponsored Development Programme for Augmentation of Collection of Oil Seeds of Tree and Forest Origin

3.18 TRIFED was appointed as a nodal agency by Govt. of India on 31st October, 1988, for implementing a centrally sponsored development programme for augmentation to collection of oil seeds of tree and forest origin.

3.19 Under this scheme, TRIFED provides financial assistance to State Federations dealing in collection of oil seeds of tree and forest origin for promoting collection of oil seeds, particularly Sal seeds, for providing storage facilities, transportation facilities and for arranging mechanical devices like decorticators for quicker recovery of seeds from seed pods, etc.

3.20 For implementing of this Scheme, TRIFED has so far received Rs. 200 lakhs from the Ministry of Welfare. Out of this amount Rs. 144.00

lakhs has already been disbursed to Madhya Pradesh, West Bengal and Bihar, the details of which are given below :

State	87-88	88-89	89-90	90-91	(Rs. in lakhs)
					Total
Madhya Pradesh	20.00	24.00	16.00	—	60.00
West Bengal	—	24.55	18.25	29.50	72.30
Bihar	—	—	—	11.70	11.70
					144.00
			Balance with TRIFED		56.00

3.21 The Committee have observed that under the centrally sponsored development programme for augmentation of collection of oil seeds of tree and forest origin, TRIFED has provided financial assistance to the tune of Rs. 144.00 lakhs out of total Rs. 200 lakhs which it received from the Ministry of Welfare, to the State Federations of Madhya Pradesh, West Bengal and Bihar only. Out of this (Rs. 144 lakhs) major share went to West Bengal with Rs. 72.30 lakhs, Madhya Pradesh with Rs. 60.00 lakhs and Bihar got only Rs. 11.70 lakhs. The Committee recommend that the TRIFED should try to ensure that the assistance under the above mentioned scheme should also be given to the State Federations of all the States which are having sizeable tribal populated areas, in addition to the States already covered so as to enable the State Federations to promote collection of oil-seeds including sal-seeds and to provide storage and transportation facilities and to arrange mechanical devices.

F. Assistance from other Agencies

3.22 In achieving its objectives TRIFED is stated to be getting assistance from various agencies. The assistance being rendered by some of the agencies are stated to be as under:

National Coop. Development Corporation (NCDC)

- (1) NCDC has sanctioned funding of a Technical and Promotional Cell. Salary of one General Manager and 5 Managers for this Cell will be financed by the NCDC on 100% grant basis for the first 5 years and on 80% grant for the next 2 years. The total grant during the period of 7 years will be about Rs. 40.00 lakhs from NCDC.
- (2) NCDC has also sanctioned working capital loan of Rs. 80.00 lakhs. This amount will be released as soon as the Government guarantee is furnished to them.
- (3) NCDC has agreed to finance the computer based Management Information System (MIS) for TRIFED by way of outright subsidy to the extent of 55% of Computer Hardware cost and 100% of

computer software cost subject to the maximum of 45% of the total cost of the project.

(4) The pilot project for the establishment of 46 Single Window Service Centres in Bastar District of Madhya Pradesh with the total capital outlay of Rs. 6.95 crores has been submitted to NCDC and is under their active consideration.

3.23 National SCs/STs Finance and Development Corporation (NSFDC)

Two Java Citronella Plantation Projects in Karbi Anglong and North Cachar Hill districts of Assam, with an outlay of Rs. 202.31 lakhs, are under implementation for which an amount of Rs. 152.48 lakhs has already been sanctioned by NSFDC. Projects similar in nature are being formulated for the other North Eastern States and they will be submitted to NSFDC.

3.24 State Tribal Cooperative Development Federations/Cooperations and Large Sized Multi Purpose Cooperative Societies (LAMPS)

From time to time, the services of these agencies are utilised for procuring the tribal produce directly from the tribals and primary processing at pre-fixed rates/norms.

3.25 As regards the coordination in the working and control of the activities of various agencies, it has been stated:

"TRIFED invites the participation of its member Federations/Corporations for their involvement in planning the commercial operation prior to commencement of commodity season. In pursuance of these plans, advances for procurement are made available to the respective agencies. TRIFED monitors the quality control during the procurement through its representatives."

3.26 On the issuance of guidelines by the Ministry of Welfare for coordination of activities of TRIFED and its members, Federations/Corporations, it has been stated that no such guidelines have been issued by the Ministry of Welfare in this regard.

3.27 During the evidence, when asked to explain whether there was an overlapping of functions of TRIFED and State Tribal Corporations etc., the witness explained:

"There is no overlapping at all because State Govt. Corporations are operating in different areas. In the area of marketing where they are making money, they do not want us to enter. But where they are suffering losses, they want us to enter and share the losses."

3.28 The Secretary (Welfare) further elaborated:

"I would like to say that TRIFED is the elder brother and the State Corporation is the younger brother."

3.29 When the Committee again pointed out that as the State Corporations were well established, it might be otherway round, the witness explained:

"I will say that there is certainly a constraint. But we are trying to deal with it with the cooperation of most of the organisations. We have decided to go in for such organisations which are weak. There are State organisations which are weak. There are State organisations in the country, particularly in the North East, which are very weak. They are supported by us. There are 100 per cent tribal areas in those areas. There are several aspects involved in trying to help the people over there.

I submit that this is why we are trying to expand our activities there. We can do with and without them as far as product processing is concerned. We should go in for detailed product-wise and specific area-wise details and we also see that we do not overlap into their functions. We coordinate with each other. We have been attempting to do our best in this regard. We could put some of our money through a State organisation so that a linkage is established."

3.30 The Committee have observed that man and material assistance is taken by TRIFED from various National level as well as State level agencies who are engaged in the tribal development and welfare activities, in project formulation, plantation, procurement of tribal produce, service-centres, etc. and there seems to be some overlapping of functions between TRIFED and member federations/corporations. It has also been observed that no guidelines have been issued by Ministry of Welfare to coordinate the activities of TRIFED and its member federations/corporations. Committee, therefore, recommend that the constraints, if any, in the relations of TRIFED and its member federations/corporations should be removed and a linkage should be established between them such as by pouring some money by TRIFED to its members particularly in North-Eastern sector where these organisations are weak as has been accepted by the Government during the evidence. The Ministry of Welfare on its part should also issue the necessary guidelines for proper coordination of activities between TRIFED and its members.

3.31 The Committee further recommend that the Pilot Project for establishment of single window service centres which is now proposed to be set up at Jagdalpur (MP) only, should be extended to other States also which have sizeable tribal concentrated areas such as North-Eastern States, Bihar, Orissa, Rajasthan, Gujarat, Maharashtra and Andhra Pradesh.

