

INDIRA GANDHI NATIONAL FOREST ACADEMY, DEHRADUN

TENDU LEAVES

Trade and management practices in India

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1. Introduction

Leaves of tree species *Diospyros melanoxylon* are used as wrappers of tobacco to produce *bidi*. This tree is commonly known as "tendu," but also called "abnus" in Andhra Pradesh, "kendu" in Orissa and West Bengal, "tembru" in Gujarat, "kari" in Kerala, "tembhurni" in Maharashtra, and "bali tupra" in Tamil Nadu. Botanical name of the tree is *Diospyros melanoxylon*. Off-cuts of leaves are burned and the ash is used in tooth powder.

Diospyros melanoxylon leaf is considered the most suitable wrapper on account of the ease with which it can be rolled and its wide availability. Leaves of many other plants like *Butea monosperma*, *Shorea robusta* etc. also find use as Bidi wrappers in different parts of the country but the texture, flavour and workability of *Diospyros* leaves are unmatched. The wide-scale use of *Diospyros melanoxylon* leaves in Bidi industry is mainly based on their enormous production, agreeable flavour, flexibility, resistance to decay and capacity to retain fires.



Tendu leaves

The broad morphological characters on which leaves, are selected and categorised for Bidi making are size, thickness of leaves, texture, relative thickness of midrib and lateral veins.

1.1 Distribution of tree : The species is abundant in Madhya Pradesh, Orissa, Maharashtra, Andhra Pradesh, Bihar, Rajasthan, Uttar Pradesh, Gujarat, Tamil Nadu, and West Bengal. It generally grows in dry mixed deciduous forests, occurring alongside *Shorea robusta* and *Tectona grandis*.



Tendu tree

Tendu leaf is an important NTFP and provides seasonal employment to millions of tendu leaf collectors every year. The trade in tendu leaves has been nationalised in all the major MFP producing states, which means that only state government or its authorised agents can procure these leaves from the collectors or growers.

Bidi rolling is the primary job which is very simple and can be done at any place at any time. It is a source of subsidiary occupation and supplementary income to lakhs of poor rural folk Bidi industry provides employment to the rural population during off season for collection of bidi leaves. Obviously, bidi industry has a vital role in rural welfare and in promoting rural economy.

1.2 Annual Production and Value: Around 371,000 tons of *bidi* leaves of more than Rs 937 Crore are produced annually in India, of which over 90 percent is collected from Madhya Pradesh, ChhattisGarh, Orissa, Maharashtra and Andhra Pradesh (Table 1).

Table 1. Annual production of tendu leaves

State	Production (1000 tons)	Value (Million Rs)
Madhya Pradesh	123.0	3075.0
ChhattisGarh	74.0	1849.5
Orissa	50.0	1250.0
Maharashtra	46.0	1150.0
Andhra Pradesh	39.0	975.0
Bihar	24.0	600.0
Rajasthan	6.5	162.5
Uttar Pradesh	5.0	125.0
Gujarat	5.0	125.0
Tamil Nadu	2.0	50.0
West Bengal	0.5	12.5
Total	371.0	9374.0

- Reporting of tendu leaves production by States is in Standard bag unit (1standard bag = 1000 bundles; 1 bundle = 50 tendu leaves)
- Conversion factor 1 standard bag = 45 kg has been used to arrive at figures in tons

- The value of these leaves is based on an average price of Rs 25,000 per ton, but rates vary from state to state, according to demand, availability of leaves, and location of bidi-making industries.

Madhya Pradesh is the biggest Tendu Leaves (Leaves of *Diospyros melonoxylon*) producing State of India. The average annual production of Tendu Leaves in Madhya Pradesh is around 25 lakh standard bags, which is nearly 25% of the total Tendu Leaves production of the country.

1.3 Average Collection per family : About 1800 bundles annually (one bundle is of 50 Tendu leaves)

The two main cash earners among NWFP, Sal (*Shorea robusta*) seeds and tendu (*Diospyros melanoxylon*) leaves, are collected primarily by women. It is estimated that more than 350,000 tonnes of tendu leaves are harvested annually by 600,000 women and children.

