

# NTEFP

**Enterprise and Forest Governance**

Andhra Pradesh, Madhya Pradesh and Orissa

# Tamarind

*(Tamarindus indica)*

India is the world's largest producer of tamarind fruit, which is collected from trees growing on all types of lands – forest, common, and private. Tamarind has a huge domestic and overseas market and commands a good price from the end-consumers. However, primary producers and collectors get very low prices and the bulk of the value is captured by the middlemen. Many collectors in Orissa and Madhya Pradesh are forced to sell tamarind at very low rates to petty traders. Some traders barter tamarind with low value items resulting in a major loss for the collectors. Many collectors also have credit linkages with the traders and use tamarind to clear their dues. In this arrangement too, the collectors end up getting a raw deal as the interest rates are usually quite high. Even in Andhra Pradesh, where the Girijan Cooperative Corporation (GCC) procures tamarind from the collectors at specified rates, the situation is no better.



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## Tamarind

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### Strengths

- Large scale production
- Huge market - domestic as well as overseas

### Weaknesses

- Primary collectors/ producers get very low prices
- Primary collectors cannot hold stock as it requires cold storage

### Opportunities

- Several value addition possibilities
- Export potential

### Threats

- Unsustainable harvest
- Unpredictable market fluctuations

### Issues



- ▶ Lack of microfinance facilities available to collectors
- ▶ Lack of proper storage facilities
- ▶ Lack of institutional support in terms of trade
- ▶ Lack of training and capacity building facilities to develop enterprise
- ▶ Lack of awareness about the different uses of tamarind
- ▶ Lack of initiative from the Government on tamarind enterprise development in all the areas where there is tamarind production

### Call for action

- ▶ Participation of primary collectors in development activities and policy framing should be encouraged by the concerned government departments.
- ▶ Proper credit should be provided to the primary collectors
- ▶ Flexible monopoly, i.e, allowing proactive community collectives to sell the produce to traders, with regulatory powers to NTFP corporations (State owned) to check the distress sale by primary collectors
- ▶ The Forest Department should encourage community level processing through Vana Samrakshana Samithis /forest protection committees.
- ▶ The Tribal Welfare Department and/or Forest Department should take measures to create storage facilities at community level along with awareness creation on maintaining proper care during storage.
- ▶ The State Governments should direct research and development establishments to work on potential value addition of tamarind and initiate appropriate follow up action.
- ▶ A uniform policy on inter-state trading of tamarind should be adopted to avoid problems in transportation.
- ▶ NGOs and communities should approach the Government seeking suitable actions on the above matters.



## Introduction

The most important product from the tamarind tree is its fruit pulp, which is used as a flavouring agent. The tree also yields several other products with a range of domestic and industrial uses.

Andhra Pradesh produces about 700,000 quintals of tamarind fruit, out of which the bulk comes from the farm sector. The Scheduled Tribes collect up to 40,000 quintals. In Madhya Pradesh the total production of tamarind in the state is around 1,200 quintals: Siddhi and Chindwara are important tamarind producing districts. In Orissa, tamarind is collected mainly from revenue lands and most of the collection is made from the southern districts, such as Gajapati and Rayagada. A large proportion of the collected tamarind is exported to Andhra Pradesh illicitly from neighbouring states, to take advantage of better prices offered in AP.

## Collection and income from Tamarind

Tamarind in all the states is collected at different stages depending on how it is going to be used, but in most cases it is collected after ripening. In MP it is collected in January, whilst in Orissa and AP it is collected between February and April. Even though it is mostly women who are involved in collection, children and men are also quite visible as collectors. The exploitation of tamarind collectors by middle men is still prevalent in all the states, but this has reduced a lot in AP following the GCC's intervention in purchasing tamarind directly from primary collectors.

The income from tamarind fruit varies from state to state and from household to household. In Orissa in a good crop year, the income varies from Rs.25003000 per household per season, which requires six weeks of hard work.

In Andhra Pradesh the GCC's intervention in the value addition process has helped the tribal people in Visakhapatnam region. Due to this, each day 100 people are employed in processing, at a wage rate of Rs. 60 per day, for up to six months a year.

## Policy regulating tamarind trade

In Andhra Pradesh, the Girijan Cooperative Corporation (GCC) has been granted a monopoly over the trade of forest produce (which includes tamarind) in scheduled areas as per the AP Scheduled Areas MFP Regulation (of trade) Act of 1979. As such, its operations are focused on the scheduled areas. However, the contract between the AP Forest Department and the GCC refers to the monopoly of trade in the entire state, for which GCC does not have any operational mechanism. Therefore, GCC procures only about 6% of the total

tamarind available in the state, but plays a crucial role in fixing the price of tamarind. The procurement price fixed by GCC attracts an influx of tamarind from the scheduled areas of neighbouring states, especially from Orissa (from Orissa traders to Andhra traders to the GCC), where the counterpart of GCC (Tribal Development Cooperative Corporation) is almost defunct and hardly procures any tamarind from the primary collectors. Even when it does procure some, the price offered is such that it is insufficient to discourage smuggling to Andhra traders.

Tamarind is a non-nationalised item in Orissa and MP and is available for free collection, storage and trade. However, once tamarind is purchased by a trader in Madhya Pradesh, a transit permit from the forest authorities is required before it can be transported from the procurement site to any other place.

In the case of Orissa, although Panchayats have been empowered to issue transit permits to transport tamarind (and several other NTFPs), transporters still face harassment at the forest check point as FD staff (especially those of other states) refuse to accept permits issued by the Panchayats. However, for transport within the state such permits are accepted.

From the foregoing discussion it may be concluded that, in order to improve the livelihoods of the primary collectors of tamarind, inter-state coordination matters with respect to transport of the produce have to be sorted out; the monopoly issue in Andhra Pradesh has to be reviewed on the basis of practical concerns (of both primary collectors and the GCC); and there is a need to focus on creation of effective storage and value addition opportunities at the community/ primary collector level.





# Immediate attention on

Reviewing the monopoly granted to the GCC in Andhra Pradesh and creation of a mechanism to look into inter-state coordination matters.

Focusing on price stabilization and creation of storage facilities and value addition at community level in all States.

*Contributes to improve the plight of primary collectors*



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The European Union and the Dutch government are supporting this work. The contents of this document are the sole responsibility of the authors and can under no circumstances be regarded as reflecting the position of the European Union or other supporters

Published by:

**Centre for People's Forestry**

ISBN 978 - 81-906691-7-7(SET)

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FGLG India is part of an international forest governance learning group initiative, coordinated by the International Institute for Environment and Development (IIED) and currently active in ten countries in Asia and Africa.

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