G. Market Promotion

3.32 TRIFED participated in different fairs and exhibitions during the year 1990-91. The first fair in which TRIFED participated was India International Trade Fair from 14 Nov., 1990 to 2 Dec., 1990. The total

sales during the fair was Rs. 1.05 lakhs. Encouraging response was received in the fair of TRIFED's products specially cashew, spices, etc. TRIFED participated in Baba Saheb Ambedkar Fair at Red Fort, Delhi where the total sales of different commodities were Rs. 0.42 lakhs. In addition, TRIFED participated in Ahara Fair from 18 Jan. 1991 to 23 Jan. 1991 and Mahila Haat Exhibition from 6 March, 1991 to 9 March 1991 where the total sale was Rs. 0.32 lakh and 0.14 lakh respectively.

3.32-A TRIFED also participated in the famous Nauchandi Fair at Meerut from 21 March, 1991 to 12 April, 1991 and Gwalior Fair from 30 Dec. 1990 to 27 January, 1991 where the total sale was Rs. 0.79 lakh and Rs. 0.39 lakh respectively.

3.33 During the evidence, when the Committee enquired of the stocks yet to be disposed of, the witness explained:

"Niger seeds have been disposed of. Currently, we do not have stocks even to meet with the demand which is placed on us. Tamarind stock is zero.

We have problem with Gum Karaya. Africans produce cheaper Gum Karaya. We had agreement with GCC which was entered in March, 1990 but it was terminated last year. In terms of this agreement, we were to buy everything which was being procured by them. The quality which was coming in from the tribal areas was of three grades and the best grade was only exportable. We have also made some changes in the policy. GCC has now resumed the auction. We have appointed some 39 parties as associated shippers who are following it up. They have to obtain NOC from us and the system is working quite well.

As far as accumulation is concerned, the total accumulation is about 1700 tonnes and for this both GCC and TRIFED are doing research activities.

GCC have given it to the Indian Institute of Petroleum, Dehradun. They have suggested modification for use of Gum Karaya in petroleum industry; they have sent a sample abroad; and we are awaiting response. TRIFED is in touch with ATIRA for research in use of Gum Karaya in Textile Industry.

They have promised to give the results of feasibility report within three months. If this goes through, it will be a very major breakthrough for Gum Karaya. We are trying to promote this project by research."

3.34 When asked about the sale promotion of a perishable item, it was stated:

"There is no problem for Maize. In Pineapple we have a problem. For processing also we have a problem. We have done a lot of study on it. We have 15 projects. Many of them could not be taken up

because of non-availability of money. As far as processing is concerned, we would like to enter into it in a much bigger way."

3.35 Asked about disposal of Mahua particularly, the witness stated:

"It is used in liquor industry. If we can get a better technology, we would be able to solve this problem."

3.36 When suggested that in order to prevent the tribals from making liquor, the Mahua stocks should be purchased from them through Govt. agencies and be sold outside, the witness said:

"We could take on the responsibility."

3.37 The Committee find that TRIFED is participating in Trade Fairs and Exhibitions to popularise its trading items. The response is also good. Since these fairs are held for small period and at different places all over India which require a lot of expenditure in planning and carrying the goods to these fairs, TRIFED should market its products through its own outlets at the places where the products can be sold at a profitable rate. It is more necessary in case of perishable goods. In case of huge stocks, these can be auctioned, as is being done in case of Gum Karaya and other items. The Committee recommend that TRIFED should firstly enter into processing, packaging of the perishable goods and later on for other items as well, so as to earn more money to put in for developmental activities of the tribal areas.

3.38 The Committee further recommend that since Mahua Flowers are used by tribals in making country liquor and as the suggestions has been accepted by TRIFED, these stocks should be bought by Govt. agencies from the tribals and may be sold outside the tribal areas to save the tribals from liquor consuming habit.

H. Import-Export

3.39 No raw material or basic product is imported by TRIFED. The major tribal produce that are being exported are:

1. Niger Seed;
2. Gum Karaya;
3. Tendu Leaves;
4. Sal De-oiled cake; and
5. Pulses.

3.40 Niger seed is exported mainly to USA and European Countries, Gum Karaya is exported to Japan, France, U.K. and East European countries. Tendu leave is exported exclusively to Pakistan. Sal De-oiled cake has been exported to U.S.S.R. Moth Dal has been exported to the U.K.

3.41 The Govt. of India plays a pivotal role in facilitating the export of goods by TRIFED by canalisation of export of prime tribal commodities

like Niger Seed and Gum Karaya through TRIFED. Gum Karaya is exclusively canalised through TRIFED and export of Niger Seed is canalised through NAFED and TRIFED.

3.42 Ministries of Commerce and Welfare are intimately involved in the planning of export business of TRIFED. TRIFED has been able to sustain the tempo of export of Niger Seed with the continued cooperation and assistance of Ministry of Commerce. TRIFED has been appointed as Registration agency for export of lac products. This will help in monitoring the Lac export performance of the country.

3.43 Committee have noted that TRIFED is exporting some particular commodity to a particular country only, for example Tendu leaves are exported only to Pak and Sal De-oiled cake only to U.S.S.R. It is recommended that TRIFED on its own and with the help of other agencies in the field should explore the export-markets for its commodities and Government of India should give the necessary expertise and assistance to TRIFED in this regard.

CHAPTER IV

A. Infrastructural Facilities

4.1 There is a plan to establish an Industrial Complex at Jagdalpur, where tribal produce like Cocoons, tamarind etc. will be converted into value added products for better return to tribals. TRIFED has already acquired the land for this purpose. TRIFED is making endeavours to develop trade in tribal areas.

4.2 During the evidence when the Committee desired to know the kind of help provided to the tribals to establish their own units in the industrial complex, the Managing Director explained:—

"As on date, NSFDC and SFDC are extending loans upto Rs.20,000 to those whose annual income is below Rs.20,000. In the Conference of the Secretaries, I had suggested that they can extend loans to the people who are below the poverty line. But then the technocrats and entrepreneurs who want to come forward from the Scheduled Castes and Scheduled Tribes and want to set up an industry, can be given loan and they have to put Rs. 5 lakhs or Rs. 10 lakhs as margin money. This is under the consideration of the Government. I am confident that it will get through. Today only a maximum loan of Rs. 35,000 is available for SC/ST entrepreneurs. I would like to go before the Government and ask them to give loan upto Rs. 1 crore. NSFDC is just like another corporation, which looks after setting up of industrial units by the Scheduled Castes and Scheduled Tribes entrepreneurs."

4.3 On being asked whether any turn-key industrial project is being set up, the witness stated:—

"In Jagdalpur, we helped a society for Corrundum Unit. The members of the society are tribals. We have got their project report preparation. After that we approached NSFDS, who is the financing agency. They wanted us to get another State level agency involved. So, we have approached a State level agency for this cooperative society. After that we have also offered them land. We have taken up the question of supply of raw material with the State Government. Once this project goes through, it will benefit 75 per cent tribals. Additionally we will be marketing their produce. For Java Citronella all employees are tribals and the owners will be tribals. So, it is one hundred per cent tribals as far as this project is concerned.

