

NTEFP

Enterprise and Forest Governance

Andhra Pradesh, Madhya Pradesh and Orissa

Tendu Leaves

(*Diospyros melanoxylon*)

Tendu (Indian Ebony) leaves are one of the most important NTFP species in central India. The leaves of Tendu are used for wrapping bidi (Indian smoking tobacco). An estimated 350000 tons of leaves worth US \$2000 million, is collected annually throughout the forest of India. The state of Madhya Pradesh is the major tendu patta producing state (25% of the country's total production) followed by Chhattisgarh (20%), Orissa (15-20%) and Maharashtra (10%). Due to exploitation of the collectors by the traders, the state reserved the rights of collection and trade of the tendu leaves by declaring the product as a nationalized item, Madhya Pradesh was first to nationalized tendu leaves collection in 1964 followed by Andhra Pradesh (1971) and Orissa (1973). Madhya Pradesh the government distributes 100% benefit to the collectors from the sale of tendu leaves in form of direct payment as well as bonus. Whereas, Orissa govt. recently declared sharing of 50% of the tendu leaves grant for pluckers and binders' welfare fund and rest of the grant for infrastructure development of the districts of tendu leaf collection. On the other hand Andhra Pradesh does not have any benefit sharing arrangements and provides only wage rates to the collectors. Tendu leaves collection and bidi rolling is estimated to provide 106 million person days of and 675 million person days respectively, which is worth Rs. 4515 million. In spite of its lucrative business the trade is declining due to fall in demand following health concern, rising prices of raw materials and heavy taxation policy.



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Strengths

- High demand. Over half the tobacco consumption in India is through bidi made from tendu leaves.
- Collection and marketing through cooperatives
- Trades has been evolved and establish in past few decade following rigorous trail and errors
- Local community are capable of undertaking silviculture management of the species, which is quite simple

Weaknesses

- On an average, the collectors get Rs. 60/- per day which is below the minimum wage rate.
- Bush-cutting/pruning not done properly resulting in loss of production (quantity as well as quality).
- Price fixation and other management decision related to collection and trade are decided by the government and there is hardly any involvement of the beneficiaries in the decision making process.
- Procedural delays reduce impact of various welfare measures of the government for tendu leave pluckers.

Opportunities

- Some state governments have developed a policy of benefit sharing from the net profit from tendu trade with the collectors.
- Welfare measures such as insurance for collectors have been introduced in some states.
- Collectors can be involved in bidi rolling as rural micro enterprise

Threats

- Considered as "sunset" industry
- Uncertain future due to growing awareness about harmful effects of smoking
- If FD support in tendu leave procurement is withdrawn, it might again lead to collectors' exploitation.

Issues



- ▶ **Collection Malpractices:** Setting up of fire before collection, improper silviculture techniques of bush cutting, tending and cleaning reduces quality and productivity
- ▶ **Collection regulation:** The collection targets, duration of collection are prefixed by the forest department since it is a nationalized product as a result the total collections by the collectors are not procured by the Forest Corporations / Federations. This also sometimes encourages gray market for the tendu leave procurement, which goes unrecorded in official figures.
- ▶ **Post Harvesting Treatment:** Lack of proper post harvesting treatment like cleaning grading and drying of tendu leaves results in huge wastage of the total collection. Therefore, more orientation and training is required for this.
- ▶ **Storing:** Huge warehouse infrastructure was created to store tendu leaves by forest department in Madhya Pradesh and some other states so that the prices could be controlled in favour of the collectors. Now these storage facilities are no longer used for this purpose and the leaves are sold on spot after procurement so that immediate benefit to be given to the collectors. Now while, it provided quicker money to the collectors it also reduces the share of profit. The traders are however, now using these warehouses on lease to store the same leaves in some instances.

Issues



- ▶ **Processing:** The processing of tendu leaves into bidi has extreme unhealthy environment of work due to handling of tobacco by women and children. Simple safety measure like masks and gloves are also not available to the processors. There are virtually no other alternative uses or product diversification of tendu leaves.
- ▶ **Pricing and Trading:** Some states like Orissa lack proper policy on tender and auction of tendu leaves.
- ▶ **Taxation:** High sales tax and excise duty and non uniform taxation policy across state with double tax imposition for interstate transportation is applied in case of tendu leaves.
- ▶ **Transportation:** The collectors bear high transportation cost from the place of collection to the place of procurement.
- ▶ **Policy and Governance:** Benefit sharing arrangements like Madhya Pradesh is lacking in other states also the cooperative model of tendu leave collection is lacking for other states, which gives less opportunity to collectors in terms of benefit sharing and their role in the operation of the cooperatives.

Call for action

- ▶ For enhancement of the quality and quantity of production the State Forest Department should timely execute the silvicultural operations like Bush cutting, thinning, SMCs and protection from biotic pressure.
- ▶ Research should be done by the Institutions/ NGOs/ Forest Department / ICFRI/ SFRI to develop other alternatives of the tendu leaves besides bidi.
- ▶ Appropriate technology need to be developed by the Forest Department /Research Institutes for reducing wastage of leaf cover, proper storage, handling and transportation of the leaves
- ▶ A uniform regional trade policy for tendu patta needs to be developed by all the state Forest Departments having uniformity in sale procedure, procurement rates, conditions, taxes and transportation norms
- ▶ Price fixation based on the geographical and socio economic variations should be done by state Forest Department on zonal basis at least every two year interval.
- ▶ Local people should be involved in deciding the offer rates to the community.
- ▶ Civil Society Organisations should play a major role in capacity building for local level value addition on tendu leaves and linking them to the potential buyers.
- ▶ Bidi units can be promoted through government agencies by engaging the collectors as bidi roller so that the rollers get the value of the finished product.
- ▶ Production potential and production targets should be based on assessment and actual realization by the Forest Department.
- ▶ MoEF needs to take a proactive role in providing uniform legal procedures across all states in Central India with respect to transit.





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