2. Management Practices

The leaves are obtained from Tendu tree (*Diospyros melanoxylon* Roxb.) belonging to Family *Ebenaceae*, which is endemic to Indian sub-continent. According to Troup (1921) *Diospyros melanoxylon* (inclusive of *D. tomentosa* and *D. tupru*) is one of the most characteristic trees of the dry deciduous forests throughout India, covering the entire Indian peninsula the area of distribution extends upto Nepal in sub-Himalayan tracts including the Indian plain, Gangetic plain, Madhya Pradesh, Maharashtra, western coast upto Malabar and Eastern coast upto Coromandel. The plant is also met with on the Nilgiris and Serawalli hills in the south.

Tendu is a slow growing plant of tree habit, but for ease of collection, the plants are pruned to retain them in the bush stage. They are abundant in degraded Sal and miscellaneous forests and also occur on wasteland adjoining forests. Tendu bushes are usually coppiced in February. The leaves then sprout and become ready for collection after about 45 days. Semi-mature leaves are collected from the first week of April to June.

2.1 Regeneration: There is wide variation in the quality of leaves from different locations. Superior-quality leaves of large size, papery texture, and inconspicuous veins fetch up to 5 times the price of inferior-quality leaves. There is, however, vast opportunity for propagating better strains artificially. About 40 percent of fresh seed germinates. Germination starts after 36 days and is complete in 80 days. It is best to raise seedlings in long narrow baskets and transplant the seedlings with the second rains. Seed can also be directly sown in lines.

Under natural conditions, seed germinates in the rainy season and seedling production is plentiful. Seedlings tolerate considerable shade, but for optional development more light is required. Seedlings resist frost and drought, but are vulnerable to excessive dampness. The profusion and tenacity of root suckers ensure the survival and spread of the species without planting.

For coppicing, the ideal girth of plants is 15 centimeters. Coppicing yields the best quality leaves and also facilitates easy collection. A light burning just before sprouting stimulates the dominant leaf buds and favors a better flush of numerous tender leaves. The best coppicing results are attained when stems are cut 15 centimeters above the ground, but cutting at such height is difficult.

Therefore, the common practice is to cut flush with the ground. Cutting occurs between January and March. There is a bumper production of leaves once in four years.



young tendu trees by side branch cutting

2.2 Collection of leaves: The procedure for collection and processing of tendu leaves has almost been standardised and almost the same procedure is used everywhere. The tendu plants are pruned in the months of February and March. Tree pruning or bush cutting is an important operation in the tendu leaf production process. This operation is executed directly by FD or its agents. The mature leaves are collected after about 45 days of pruning. Leaves are plucked just after they have turned from crimson to bright green and have a leathery texture. Generally, collection starts from the second fortnight of April and continues until the onset of the monsoon. Bundles of 50, 70, or 100 leaves (depending on drying conditions) are assembled and tied with strings or fibers from bark. These bundles are brought by collectors to collection centers where they are processed.

2.3 Drying and Curing of leaves: Proper drying of leaves is important. Too much moisture makes the leaves black and mouldy with foul odor. Too much drying makes the leaves brittle, resulting in loss during handling. To dry, leaf bundles are spread on the ground, keeping the dorsal sides up for three to four days. The bundles are then turned upside down. Drying is complete in about 8 to 10 days.

2.4 Packing and Storage: Dried leaves are packed in gunny sacks for storage in godowns until sold or used for making *bidis*. The number of leaves in one standard bag varies from state to state. Before filling the bags, the dried leaves are sprinkled with water to soften them and then filled tightly in jute bags and exposed to direct sunlight for 2 days. The bags, thus packed and cured, can be stored till their use in Bidi manufacture.

Great care is needed while plucking, curing and storage of tendu leaves. It is a sensitive product and with the slightest mistakes or oversight during any of these processes their quality deteriorates rendering them unfit for making Bidis.