This is one pattern which we have been following. Jagdulpur Project is not only for plantation. Apart from plantation we are going

in for distillation units. Once our distillation unit goes, the income will be more than double."

4.4 When suggested that no other person than the tribals should be employed in the distillation units, the witness assured the Committee that only tribal would be employed.

4.5 To a question about the minimum conditions required to start a complex/project like Jagdalpur, the witness stated that a total amount of Rs. 32 crores was calculated for Jagdalpur project. He further stated:—

"We can secure land and power and there is no problem. Experts we will have to secure and we can buy in the market. We have built a cell. We have done some research on some of the projects. There is no problem on that."

4.6 On a suggestion for selection of Rayagada in Koraput District (Orissa) which is well connected by road and rail, for a project in place of Phulwani, which does not have any rail connection, the witness while accepting the suggestion stated:—

"We can certainly do that exercise. First, we have to find out a company who will accept the project. In any case, I will take into consideration your point. This was a tentative plan drawn at this stage. Now, a revised plan will be worked out."

4.7 When asked to elaborate on the ways and means to collect the funds and the measures by which tribals could be helped by TRIFED, the Secretary (Welfare) explained:—

"Basically the role of the TRIFED is marketing. Personally I would like the TRIFED to concentrate upon marketing and not to divert their attention to industrial activity. They wanted to do that but they could not take off. So, I would like TRIFED to concentrate on marketing. As far as the industrial activity is concerned, that also is very essential for us because we have 300 and odd items which can be used as raw material for future industrial development. We have not explored fully, possibilities of how we can make them value added. My submission is that the tribal development projects should be set up at appropriate sites because that is very important. For the tribal development if we can pick up right places where electricity, water, land, raw material, etc. are available, it will be more viable. We can visualise small projects and keep 50% of the cost as the TRIFED share to the State Tribal Development Corporation. If it is a Rs. 5 lakhs project, Rs. 2½ lakhs should be from our side and Rs 2½ lakhs from the Tribal Development Corporation. This is the pattern I would like to submit for your consideration because the State Tribal Development Corporations would, in future, be of greater use to us than the TRIFED's involvement. TRIFED should be only a financial agency to bring up these small projects and we can do it not

necessarily in five or six States, we can call all the Tribal Development Corporations' Managing Directors and Chairman and also the Secretaries of the Tribal Welfare Departments and tell them that these are the projects which are available with you, each project costs Rs. five lakhs to Rs.10 lakhs and this is the pattern in which we would like to assist you. If they tell us that they are prepared to come forward, then we will ask them to tell where exactly they want to come up. Money is not the constraint. We can definitely explore the manner in which we can secure more funds."

4.8 The Committee are happy to know that an industrial complex is going to be set up by TRIFED at Jagdalpur (Madhya Pradesh) where tribal produce like cocoons, tamarind etc. will be converted into value added products for better return to tribals. Loans upto Rs. 20,000/- is also to be extended to those whose annual income is below Rs. 20,000. Maximum loan limit is Rs. 35,000/-. Committee desire that for the technocrats and entrepreneurs belonging to Scheduled Castes and Scheduled Tribes categories who would like to establish their own units, the Govt. should raise the limit of loan money from Rs. 35,000/- to one crore of Rupees which may be required by them to establish an industrial unit as has been stated by the Managing Director (TRIFED) during the evidence. Coordination with other Corporations/Federations such as NSFDC should also be made to give maximum facilities to the SC/ST entrepreneurs.

4.9 The Committee also recommend that more and more SC/ST Cooperative Societies should be encouraged by giving them land, loan, raw material, power and marketing facilities to start their own plantation, industrial or any other ancillary units. As far as possible tribals should be given preference in the services of these units and others should be employed only when suitable SC/ST candidates are not available.

4.10 The Committee would also like the TRIFED to prepare the project reports for each of the tribal areas according to the requirements keeping in view the raw material and infrastructural facilities available in these areas. As has been suggested by TRIFED these projects may be financed by TRIFED and other State level SC & ST Federations Corporations on 50:50 share basis.

4.11 The Committee further expect that the money will not be a constraint in financing these small projects in tribal areas as has been assured by the TRIFED authorities during the evidence.

B. Training-cum-Production Centres

4.12 It has been stated that TRIFED envisages to establish training-cum-production centres for reeling of yarn and its weaving at Jagdalpur in District Bastar, Madhya Pradesh.

4.13 During the evidence when asked whether the basic training was being imparted to the tribals and if so with whose assistance, the Managing Director stated:—

“The training courses are conducted through NSFDC. We are trying to cooperate with NSFDC. The training will be given for this project. It is a part of the programme.”

4.14 In regard to the training schemes evolved by the TRIFED for providing training to the staff managing Tribal Cooperative Societies, the Committee have been informed that training programme was organised through National Institute of entrepreneurship and Small Business Development, Delhi during which senior officers of TRIFED were trained as Trainers for imparting training to tribals. TRIFED has planned to organise training programmes in tribal areas for entrepreneurship development among tribals and their organisation into cooperative bodies by utilising the services of these trainers.

4.15 The Committee have been informed that TRIFED has a plan to establish training-cum-production centre at Jagdalpur (M.P.). Presently the training to tribal workers and entrepreneurs is being given through NSFDC. The Committee expect that more such training-cum-production centres would be started in tribal areas of other States which have a sizeable tribal population concentration, by TRIFED in coordination with NSFDC and other State Federations/organisations for entrepreneurship development among tribals and their cooperatives. These programmes should be run free of cost and on regular basis.

C. Storage Facilities

4.16 There is constant emphasis for involving the Cooperative Societies right from village level market to State level for procurement and marketing operations. For storing of the produce so procured, TRIFED depends on State Warehousing Corporations, Central Warehousing Corporations, the godowns of Marketing Federations and Primary Cooperative Marketing Societies/LAMPS etc.

4.17 During the evidence, the witness further explained:

“As far as storage is concerned, our philosophy is not to store for too long. If we store some of the commodities for long, we face difficulty to operate in the market. So, now we have taken a new strategy, that is, we should not block our capital. We should buy in the regions where the tribals are selling. We are buying during the season and as soon as the season is over, the earlier we can sell, we sell. For storage, we do not have a problem. We try to see that there is scientific storage. We are not constructing our own storage.”

