

# NTEFP

**Enterprise and Forest Governance**

Andhra Pradesh, Madhya Pradesh and Orissa

# Bamboo

( *Dendrocalamus strictus* and *Bambusa spp* )

Bamboo is a very versatile Non Timber Forest Product with a wide range of domestic, commercial, and industrial uses. A large number of rural artisans also depend on bamboo for their livelihood. Although there is great demand for bamboo, its production is far below its potential. For example, total domestic requirement of bamboo in Madhya Pradesh is estimated to be 150 million culms per annum. However, average annual production is just 38 million, 33 million from forests and 5 million from farms. Large-scale mortality of bamboo following gregarious flowering has exacerbated the problem.

The low production of bamboo is particularly sad as it has tremendous employment potential. It is estimated that a single hectare of bamboo plantation with 500 clumps can generate 384 days of unskilled labour work and 48 days of supervisory work over a period of 30 days (Tiwari, 1992). A major reason for low production is the constraints faced by private bamboo growers.



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## Bamboo

(*Dendrocalamus strictus* and *Bambusa spp*)



### Strengths

- Versatile NTFP with a range of domestic, commercial, and industrial uses.
- Used for making traditional handicrafts by bamboo artisans

### Weaknesses

- Production is far below potential
- Cumbersome procedures, especially transit rules.
- Supply of green bamboo to artisans is still a problem.

### Opportunities

- Tremendous employment generation potential on forest lands as well as farms.
- Several value addition possibilities.
- Renewed state focus through National Bamboo Mission

### Threats

- Periodic gregarious flowering and mortality.
- Increased availability of substitutes.

## Issues



- ▶ Lack of market for traditional bamboo products.
- ▶ There is a provision in AP and MP that the government will provide bamboo to some traditional societies at concessional rates but the quantity of bamboo provided is inadequate.
- ▶ The products made by the local communities do not bring them much income as the finished products are not of good quality.
- ▶ Lack of assured finances act as hindrance to the development of enterprises by the local community.
- ▶ As bamboo is a nationalized product, local communities do not get it in the desired quantity and quality, which discourages handicraft activities.
- ▶ Though the new foreign trade policy 2004-2009 has clearly identified the handicraft industry as an important source of employment, no measures have yet been taken to organize and systematize the bamboo handicraft industry.

## Call for action



- ▶ The process of deregulation and decentralisation of bamboo has already been initiated: this needs to be sustained and scaled up including in the non-VSS areas.
- ▶ A system should be devised for providing necessary training, capital and market linkages to the manufacturers.
- ▶ There is a need to rethink the quota system for Burood societies.
- ▶ An integrated marketing strategy should be adopted for improved marketing of bamboo products.
- ▶ Creation of adequate legal provisions for supply of bamboo to artisans, i.e., bringing all forests under the purview of the Supply Rules.
- ▶ Decentralized community based enterprise units at local level need to be facilitated, which will increase their profitability and sustainability. The units may be handled by smaller groups like SHGs and their federation, VSSs, or CFM groups.

## Introduction

Bamboo is predominantly found in the states of Madhya Pradesh, Orissa, Andhra Pradesh and Maharashtra as well as in the seven north eastern states. It is a major source of income for all these states. It provides direct employment (plantation, maintenance and extraction), self-employment (craft making) and secondary employment based on forest industries.

## Extraction

Bamboo is nationalised in Andhra Pradesh, Madhya Pradesh and Orissa. The government agencies extract bamboo in all these states. Bamboo from a particular coup is collected every four years in MP and Orissa, and every three years in AP. Harvesting takes place from October to June in MP and AP, and from January to March in Orissa. No felling is permitted from 1st July to 30th September in any states. All felling and transport of bamboo in sanctuaries is supposed to be completed by the end of April.

## Economic contribution

Bamboo is an important source of livelihood for rural people especially the Scheduled Tribes, Scheduled Castes and other poor traditional workers. Apart from the industrial and commercial uses, bamboo is widely used as building material. It is extensively used in construction of rural housing as poles, walls, roofing material, fencing, etc., and is often referred to as 'poor man's timber'.

## Enterprise Development: issues

### Andhra Pradesh

1- In Andhra Pradesh the bamboo allocated to the Burood societies often finds its way to the open market rather than being used for value addition, due to the huge demand for poles in the construction industry.