3. Marketing Strategies in different states

Tendu leaves trade in all the producing states is nationalized. Madhya Pradesh, Chhattisgarh, Maharashtra, Andhra Pradesh, Orissa and Bihar are the main producer of tendu leaves and in all these states, trade in tendu leaves is nationalized. Nationalization means that State will have monopoly over trade. Different States did nationalization in different years. The primary objectives for nationalisation were –

- i.** Stopping pilferage in government forest and other lands,
- ii.** Provide definite value for Tendu leaves to growers,
- iii.** Increase revenue to state,
- iv.** Provide adequate wages to labour,
- v.** Improve quality and quantity of leaves by regular pruning and
- vi.** Ensure supply of leaves to small and medium manufacturers of bidis

Following table shows year of nationalization in different States :

Sr No	Name of State	Year of Nationalisation
1	2	3
1	Madhya Pradesh	1964
2	Chhattisgarh	1964
3	Maharashtra	1969
4	Andhra Pradesh	1971
5	Orissa	1961
6	Bihar	1974

After nationalization most of the state Governments decided to involve co-operative societies in the trade of Tendu Leaves. For this, a three tier Co-operative structure was designed. State Minor Forest Produce Federation was placed at the apex level of this structure. At the primary level, Primary Forest Produce Co-operative Societies were constituted. At the secondary level, District Forest Produce Co-operative Unions were formed. Till year 2003, all the activities related to tendu leaves collection, processing, transporting and godowning were done through this 3 tier structure. After godowning tendu leaves used to be sold to traders. Since 2004, instead of selling godowned leaves, selling of leaves in advance to the purchaser has been started. For a particular collection year, tendu leaves are sold in advance, nearly 6 months before the collection season. Then during the collection period, the collection of leaves and the payment of the collection wages to the pluckers will be done by the primary co-operative

society only. Green leaves will be handed over at the collection centre to the purchaser appointed in advance of collection. The purchaser will treat the leaves at collection centre, transport and store in his godowns or the godowns of Forest Department/Federation. The purchaser will make the payment of the purchase price in equal installments. Units which remain unsold, all the activities related to tendu leaves collection will be done by cooperative societies.

All the tendu leaves producing states are providing insurance cover to all the tendu leaves collectors. All tendu leaves pluckers between 18 and 60 years of age are insured free of cost under this scheme. In case of death of any plucker, his nominee is paid. Disability due to accident or permanent disability caused due to accident are also covered under this scheme and suitably compensated.

3.1 Marketing Strategies in the state of MP :

In Madhya Pradesh, tendu leaves trade is nationalised. Madhya Pradesh is the largest producer of tendu leaves in the country, accounting for 33.1% of the country's total production. The production of leaves in year 2012 was 26 lakhs standard bags . Tendu leaves are the most important NTFP in the state from the commercial as well as rural income perspective. Six million people are involved in tendu leaf collection in the state. The total turnover of the tendu trade (collection and rolling) in the state is estimated to be around Rs 388 cr in year 2012.

Initially, in erstwhile Madhya Bharat malguzars and ex-zamindars gave contracts to individual traders for rights of harvesting Tendu leaves till 1951. Abolition of proprietary rights in 1951 vested same rights with the state government, who in turn leased it to contractors. Contractors paid wages to pluckers and royalty to the government. It was observed that this arrangement led to number of malpractices. In view of its importance as an income source for tribal and revenue potential to state government, Tendu leave was nationalised by enactment of Tendu leaves (Vyapar Viniyaman) Adhiniyam, 1964.

After nationalisation, government appointed agents collected and delivered the produce to buyers. However, there was often collusion between the two resulting in underreporting of produce collected and consequent loss of revenue to the government. Therefore, the government shifted to the lump-sum payment system in 1980. This addressed the issue of government's revenue loss to some extent but the problem of exploitation of the leaf collectors by the agents still remained. In order to address this issue, government decided to promote cooperatives of leaf collectors. It created the Madhya Pradesh Minor Forest Produce Cooperative Federation (MPMFPCF) in 1984. In 1988, the State Government decided to involve co-operative societies in the trade of Tendu Leaves. For this, a three tier Co-operative structure was designed. M.P.State

Minor Forest Produce Federation was placed at the apex level of this structure. At the primary level, Primary Forest Produce Co-operative Societies were constituted. At the secondary level, District Forest Produce Co-operative Unions were formed. At present, there are 1,066 primary cooperatives, 60 district unions, and an apex federation at the state level – MPMFPCF.

The MP Govt. took a major policy decision in 2004 that instead of selling godowned leaves, sell the leaves in advance to the purchaser. However the collection of leaves and the payment of the collection wages to the pluckers will be done by the primary co-operative society only. Green leaves are handed over at the collection centre to the purchaser appointed in advance of collection. The purchaser will treat the leaves at collection centre, transport and store in his godowns or the godowns of Forest Department/Federation. The purchaser will make the payment of the purchase price in four equal installments. After implementation of this policy, in the first year 2004, Federation disposed 73% of total quantity in advance. Since then, nearly 100% quantity has been sold in advance to the purchasers. More over the average sale rates are also increasing every year. In nut shell the change in the trade of Tendu leaf policy has brought good results.