4.18 When suggested by the Committee that the Tribals should be financed by TRIFED to build godowns and to own trucks for transportation, the witness accepted the suggestion and submitted:—

“It is a very good suggestion, I am going back to my Andhra Pradesh experience. We have encouraged a number of tribals to buy lorries without any margin money. If we can identify such tribals throughout the country, even on a pilot basis, five per State, during this year, I think, that would be a good beginning. I will fund the scheme. I will give him lorry without any margin money from him. He will have to debit it in instalments every month and that will be used by TRIFED and State Corporation for transporting the goods. Regarding godowns also, we can encourage them to construct godowns and give them all the money necessary for construction. But the whole point is, we need some basic support in that village. Some non-official elements, some cooperatives could volunteer and help us out, then we can do this scheme. Even LAMPS which are lying idle, we can revive. Local leadership is necessary. Bureaucrats alone cannot help it out.”

4.19 Under the Bye-laws TRIFED can grant nominal membership with an admission fee of Rs. 1000 to such persons/societies/institutions who are interested to do the business or store goods or arrange sales thereof. On a suggestion by the Committee that the tribals should be financed by TRIFED to build godowns and to own trucks for transportation, the Ministry gave good response and promised that funds will be provided to those tribals who want to construct storage godowns and buy trucks. The Committee recommend that TRIFED should work out a scheme in this regard and apprise the Committee of the Action Taken within a period of three months.

D. Research and Development

4.20 One of the objectives of the TRIFED is to ensure full utilisation of natural products available in tribal areas including farm and forest produce by exploring new uses for the products and by improving their marketability through organised effort.

4.21 During the evidence, the Committee were informed:—

“As far as research and development is concerned, I have a unit which is doing very well. We have got the approval of the C.S.I.R. We have also got the ‘Agmark’ facility approved for some of agricultural products like honey etc. and I am in favour of giving this facility to others which will be helping to generate this unit for research and development work. For planning of processing industries I have got a plan whereas other things are also important. I still think that equity support should be given.”

4.22 When asked about the suggestions for development and processing activities of TRIFED, the witness submitted:—

“The programmes of processing have undergone a change because of paucity of funds. We require more funds there. Therefore, as far as procurement and marketing are concerned, our plans are going faster than we think of. We are securing funds basically from the banks. If my overdraft is Rs. 10 crores today, I have done a business for Rs. 45 crores and am able to repay the overdraft.

When I am doing it for the benefit of the tribals, I want some concessional finance. We approached NABARD for this purpose. They are currently supporting all kinds of industrial, trading and such activities. In marketing they are not helping us. They are helping some of the State companies. If the Committee comes to our rescue, it will be very helpful.”

4.23 In regard to the minor farm produce in Orissa, the Committee observed that Mahuwa is sold by the tribal people at throw-away price of Rs. 2/- per kg. and some alternatives has to be found out for procurement. In reply the Managing Director of TRIFED during evidence stated:—

“We could do some pilot projects.”

4.24 Exploring new uses for the farm and forest produce and improving their marketability through organised effort is one of the means to fetch better prices. This can be achieved through Research and Development and introduction of new practices in value addition to basic raw materials. The Federation has stated that Research and Development Programmes are suffering for want of resources. The Committee strongly feel that this programme should not be neglected and desire that Welfare Ministry should provide additional funds to be used specifically for Research and Development Programme.

CHAPTER V

COMMERCIAL ACTIVITIES

5.1 One of the objectives of TRIFED is to organise and plan the growth and development of natural products and their trade on rational, scientific and commercial basis in the interest of the tribal population in the country. Accordingly, TRIFED gives maximum priority for collection of produce from the State Tribal Federation/Marketing Federations and in the event of not being able to meet export demand through this process, TRIFED also resorts to direct procurement from tribals through Haats and LAMPS in the tribal belts. There is constant emphasis for involving the Cooperative Societies right from village level market to State level for procurement and marketing operations.

A. Minor Forest Produce

5.2 Under the Price Support Scheme, procurement and marketing of Minor Forest Produce (MFP) is undertaken by TRIFED. Generally, TRIFED purchases MFP through State level Federations which are cooperative organisations having primary cooperatives as their members. At the same time, TRIFED is trying to market these products through State or National level Cooperative Consumer Federation of India Ltd., Super Bazar, Kendriya Bhandar, P & T, Defence Supplies, etc. The criteria fixed for recommending minimum prices for the farm and forest produce has been explained as under:—

“As far as farm produce are concerned, minimum prices are announced by Govt. of India. For forest produce, certain items are nationalised for which State Govt. announces minimum procurement prices. For other forest produce, minimum procurement price is fixed keeping in view the past years' market price and the same is paid to the tribals.”

5.3 As regards nationalisation of trade in MFP, it has also been stated:—

“The States are following different policies regarding items to be canalised i.e., Andhra Pradesh has nationalised as many as 29 items whereas West Bengal has nationalised just one item only.”

5.4 During the evidence when asked to explain about the distinction between 'nationalised' and 'non-nationalised' items, it was explained as under:—

“In the case of non-nationalised items, everybody is allowed to operate, private sector, cooperatives and State created TRIFED can operate. In the case of nationalised items, only the State Govt. has the jurisdiction.”

5.5 When asked about the purchase of MFP from the Tribals in various States, the witness informed:—

“Regarding the purchase of various forest produce, as far as the States are concerned, our guidelines are to purchase wherever we can, in the tribal areas. We have been procuring from Bihar right from the very beginning.”

5.6 As regards the distress procurement price of Mahua seeds in Bihar and remedial steps taken by TRIFED the witness stated:—

“In Bihar, Mahua is a nationalised item and the Bihar State Forest Development Corporation is the buyer under the State laws. It buys at the price of Rs. 5875 per metric tonnes and we buy it at a price of Rs. 7000 per metric tonnes.

As far as actual system is concerned, the nominated agency for buying nationalised item is the State Govt. under the laws of Bihar State. TRIFED only does the secondary purchase. Since the State Govt. has nationalised it, they have to streamline it more. We have discussed it time and again with the Bihar State Forest Development Corporation. We do not have any say in the matter. We are at their mercy.”

5.7 In connection with the payment of remunerative price for MFP, the Secretary (Welfare) further suggested that:—

“The tribal is always looked at as enemy by the Forest Department authorities. He is born and brought up there, he owns his properties there but we do not recognise his right to be the ‘Pattadhari’. The Forest Department authorities think that the tribals are destroying the environment.

We need to have a national policy on the minor forest produce which shall be binding on all the States. This we must evolve immediately. I think, we will attempt a paper on this and place it before the next Chief Minister’s Conference which is likely to be convened and we will take their views also. And unless we do this, we will not be able to solve it permanently.

Temporarily, also we can attempt as solution that though these items are nationalised, there will be no interference. We can evolve an arrangement whereby TRIFED can always talk to Bihar or Orissa saying that they are not giving remunerative price. This approach can be taken by the TRIFED and I am sure we will be able to get temporary solutions.”