2- Lack of marketing facilities for traditional bamboo products have discouraged most of those communities who depend on craft-making.

### Madhya Pradesh

3- The imposition of strict rules upon villagers for the cultivation of bamboo (and its incorporation in various agro-forestry models) by the Government of Madhya Pradesh discouraged the villagers from both bamboo cultivation and enterprise development.

4- Due to lack of proper capacity building measures among traditional communities, their finished products do not bring them much income. In spite of training to upgrade their skills, there is limited demand from local markets and lack of further marketing linkages, the basod communities in MP continue with their traditional designs.

### Orissa

5- The bamboo cutting rules in Orissa allow mature bamboo to be cut after four years, but for craft-making, artisans need green bamboo which is at most two years old.

6- Under Rule-7 of the NTFP Supply Rules, Orissa, it is said that the state government/ Forest Department may open separate depots and supply bamboo to licensees at separate rates. However, no such depots have been opened nor have any rates been prescribed.

## Issues common to all states

7- No initiatives have been taken by the Forest Department or any other agency to effectively promote bamboo based cottage industry.

8- Limited supply to artisans and restrictive transit permits are the two major field level constraints to bamboo enterprise development.

9- Lack of bamboo depots, and the wide gap between

demand and availability due to limited legal access are some of the other operational constraints to enterprise development.

## Policy regulating the bamboo trade and hurdles to trade promotion

### Andhra Pradesh

Bamboo is a fully regulated NTFP in Andhra Pradesh. The state government fixes the price of bamboo. Furthermore, there is quota system for supplying bamboo to the registered Barood (medara) societies at concessional rates. Depending on the quality and length of the bamboo, it is divided into two types: industrial cut and solid, hollow bamboo. Industrial cuts are sold at forest/ plantation sites on the basis of tenders. The paper industries normally buy and transport the material directly to their mill sites. Green bamboo is sold by number and industrial cuts by weight. Both green bamboo and industrial cuts are subject to transit rules (through the Forest Act) and therefore require a valid permit for transportation. It is often felt that the price fixation is not realistic i.e. it is not commensurate with quality. As a result, the paper industry is shifting away from bamboo to reduce costs. The bamboo market is distorted due to the control and regulatory system.

### Madhya Pradesh

Harvested bamboo is transported to the forest division depots where it is graded for sale and disposal. As with Burood societies in AP, those villages residing within 5km of the forest fringes are entitled to bamboo at concessional rates. The price of the bamboo is fixed by the Conservator of the forest every six months. For industrial bamboo there is an open tender system whereby a state level tender is called. A trader has to register himself at the DFO's office by paying a registration fee of Rs 500; this has to be renewed every year. The trader has to deposit 25% of the sale amount on the day of the auction. Though Gram Panchayats have been given the rights to issue transit passes within their district and adjoining districts, they rarely execute this right due to long procedural hassles and lack of interest.

### Orissa

The government order of 23rd/24th May 2006 entitled VSSs to 100% share in the trade of bamboo harvested from their operational area. The Orissa Forest Produce (Control of Trade) Act, 1981 (OFPCTA-1981) was passed to prevent smuggling and to provide for a state monopoly in the specified forest produce (the products specified in the Act include all species of bamboo). As regards bamboo operation by a VSS, transport to OFDC's depot is to be undertaken by the VSS even if the JFM area is part of a bamboo coupe. A forester and Member Secretary or Range Officer issue the transit permit for bamboo transport to the OFDC depot directly or with its RMP, OFDC undertake its disposal to depot.

From the foregoing discussion it may be concluded that in order to enhance livelihoods of forest dependent poor through bamboo-based enterprise development, regulatory procedures need to be simplified and conscious efforts have to be made to promote bamboo-based community enterprises, with back-up from support services.





# Immediate attention is needed on

Ensuring timely and adequate supply of green bamboo at reasonable rates to artisans by appropriate changes in the bamboo felling and supply rules

Reducing the regulatory burden on bamboo producers.

Facilitating production on farms by simplifying transit permit rules.

Removing the transit permit requirement for products made from bamboo.

Promoting bamboo-based community enterprises backed up by support services

*These actions will contribute to improving the livelihoods of the poor through bamboo-based enterprise development*



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