3.1.1 Tendu Leaves collection and Trade Practices

- The entire area of collection is divided into different units.
- These units are sold in advance through tenders and auctions by MPMFP Federation, .
- The funds for various operations are made available to the District Unions by the state level M.F.P. Federation. The District Unions provide funds for procurement to the Primary Societies.
- Temporary collection centres – called phad in Madhya Pradesh, phadi in Orissa and kallam in Andhra Pradesh– are opened to collect leaves. There are over 15,000 collection centers in the State.
- The leaves collected by collectors are purchased by the Phad Munshi of Primary Society at every collection centre. One employee of Forest works as Phad Abhirakshak at each collection centre.



collection of tendu leaves



local collection center 'Phad'

- Each family is given a collectors card. The daily collection of the plucker is entered in the card by Phad Munshi. The payment of collection charges of leaves is made weekly and the entry of the payment is made in the card.
- The collection of leaves and the payment of the collection wages to the pluckers is done by the Primary Co-operative Society only.
- Green leaves are handed over at the collection centres to the purchaser appointed in advance of collection.
- The purchaser treats the leaves at collection centres, transports and stores in his godowns or the godowns of Forest Department/ Federation.
- The purchaser makes the payment of the purchase price in four equal installments.
- The security deposit is 25% of the contract amount, minimum 10% in cash and balance in the form of Bank Guarantee.
- The processing, transport and storage of leaves in units unsold in advance are also done by primary cooperative societies and the District Union.

The collection work is seasonal. It lasts for about 6 weeks. Depending on the geographical location of Districts, the season may commence any time from the middle of April to second week of May. As this is the lean agricultural season, the employment opportunity available through tendu leaves collection is of vital importance to many poor households.

The collection stops ten to fifteen days before the onset of the monsoon, so that leaves can be cured, bagged & safely transported to godowns.

Data of Tendu Leaves Trade

Year	Collection	Collection Rate per S.B	Collection Wages	Quantity Stored	Sale Price	Expenditure	Net receipt
1989	43.61	150	65.42	43.58	405.15	114.70	290.45
1990	61.15	250	152.88	60.57	248.47	209.12	39.35
1991	46.16	250	115.40	45.79	298.07	180.00	118.07
1992	45.06	250	112.65	44.64	285.99	201.47	84.52
1993	41.31	300	123.93	40.98	252.77	198.29	54.48
1994	42.38	300	127.14	42.08	299.40	210.95	88.45
1995	39.56	300	118.68	39.36	289.39	197.80	91.59
1996	44.60	350	156.10	44.43	338.85	269.38	69.47
1997	40.14	350	140.49	39.95	338.69	244.05	94.64
1998	45.47	400	181.84	45.23	407.66	280.39	127.27
1999	49.37	400	194.20	49.12	402.20	283.87	118.33
2000	29.59	400	114.78	29.49	176.31	160.08	16.23
2001	21.28	400	83.09	21.22	111.05	136.07	-
2002	22.74	400	89.04	22.65	165.77	143.83	21.94
2003	22.25	400	87.56	22.21	152.95	140.71	12.24
2004	25.77	400	101.61	25.72	167.71	145.86	21.85
2005	16.83	400	66.37	16.82	131.41	106.90	24.51
2006	17.97	400	71.88	17.97	151.33	100.56	50.77
2007	24.21	450	108.95	24.21	373.64	136.89	236.75
2008	18.25	550	100.35	18.25	211.26	136.57	74.69
2009	20.49	550	112.67	20.49	265.49	149.86	115.63
2010	21.24	650	138.11	21.24	332.89	179.71	153.18
2011	17.06	650	110.80	17.06	310.06	154.10	155.96
2012	26.06	750	195.45	26.06	634.13	245.94	388.19

Note:-

- 1) Quantity: In lakh Standard Bags (1 Standard Bag=50,000 leaves);
- 2) Amount: In Rs. Crores
- 3) From year 2000 season, figures are for the new state of M.P..