5.8 When the Committee suggested that since LAMPS in Orissa and particularly in Koraput District were not functioning well, TRIFED should open its branches and do the procurement directly, the witness stated:—

“We can do that and we are doing it. About Koraput office also, we will have to make a survey in the next season.”

5.9 On the suggestion of the Committee that it was not sufficient that the Federation should confine its activities towards procurement and marketing but it should also oversee whether the operations are taking place properly and the interest of the tribals are safeguarded, the Managing Director in his evidence stated:—

“I fully agree with Hon. Member that our role there is a supplementary role. If the LAMPS is operating then we need not be there. I fully agree. This is fundamentally our point. We do not overstep the State ventures where they are operating and provide a price directly..... If LAMPS is functioning better, we try to use LAMPS. Where none of these agencies help us, there only we organise things either from the regional offices or sometimes we organise teams from head-offices which go to tribal areas like we went to Lakhimpur Kheri in MP, Devas in Madhya Pradesh and Arunachal Pradesh.

Like this we do go to the tribal areas and buy directly.”

5.10 When asked to cover other areas, the witness explained:—

“We are currently procuring through our local offices. We have organised teams from the Head Office also. We have covered Lakhimpur area also but we have covered a limited area. I do agree that there is scope for more and we will gradually increase more.”

5.11 When the Committee again stressed for the opening of branches of TRIFED in the Tribal concentrated areas, because other agencies were not taking much interest in procuring the tribal produce, the witness accepted the suggestion and stated:—

“We will do our best not to bely your hopes. We will certainly do what you have suggested. In our procurement plan, we will consider other areas.”

5.12 Under the Price Support Scheme, the procurement and marketing of MFP is undertaken by TRIFED. The procurement is arranged through State level Federations which are Cooperative organisations, having primary cooperatives as their members. The Committee have been informed that whereas in the non-nationalised items everybody i.e. Private Sector, Cooperative, etc. are allowed to operate, in the nationalised, the State Govt. has jurisdiction and the procurement price is also fixed by the State Govt. and TRIFED does not have any say in the matter. As there have been cases of distress sale in nationalised items of MFP, the question of remunerative

prices assumes greater importance. The Committee, therefore, recommend that TRIFED should play a principal role in persuading the concerned State Govts. to fix remunerative prices so that the interest of the tribals are safeguarded.

5.13 As stated above, the TRIFED generally makes purchases from the State level cooperatives of LAMPS under the Price Support Scheme. The role of TRIFED is, therefore, a supplementary role and direct purchases from the producer is not done unless in some cases, it is absolutely necessary. Instances of ineffective functioning of LAMPS and other primary cooperatives in this field have been noticed with the result that the tribal people do not find any outlet for their produce and suffer losses. To a suggestion that TRIFED should open its branches and do the procurement directly, there was a positive reaction from the Managing Director, TRIFED, who also promised that they will make surveys in the next season. The Committee appreciate the role of TRIFED but feel that their involvement under the Price Support Scheme should be more dynamic and it should ensure that the real benefit percolates to the tribal people. They, therefore, recommend that TRIFED should open its branches in the tribal areas and arrange direct procurement where they find that the LAMPS or primary cooperatives are not functioning properly.

B. Royalty on M.F.P.

5.14 The imposition of royalty has adversely affected the potential of collection and marketing of MFP in terms of low prices paid to tribals. It has been noticed that States like Madhya Pradesh, Bihar and Orissa are imposing much higher royalty on MFP and the incidence of royalty keeps increasing irrespective of the marketing environment factors. The imposition of royalty in MFP directly takes away the due share of tribals which is by no means justifiable specifically when the Govt. is giving considerable importance to the improvement of economic conditions of tribals.

5.15 Different norms are being followed by States regarding royalty incidence resulting in unequal price realisation for TRIFED. Moreover, the royalty on MFP constitutes only a small percentage of total revenue of the State but it constitutes a major portion of the cost of MFP. Royalty as an element of revenue for the States cannot, therefore, be justified. This matter of the abolition of royalty was taken up in the State Ministers' Conference held on 6th Jan., 1988, where the consensus was that royalty on FP and tribal produce should be abolished all over India. Subsequently, similar consensus was also arrived at the conference of Secretaries of Tribal Development Deptts. and Managing Directors of State Federations on 23rd & 24 June, 1988, but no action has been taken by the States in this regard so far.

5.16 During the evidence, the Secretary, Welfare, further clarified the position as under:—

“Our Welfare Minister has written to all the Chief Ministers about three months back reiterating our earlier stand that the royalty should not be levied. A couple of Chief Ministers have responded but a majority of them have not replied. We would take up the matter with the Prime Minister and see whether the Prime Minister could also write to the Chief Ministers.

I have no difficulty in formulating a scheme to subsidise the State Govts. if they want. But we want involvement of the State Govt. After all, it amounts to about Rs. 5 crores or Rs. 6 crores. But I would like to make the State Govts. realise that it is as much their responsibility to look after the welfare of the tribals as ours.

There are lots of difficulties for the State Corporations. In several States, minor forest produce is levied a royalty as well as licence fee. We have been writing to the Chief Ministers to exempt these products from levy, so that the tribal people get a better price. These are under consideration of some State Govts. Several State Govts. have already given up these royalties and we hope that we will be able to succeed in making the other State Govts. also to give up these levies.”

5.17 On further query to solve the problem of royalty on MFP, the witness stated:—

“The basic question is to whom the forest belongs, does it belong to the Govt. or to the tribals? That question needs to be sorted out. I personally feel that tribals have been there for hundreds of years and therefore, they have become the owners of the areas. The forests have come up because of them. They never destroyed them. If they are made the owners of the land, questions like royalty will be automatically solved. I think this change of attitude will go a long way in making the tribals to have self-confidence and they are welcome to live in that areas.

If the Committee would recommend for the waiver of the entire royalty, licence fee, that would be helpful. That is what I am stressing here. The land is his property. Kindly recognise his right. The Govt. should not come into the picture of collecting any royalty or licence-fee.”

5.18 It has been brought to the notice of the Committee that different norms are being followed by State Governments, regarding levy of royalty and Licence fee on MFP. The result is that the tribal farmers get low prices for their produce which is neither remunerative nor sufficient for their needs. Obviously this does not help in upliftment of the poor tribal people. The Committee have also noted that royalty on MFP constituted only a

small percentage of the total revenue collection of the States but its levy causes immense hardship to the tribal people whose welfare is the duty of the State. During evidence, the Secretary, Welfare informed the Committee that the Welfare Ministry has written to all the Chief Ministers of States not to levy royalty on MFP. So far their efforts have not borne fruits. The Committee desire that the issue of waiver of royalty should not be delayed any longer and that the State Govt. should be persuaded to waive royalty and also the Licence Fee, as the case may be on MFP as this will result in remunerative prices to the tribals and also help in improving their economic conditions.

CHAPTER VI

MONITORING AND EVALUATION OF THE WORKING OF TRIFED

6.1 (A) As per bye-laws :

"The Executive Committee of TRIFED is to discharge the following functions :

- (i) Designing and execution of systems to measure performance of TRIFED in terms of progress made toward attainment of objectives of the TRIFED.
- (ii) Monitoring of corporate functioning, divisional or activity-wise health of the organisation.
- (iii) Review of physical and financial progress under individual schemes and of the TRIFED as a whole, suggesting remedial and corrective steps where necessary; and such other items as are delegated to it or entrusted to it by the Board."

Apart from the above, provisions for monitoring as per the Bye-laws of the TRIFED, the Ministry of Welfare has its own machinery for monitoring and suggesting the ways and means by which TRIFED can boost its business activities. Secretary (Welfare) reviews the functioning of the TRIFED periodically.

6.2 During the evidence, it was further clarified:

"The monitoring system is two-folds : one is done by TRIFED and the other is that of the Ministry of Welfare. In the Ministry and in the TRIFED meetings are held. A management group is there. We have also set up a computer in the commercial division and a Computer in Finance Division is also there. We take remedial measures after discussions in the Committees. We are trying to work as real cooperative society and not as bureaucrats. Next, we have got the Sub-Committees and the Board. The Sub-Committees produce reports on the commercial activities etc. quite apart from the issues for which approval is required. They apply their mind. They also give directions.

6.3 Periodically we put it to the Board and the Board also considers it. As far as Ministry is concerned, once a month I write a D.O. letter to the Secretary with copies to the Minister, the Financial Advisor, the Joint Secretary and so on. They have frequent meetings with the Secretary and others. That is the mechanism on which they function. They also call meetings on specific subjects and decisions are taken.

6.4 About inventory accumulation, a meeting was held in the Ministry and the view taken was that the accumulated inventory should not be allowed and concentration should be on marketing strategies and procured stocks should be disposed of by selling in a reasonable period of time. As a result of these in so far as the old inventory is concerned many of them have been liquidated. That is the mechanism that Government follows. Meetings on various issues are held. Last year they had an administrative review and the question about administrative expenditure and administrative manual was considered. As a result of that we have taken special measures for reviewing our staff strength. It has been brought down to 370 from the level of 443 and currently we are not recruiting anyone except in special areas like accountancy. We will review the administrative manual which contains the rules and regulations for staff and which was drafted three to four years back. It is now at the much higher level of consideration and we will submit it to the Board shortly. We have perfect interface as far as the Ministry and the TRIFED is concerned.

6.5 The Committee have been informed that the monitoring system for the working of TRIFED is two folds; one is done by TRIFED and the other is done by Ministry of Welfare. But certain anomalies have been noticed such as inventory accumulations, lack of market strategies resulting in huge stocks of the commodities, loss of Rs. 1.14 crores in NOIDA land deal case, etc. If the monitoring system had been perfect enough and periodical review of the projects and performance of TRIFED had been done by the Ministry of Welfare the losses would not have occurred. The Committee, therefore, recommend that the Ministry of Welfare should in future, be more vigilant in doing the monitoring and evaluation of the work and projects formulated or proposed to be formulated by TRIFED.

NEW DELHI;
5 December, 1992
14 Agrahayana, 1914(S)

(K. PRADHANI)
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.

APPENDIX

(Vide Para 4 of Introduction)

Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to Para No. in the Report	Summary of Conclusions/Recommendations
1	2	3
1.	1.14	<p>Under bye-laws of the society, persons/Societies/Institutions can become nominal members of the TRIFED with an admission fee of Rs. 1000/- after due acceptance by the Board of Directors. This enables the nominal member to do business or store goods or arrange sales thereof. The Committee also find that the Sowcar (money-lender) cannot become the member of the TRIFED. The Committee feel that there is need to involve tribals in the trading activities of the Federation and therefore, it is essential that membership should be open to them. The Secretary, Welfare also promised to look into the matter as to how the involvement of the tribals in the affairs of the Federation can be implemented with or without amending the bye-laws. The Committee, therefore, recommend that the Ministry of welfare may give urgent attention to this aspect and apprise them with the action taken in the matter within a period of three months.</p>
2.	1.22	<p>The primary aim with which the TRIFED has been set up is to see that the tribals living in the interior forest areas, are not exploited and get remunerative prices for their agricultural or minor forest produce and provide large employment opportunity. The Committee find that the location of Offices of TRIFED have been generally far away from the tribal areas. In Orissa, the TRIFED has opened one Branch office only in Bhubaneswar which is nearly 500 km. from the tribal area. It has been stated by the representative of the TRIFED that there is a supplementary role and if the LAMPS or any said</p>

organisation is functioning in an area than they do not feel the necessity to be there. The Committee are unable to accept this argument and feel that not much purpose will be served if the federation cannot get first hand knowledge of the conditions of the tribals living in interior areas. They, therefore, recommend that the location of the Offices of TRIFED should be close to the areas where tribal population is concentrated so that the benefits intended under the scheme can reach tribal people.

3. 1.23 One of the functions of TRIFED is to undertake identification, designing, planning, organisation, implementation & monitoring of forestry or agro-forestry projects of commercial importance so that marginal and otherwise unproductive resources including land-yield optimum resources result to generate and maximise economic growth for ultimate beneficiaries and members. It has been stated by TRIFED that the operations of the Federation are severely constrained by the absence of authentic data viz. on the tribal areas and the tribal population of the country. The Committee have been informed that the Federation has proposed surveys and hope to do it by the end of this year (1992-93). The Committee are unhappy to note that although the Federation has been in existence for more than 5 years, yet this important operation for identification of the areas/ blocks has not been taken up in the right earnest. Obviously, the benefits of expertise in achieving optimum results for forestry or agro forestry products, have not accrued to the tribals and no worthwhile economic growth for ultimate beneficiaries has been achieved. The Committee, therefore, desire that the surveys to identify the areas for implementation and monitoring of forestry or agro forestry projects of commercial importance be taken up and requisite information collected from other agencies like State Forest Corporation be completed within a time frame of six months.

4. 2.9 TRIFED has at present a share capital of Rs. 50 crores out of which Rs. 25 crores i.e. 50% has been funded by Govt. of India, Public Deposit scheme introduced in the year 1991 has failed as only Rs. 12.50 lakhs could be collected against the target of Rs. 3.90 crores. The proposal to increase the share capital to Rs. 100 crores has

also been made to the Govt. of India by the Federation. The Committee have been informed that TRIFED cannot raise funds from the market by issue of bonds/debentures unless the byelaws relating to capital structure are amended or the federation is converted into a company. The Welfare Ministry has also discounted the possibility of raising funds from the market even if bye-laws are amended because the Public Sector Corporations do not perform so well. The Committee strongly feel that the objectives of the TRIFED will remain on paper only unless adequate capital is raised and made available to the Federation to implement the programmes. They, therefore, recommend that besides raising more capital to Rs. 100/- crores, the Federation should make a beginning by involving well-off tribals to contribute towards share capital/deposits by amending the bye-laws.