Collection Rates in Different Seasons

Season	Area	Collection Rate (Rs. per S.B.)
1999, 2000 & 2001	5 D.U.- Shivpuri,Bhopal,Chhatarpur, Tikamgarh & N. Sagar	300/-
	All other D.U.	400/-
2002	4 D.U.- Bhopal,Chhatarpur, Tikamgarh & N. Sagar	300/-
	All other D.U.	400/-
2003,2004,2005	3 D.U.- Chhatarpur, Tikamgarh & N. Sagar	300/-
	All other D.U.	400/-
2006	All D.U.	400/-
2007	All D.U.	450/-
2008,2009	All D.U.	550/-
2010,2011	All D.U.	650/-
2012	All D.U.	750/-
2013	All D.U.	950/-

D.U. : District Union

From year 2000 season, figures are for the new state of M.P..

3.1.2 Group Insurance Scheme

A group insurance scheme for the Tendu leaves pluckers was launched in 1991. **It is the biggest insurance scheme of its kind in the whole of Asia.** All tendu leaves pluckers between 18 and 60 years of age (about 24 lakh) are insured free of cost under this scheme. The scheme is run by the Life Insurance Corporation of India. Following insurance amounts are paid under this scheme.

- a. **In case of death of any plucker covered under this scheme, his nominee is paid Rs. 3500/-.**
- b. **In case of disability due to accident, the plucker is paid an amount of Rs. 12500/-**
- c. **In case, the death or permanent disability caused is due to accident, the amount of insurance is Rs. 25000/-.**

The nominees of the pluckers are provided all help and guidance in the submission of claims. The settlement of claims is also monitored regularly. Till now, **207445** claims have been settled and an amount of Rs. **82.07** Crores paid to the nominees of the deceased pluckers.

Yearwise breakup of the settled claims is given in the table below:

Details of settlement of claims

Year	No of claims Settled	Amount of insurance paid (In Rs. crores)
1991-92	1194	0.36
1992-93	3235	0.99
1993-94	8238	2.48
1994-95	10699	3.37
1995-96	10361	3.54
1996-97	16522	5.75
1997-98	13249	4.69
1998-99	10215	3.76
1999-2000	15026	5.26
2000-01	18242	7.11
2001-02	16271	6.69
2002-03	10750	4.75
2003-04	11040	4.60
2004-05	10564	4.63
2005-06	4130	2.04
2006-07	13737	6.47
2007-08	8761	3.71
2008-09	10572	5.62
2009-10	6404	2.84
2010-11	8235	3.42
Total	207445	82.07

3.1.3 Incentive Wages to Tendu leaves pluckers

Looking to the huge profit margin of 1989 season the State Govt. decided to distribute Rs. 150 crores as incentive wages to the Tendu leaves pluckers out of the profit of 1989 season . This amount was paid in 4 instalment through accounts of pluckers opened in local branches of Cooperative Banks or credit societies. This payment was discontinued from 1990 season and was again started from 1995 season . For 1995 to 1997 seasons, nearly 20% of net income was paid as incentive wages.

As a consequence of 73rd Amendment to the Constitution , the State Govt. decided to pass on all the net income from the trade of N.W.F.P. to the societies and the

societies , in turn, distributed 50% of this net income to the Tendu leaves pluckers as incentive wages from 1998 season . From 2004 season the proportion of incentive wages has been enhanced to 60% of the net income. Currently Madhya Pradesh government shares the entire net profit from the tendu trade with the collectors.

Amount of incentive wages paid in various years

Collection Season	No of pluckers (in Lakhs)	Amount of Incentive wages paid (In Rs. crores)
1989	21.31	150.00
1995	15.76	10.76
1996	18.02	12.29
1997	22.41	15.30
1998	18.84	27.99
1999	15.50	48.22
2000	4.50	7.30
2002	5.23	8.22
2003	4.64	5.51
2004	8.21	11.80
2005	9.78	13.23
2006	10.87	27.41
2007	12.31	118.58
2008	7.98	38.73
2009	-	62.10
2010	-	82.57
2011	-	98.25
2012	-	244.55

3.2 CASE STUDY OF HARDA DISTRICT UNION, MP

Harda district union was formed in year 1989 when state government decided to form 3 tier cooperative structure for tendu leaves collection. At the State level ‘Madhya Pradesh Minor Forest Produce Federation’ with managing director as PCCF level officer was formed. Chairman of this state level MPMFP federation is elected. At the district level , district union Harda with Divisional Forest Officer working as managing director of the district union, was formed. Under the district union Harda, 8 Primary Cooperative Societies (PCS) were formed. Through these PCS the work of tendu leaves collection is done every year. Election to the post of chairman of these PCS are held at every 5 years. Then amongst the elected chairman, chairman for district union is chosen for 5 years.