5. 2.10 It is seen that the perspective action plan of TRIFED envisages an outlay of Rs. 95 crores in 1994-95 on procurement and marketing operations only and no funds have been provided for other activities such as processing industries, trading centres in tribal areas, plantation based rural activities, etc. In fact the perspective total outlay will go down from Rs. 115 crores in 1992-93 and Rs. 119 crores in 1993-94 to Rs. 95 crores in 1994-95. The Committee feel concerned in the declining total outlay and desire that other sectoral schemes are not allowed to wither away due to lack of funds. The Committee recommend that allotment of funds should be increased proportionately for other activities such as processing industries, trading centres in tribal areas and plantation based rural activities.

6. 2.16 The Committee have taken a serious view that TRIFED has incurred losses to the tune of Rs. 1.14 crores on account of land deal for setting up International Trade and Research Centre on Minor Forest Produce and Herbs at NOIDA. Had the TRIFED management enquired in full about the cost of land and development charges well in advance from the NOIDA authorities, this huge loss would not have occurred. This was more important in this case, because TRIFED has a limited capital base of Rs. 50 crores and is engaged in the developmental and welfare activities for Scheduled Tribes. The Committee strongly recommend that responsibility should be fixed on the authorities who took the faulty decision in haste to buy the

land without verifying the cost and development charges of the land from NOIDA Authorities and they may be informed of the action taken against erring officials involved in this land deal case.

7. 3.6 The Committee have noted that TRIFED has started Java Citronella Plantation, cultivation and distillation projects in North Eastern Region to wean away tribal families from Jhoom Cultivation and to settle them on permanent cultivation sites and earn sufficient money. TRIFED also envisages to promote similar schemes in other States. Since the climate and germination rate of the plantation is good, and many tribal areas are also good for tea, coffee, rubber and other such plantation also, the Committee recommend that since coffee, tea, rubber, spices Board, etc. are commercial organisations and not directly concerned with the tribal development activities, the TRIFED being directly involved in the cause of tribal development and welfare activities, should survey the tribal belts all over India on its own so as to determine which areas are fit for a particular plant / seed cultivation / plantation. Besides the Government should provide all necessary infrastructural, monetary and expertise assistance to run the plantation projects in tribal areas where tea, coffee, rubber, spices board, etc. do not want to go in for such projects.

8. 3.14 Committee have noted that since 1989, TRIFED has started Price Support Scheme for procuring paddy, wheat and coarse-grain from tribal areas. This scheme has been extended to pulses and oilseeds also. By this scheme tribal are getting remunerative prices for their produces. But so far, procurements have been made from U.P., Orissa, Andhra Pradesh, Arunachal Pradesh and Assam only. The Committee recommend that this scheme should be extended to all the States such as Bihar, Madhya Pradesh, Rajasthan, Maharashtra, Gujarat, etc. also which have sizeable tribal areas, to pay remunerative prices to the tribals of those areas and to save them from losses through the exploitation of the middlemen and also the vagaries of the nature. The Committee also expect the TRIFED to cover more items of forest produce under this scheme in addition to the already covered crops.

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9. 3.15 The Committee further recommend that the Central grant-in-aid to TRIFED should be enhanced suitably to give remunerative prices on sustained basis and to create infrastructural facilities for augmentation of collection of oil seeds. Scheme should also be initiated to give some direct incentives to the tribal farmers, so as to encourage them to collect / grow larger quantities of produce to augment their income.

10. 3.17 The Committee find that with the grant of Rs. 27.00 lakhs received from the Ministry of Welfare, TRIFED has created a Price Fluctuation Fund for sal oil and De-oiled cake to give remunerative procurement price to tribals on a sustained basis. The Committee, recommend that such price fluctuation funds should be created for major / minor forest produces of the tribal areas such as niger-seed, mahua seed and flowers, Tendu leaves, Gam-Kafaya, Honey, Lac, Tamarind, Sericulture etc. to give remunerative prices to tribals and to encourage them to make higher collection of these produces which in turn will raise the socio-economic level of the tribals.

11. 3.21 The Committee have observed that under the centrally sponsored development programme for augmentation of collection of oil seeds of tree and forest origin. TRIFED has provided financial assistance to the tune of Rs.144.00 lakhs out of total Rs.200 lakhs which it received from the Ministry of Welfare, to the State Federations of Madhya Pradesh, West Bengal and Bihar only. Out of this (Rs.144 lakhs) major share went to West Bengal with Rs. 72.30 lakhs, Madhya Pradesh with Rs. 60.00 lakhs and Bihar got only Rs.11.70 lakhs. The Committee recommend that the TRIFED should try to ensure that the assistance under the above mentioned scheme should also be given to the State Federations of all the States which are having a sizeable tribal populated areas, in addition to the States already covered so as to enable the State Federations to promote collection of oil-seeds including sal-seeds and to provide storage and transportation facilities and to arrange mechanical devices.

12. 3.30 The Committee have observed that man and material assistance is taken by TRIFED from various national level as well as state level agencies who are engaged in

the tribal development and welfare activities, in project formulation, plantation, procurement of tribal produce, service-centres, etc. and there seems to be some overlapping of functions between TRIFED and member federations/corporations. It has also been observed that no guidelines have been issued by Ministry of Welfare to coordinate the activities of TRIFED and its member federations/corporations. Committee, therefore, recommend that the constraints, if any, in the relations of TRIFED and its member federations/corporations should be removed and a linkage should be established between them such as by pouring some money by TRIFED to its members particularly in north-eastern sector where these organisations are weak as has been accepted by the Government during the evidence. The Ministry of Welfare on its part should also issue the necessary guidelines for proper coordination of activities between TRIFED and its members.

13. 3.31 The Committee further recommend that the Pilot Project for establishment of single window service Centres which is now proposed to be set up at Jagdalpur(MP) only, should be extended to other States also which have sizeable tribal concentrated areas such as North Eastern States, Bihar, Orissa, Rajasthan, Gujarat, Maharashtra and Andhra Pradesh.

14. 3.37 The Committee find that TRIFED is participating in Trade Fairs and Exhibitions to popularise its trading items. The response is also good. Since these fairs are held for small period and at different places all over India which require a lot of expenditure in planning and carrying the goods to these fairs, TRIFED should market its products through its own outlets at the places where the products can be sold at a profitable rate. It is more necessary in case of perishable goods. In case of huge stocks, these can be auctioned, as is being done in case of Gum Karaya and other items. The Committee recommend that TRIFED should firstly enter into processing, packaging of the perishable goods and later on for other items as well, so as to earn more money to put in for developmental activities of the tribal areas.

15. 3.38 The Committee further recommend that since Mahua Flowers are used by tribals in making country liquor

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and as the suggestions has been accepted by TRIFED, these stocks should be bought by Govt. agencies from the tribals and may be sold outside the tribal areas to save the tribals from liquor consuming habit.

16. 3.43 Committee have noted that TRIFED is exporting some particular commodity to a particular country only, for example Tendu leaves are exported only to Pak and Sal-De oiled Cake only to U.S.S.R. It is recommended that TRIFED on its own and with the help of other agencies in the field should explore the export-markets for its commodities and Government of India should give the necessary expertise and assistance to TRIFED in this regard.

17. 4.8 The Committee are happy to know that an industrial complex is going to be set up by TRIFED at Jagdalpur (Madhya Pradesh) where tribal produce like cocoons, tamarind etc. will be converted into value added products for better return to tribals. Loans upto Rs. 20,000/- is also to be extended to those whose annual income is below Rs. 20,000. Maximum loan limit is Rs. 35,000/- Committee desire that for the technocrats and entrepreneurs belonging to Scheduled Castes and Scheduled Tribes categories who would like to establish their own units, the Govt. should raise the limit of loan money from Rs. 35,000/- to one crore of Rupees which may be required by them to establish an industrial unit as has been stated by the Managing Director TRIFED during the evidence. Coordination with other Corporations/Federations such as NSFDC should also be made to give maximum facilities to the SC/ST entrepreneurs.

18. 4.9 The Committee also recommend that more and more SC/ST Cooperative Societies should be encouraged by giving them land, loan, raw material, power and marketing facilities to start their own plantation, industrial or any other ancillary units. As far as possible tribals should be given preference in the services of these units and others should be employed only when suitable SC/ST candidates are not available.

19. 4.10 The Committee would also like the TRIFED to prepare the project reports for each of the tribal areas according to the requirements keeping in view the raw material

and infrastructural facilities available in these areas. As has been suggested by TRIFED these projects may be financed by TRIFED and other State level SC/ST Federations/Corporations on 50:50 share basis.

20. 4.11 The Committee further expect that the money will not be a constraint in financing these small projects in tribal areas as has been assured by the TRIFED authorities during the evidence.

21. 4.15 The Committee have been informed that TRIFED has a plan to establish training-cum-production centre at Jagdalpur (M.P.) presently the training to tribal workers and entrepreneurs is being given through National SC/ST Finance and Development Corporation. The Committee expect that more such training-cum-production centres would be started in tribal areas of other States which have a sizeable tribal population concentration, by TRIFED in coordination with NSFDC and other State Federations/organisations for entrepreneurship development among tribals and their cooperatives. These programmes should be run free of cost and on regular basis.

22. 4.19 Under the Bye-laws TRIFED can grant nominal membership with an admission fee of Rs. 1000 to such persons/societies/institutions who are interested to do the business or store goods or arrange sales thereof. On a suggestion by the Committee that the tribals should be finance by TRIFED to build godowns and to own trucks for transportation, the Ministry gave good response and promised that funds will be provided to those tribals who want to construct storage godowns and buy trucks. The Committee recommend that TRIFED should work out a scheme in this regard and apprise the Committee of the action taken within a period of three months.

23. 4.24 Exploring new uses for the farm and forest produce and improving their marketability through organised effort is one of the means to fetch better prices. This can be achieved through Research and Development and introduction of new practices in value addition to basic raw materials. The Federation has stated that Research and Development Programmes are suffering for want of resources. The Committee strongly feel that this programme should not be neglected and desire that

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Welfare Ministry should provide additional funds to be used specifically for Research and Development Programme.

24 5.12 Under the Price Support Scheme, the procurement and marketing of MFP is undertaken by TRIFED. The procurement is arranged through State level Federations which are Cooperative organisations, having primary cooperatives as their members. The Committee have been informed that whereas in the non-nationalised items everybody i.e. Private Sector, Cooperatives, etc. are allowed to operate, in the nationalised items, the State Govt. has jurisdiction and the procurement price is also fixed by the State Govt. and TRIFED does not have any say in the matter. As there have been cases of distress sale in nationalised items of MFP, the question of remunerative prices assumes greater importance. The Committee, therefore, recommend that TRIFED should play a principal role in persuading the concerned State Govts. to fix remunerative prices so that the interest of the tribals are safeguarded.

25 5.13 As stated above, the TRIFED generally makes purchases from the State level cooperatives of LAMPS under the Price Support Scheme. The role of TRIFED is, therefore, a supplementary role and direct purchases from the producer is not done unless in some cases, it is absolutely necessary. Instances of ineffective functioning of LAMPS and other primary cooperatives in this field have been noticed with the result that the tribal people do not find any outlet for their produce and suffer losses. To a suggestion that TRIFED should open its branches and do the procurement directly, there was a positive reaction from the Managing Director, TRIFED, who also promised that they will make surveys in the next season. The Committee appreciate the role of TRIFED but feel that their involvement under the PRICE support Scheme should be more dynamic and it should ensure that the real benefit percolates to the tribal people. They, therefore, recommend that TRIFED should open its branches in the tribal areas and arrange direct procurement where they find that the LAMPS or primary cooperatives are not functioning properly.

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26 5.18 It has been brought to the notice of the Committee that different norms are being followed by State Governments, regarding levy of royalty and Licence fee on MFP. The result is that the tribal farmers get low prices for their produce which is neither remunerative nor sufficient for their needs. Obviously this does not help in upliftment of the poor tribal people. The Committee have also noted that royalty on MFP constituted only a small percentage of the total revenue collection of the States but its levy causes immense hardship to the tribal people whose welfare is the duty of the State. During evidence, the Secretary, Welfare informed the Committee that the Welfare Ministry has written to all the Chief Ministers of States not to levy royalty on MFP. So far their efforts have not borne fruits. The Committee desire that the issue of waiver of royalty should not be delayed any longer and that the State Govt. should be persuaded to waive royalty and also the Licence Fee, as the case may be on MFP as this will result in remunerative prices to the tribals and also help in improving their economic conditions.

27 6.5 The Committee have been informed that the monitoring system for the working of TRIFED is two folds; one is done by TRIFED and the other is done by Ministry of Welfare. But certain anomalies have been noticed such as inventory accumulations, lack of market strategies resulting in huge stocks of the commodities, loss of Rs. 1.14 crores in NOIDA land deal case, etc. If the monitoring system had been perfect enough and periodical review of the projects and performance of TRIFED had been done by the Ministry of Welfare the losses would not have occurred. The Committee, therefore, recommend that the Ministry of Welfare should in future, be more vigilant in doing the monitoring and evaluation of the work and projects formulated or proposed to be formulated by TRIFED.