Total number of Phad (collection centre) in the district union is 165. Total average collection per year for district union is around 22000 standard bags. For last 5 years information about collected tendu leaves cooperative society wise is as follows :

Sr No	Name of cooperative society	Number of Phad	Collected tendu leaves (Std. bags)				
			Year				
1	3	4	5				
			2009	2010	2011	2012	2013
1	Temgaon	30	1637	2719	1756	3483	2400
2	Rahatgaon	22	1356	2519	1710	2600	1992
3	Magardha	14	1204	1616	1079	2074	1915
4	Sirali	33	2611	2983	2196	3206	2290
5	Nayapura	14	2819	3858	3347	3801	3136
6	Bichola	13	2053	3581	2546	2955	2323
7	Handia	19	1747	3598	2602	3529	3136
8	Sontalai	20	3216	4028	2700	4071	2757
	Total	165	16643	24902	17936	25719	19979

Collection rate for each year is decided by MPMFP federation. As per the current policy of MPMFP federation, these units (each cooperative society forms a separate unit) are sold in advance through tenders and auctions by MPMFP Federation. For last 5 years all the units of Harda district union were sold in advance. Selling price and collection price for each unit for last5 years is as follows:

Sr No	Name of cooperative society	Sell Price (SP) & Collection Price (CP) per std. bag									
		Year									
1	3	5									
		2009		2010		2011		2012		2013	
		SP	CP	SP	CP	SP	CP	SP	CP	SP	CP
1	Temgaon	1712	550	2070	650	2448	650	4897	750	3051	950
2	Rahatgaon	1746	550	2031	650	2520	650	3339	750	3051	950
3	Magardha	1656	550	1980	650	2510	650	3231	750	2782	950
4	Sirali	1584	550	1909	650	2219	650	2893	750	2651	950
5	Nayapura	1491	550	1867	650	2219	650	3997	750	2469	950
6	Bichola	1551	550	1801	650	2154	650	3020	750	2715	950
7	Handia	1391	550	2019	650	2079	650	3677	750	2247	950
8	Sontalai	1371	550	2079	650	2114	650	3677	750	2389	950

Due to high sell price district union harda is earning high profit in this trade. As per the current policy of MPMFP federation, all the profit earned in this trade is distributed back to the primary collectors of tendu leaves. Since 2009 Harda district union has distributed this share of profit as 'bonus' to primary collectors as following :

Sr No	Name of cooperative society	Bonus distributed (rate per std bag & amount in Rs)							
		Year							
1	3	5							
		2009		2010		2011		2012	
		Rate in Rs	Amount in Rs (lakhs)	Rate in Rs	Amount in Rs (lakhs)	Rate in Rs	Amount in Rs (lakhs)	Rate in Rs	Amount in Rs (lakhs)
1	Temgaon	479	7.8	641	17.4	962	16.9	2462	85.7
2	Rahatgaon	497	6.7	620	15.6	1007	17.2	1480	38.5
3	Magardha	449	5.4	593	9.1	1650	17.8	1412	29.3
4	Sirali	410	10.7	554	16.5	818	17.9	1199	38.4
5	Nayapura	360	10.1	532	20.5	818	27.4	1895	72
6	Bichola	392	8.1	496	17.8	777	19.8	1279	37.8
7	Handia	306	5.5	614	22.1	779	18.9	1693	59.8
8	Sontalai	295	9.5	646	26.1	751	20.3	1693	69
	Total		63.8		145.7		156.4		430.7

4. Issues & Concerns

There is no doubt that progressive measures taken by different states for Tendu leaves collection have benefited the collectors. However, the actual field-level impact of such measures gets considerably diluted due to various reasons. These may be as follows:

- i.** Tree pruning or bush cutting is an important operation in the tendu leaf production process. This operation is executed directly by FD or its agents. However, it has not been getting the attention it deserves. The local level staff and agents often select areas for this operation based on their convenience (e.g. near a village) rather than from the perspective of enhancing production. It has been argued by the Kendu Patra Talali Mancha (Orissa Tendu Leaves Collectors' Forum) that repeated bush cutting in the same area over the years (rather than on a rotational basis) has resulted in reduction in both quantity and quality of leaves.
- ii.** In order to save on bush cutting cost, the area is often burnt. The implications of this practice for tendu production as well as local biodiversity have not been adequately investigated.
- iii.** The amount earmarked for bush cutting has also remained constant over the past few years though cost of operations has risen due to the increase in wage rate. This has resulted in reduction of the bush cutting area by nearly a fifth over the past few years, and consequently production as well as number of people engaged in tendu leaves collection has also been declining.
- iv.** The full potential of cooperativisation of the tendu trade has not been realised as primary cooperatives do not play a significant role in the government's tendu-related decision-making process.
- v.** Apart from the above issues, another major factor concerning tendu leaves is the uncertain future of the market. Due to increasing awareness about the harmful effects of smoking, it is quite likely that the demand for tendu leaves will fall in the future. Therefore, it is important to either develop alternate uses of tendu leaves (e.g. for leaf plates) or to focus on other NTFPs so that the income of the poor tendu leaves collectors as well as beedi rollers is protected.
- vi.** "The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006" passed by Government of India has given rights of ownership, access to collect, use and dispose of MFPs which have been traditionally collected within or outside of village boundaries, to Gram Sabhas. This may affect the arrangement / system which at present is being followed by Forest department if any Gram Sabha wants to have the rights for collection and trade of tendu leaves.

- vii.** There are some tendu leaves contractors, who deliberately encourage workers to set fire to the forest in the hope of fresh green leaves that grow later, which are good for beedis. In several cases fires are kindled in tendu units during January onwards with the expectation of a fresh flush of leaves. But the important point is that the benefits from these fresh tendu leaves are much less compared to the huge loss if the forest burns. Due to such fires almost the entire forest area in tendu units or in the vicinity, burns every year and irreversible damage is done to natural regeneration, fallen seeds, nests and habitats of micro fauna, wild life and the biodiversity of the area.

5. Steps Taken by State Governments to Tackle the Concerns

- i.** To tackle the problem of forest fire due to tendu trade, Maharashtra government has introduced new conditions on forest fires. The tender notice for inviting offers for permission to collect and remove tendu leaves for the 2012 season, has introduced new conditions on forest fires. Condition number 12 says that if a fire breaks out and its spread is beyond one hectare in a tendu unit during the period between January 1 to the date of auction, that is, before tendu leaves are auctioned and sold to a particular licensee, the auction of such tendu units in which the forest area falls, shall be withdrawn and no compensation shall be paid to the licensee for the loss or damage caused by the cancellation. The earnest money deposit and security deposit, if any, shall also be forfeited in such cases.

In addition, the gram panchayats or the gram sabha and tendu leaf collectors, who were likely to benefit from the auction of such units, shall not be entitled for compensation for the loss caused to them due to cancellation of the auction or sale of tendu units.

- ii.** All the tendu leaves producing states have also decided to share net profit from the tendu trade with the collectors. The Madhya Pradesh government shares the entire net profit from the tendu trade with the collectors. The Orissa government shares 50% of the net profit from tendu trade. The Andhra Pradesh government started 50% sharing profits from tendu leaves with VSS in 2002, and in 2006, it was decided to share 100% profit with all the collectors directly.
- iii.** All the tendu leaves producing states have also decided to provide insurance cover to all the tendu leaves collectors. The Andhra Pradesh government launched a group insurance scheme for all tendu leaf collectors between the ages of 18 and 59 years in 1991. Since 1992, half the premium has been paid by the FD. The remaining half is covered by the Life Insurance Corporation of India from its social security fund. Similarly, the Madhya Pradesh government has also started a group insurance scheme for all tendu collectors between 18 and 60 years of age. Half of the premium is paid by MPMFPCF and the balance by the central government.
- iv.** Many states have introduced a number of welfare measures for the collectors. For example, the Orissa government recently provided footwear to all tendu leaf collectors at a cost of Rs 20 million.