

A Study on Marketing of Forest Produce of Chhattisgarh State

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Abstract- Chhattisgarh is analyse policies, innovative wood products, markets of wood energy, value-added wood products and housing. Underlying the analysis is a comprehensive collection of data. The Review highlights the role of sustainable forest products in the international markets, policies concerning forest and forest products are broadly discussed, as well as the main drivers and trends. It also analyses the general economic situation and the general uncertainty on forest products markets in the difficult economic environment.

Forest products markets are influenced by a large number and wide variety of policies. Several policies directly affect how wood is viewed as part of an emerging green economy. These include trade policies such as illegal logging regulations and trade-related agreements. Renewable-energy policies, greenhouse gas reduction targets, carbon accounting, and green-building policies also affect wood markets.

The potential for the wider use of production centers in Chhattisgarh may increase those impacts. Forest-certification schemes often intersect with forest product policies. These various policies may be viewed as an opportunities or threats, placing the green credentials of wood products under intense scrutiny. This gives the forest sector the opportunity to adjust its practices so as to reduce impacts and to improve its methods of monitoring and reporting responsible behavior of production in Chhattisgarh forest products.

Key Words: forest products. , markets of wood marketing and trees contribute, Forest Federation. policies

1 INTRODUCTION

Forest animals also provide indirect benefits to humanity in creating and maintaining the forest environment, allowing it to provide the ecological services on which human livelihood depends. The ecological roles animals play include pollination, decomposition, seed dispersal, seed predation, herbivore and predation. Through these roles, animals influence such forest characteristics as composition and structure of vegetation. They also influence the reproductive success of plants, contribute to soil fertility and serve as regulators of pest populations. Chhattisgarh having 44 percent geographical area under forest is very rich contains a mixture of tradable and non-tradable goods. Tradable goods are either exportable or substitutable (i.e., goods that a household can either Export or can replace with imports). Non-tradable goods are those produced and consumed solely within the house

hold. Non-tradable goods can be either normal (superior) in that their consumption rises with household income, or inferior in that their consumption declines with rising household income the capacity of the forest to supply goods depends on their abundance and replacement rate households are economically rational, and seek higher standards of living.

The community is small relative to the extra-local market. Demand for the goods produced by the community is unlimited relative to the capacity of the community to supply them; thus goods exported by the community will affect neither demand nor price. This assumption does not hold for locally traded goods that often suffer from boom and bust cycles associated with over-supply and fickle demand When the value of a forest and an agricultural good is the same, and the capacity to increase production of both goods is equivalent, households should opt for producing a surplus of forest goods to trade, because part of the costs of extracting goods from the forest commons is borne by the community whereas all the costs of producing agricultural goods are borne by the household. [Baker, R. P., and Howell, A. C. (1938). The preparation of reports, New York: Ronald Press]

Table 1.1 Trade Volume of Behavior of Production In Chhattisgarh Forest Products.

S. No.	Category	Species/Produce	Estimated Trade in Rs. Crores
1	Nationali sed	Tendu Leaves, Sal seed, Harra and Gums- Kullu, Dhawda, Babul, Khair	750
2	Non Nationali sed	Sal Seed, Imli, Mahua, Lac, Kosa, Mahul Leaves, Chironjee Baibarring, Vanjeera, Kalmegh, Aonla etc	750

These produce are used by rural communities as medicine, and food. Moreover, the rural communities earn substantial income especially during non-agriculture season through the collection and sale of these produce. Currently, trade in nationalized is organized and controlled by the Chhattisgarh State Minor Forest Produce

Co-operative Federation. The unorganized trade of non-nationalized Medicinal plants has led to low collection prices to the collectors and unsustainable harvesting form forest areas. Moreover processing and industrial units are mainly located outside the state. [Anderson, TW. (1958). An introduction to multivariate analysis, new York: John wiley & sons.]

Forests and trees contribute in complex ways to the livelihoods of rural families. Farming households in the vicinity of forests often combine their agricultural production with collection of forest produce and make use of a multitude of such products as feeds, foods, fuel and medicines. Indirectly, numerous other forest products contribute to food security as they are used to make farm implements, for food storage or preservation or are traded to ensure that basic needs are met. Many studies have documented such direct or indirect roles of forests and trees. [Chaturvedi, J. C. (1953). Mathematical statistics, Agra: Nok Jhonk Karyalaya.]

2. RELATED WORK

With increasing trade, exploitation of forest-based exportable and superior non-tradable goods will intensify and their abundance will decline. Large, slow-growing, slow-reproducing species will be more prone to local extinction than small, fast-growing, rapidly reproducing species. High market value and efficient technology have the potential, however, of causing the local extinction of any forest-based exportable good. Kosa has lot of potential in the region in term of host plants to grow Kosa cocoons and government support in providing seeds and market to sell cocoon. [Rath, Bikash(2005). Globalization, Global Trend in Herbal Market, and the Impact thereof on Medicinal Plants in Orissa. Vasundhara. Bhubaneswar]

As a forest-based good becomes progressively rare with over-exploitation for export, the market for this good may change as consumers Trade encourages households to specialize in the production of those local goods that can be exported. We might expect that trade will enhance the conservation of substitutable and inferior non-tradable forest goods,because households reduce or cease their exploitation.[Kothari, C. R. (1984). Quantitative techniques, second ed. New Delhi: Vikas Publishing house pvt. Ltd.]

Institutional systems subsistence rubber estates extractive households orientation modern; agribusiness; farmer; market ranches forest manager integration Chhattisgarh is a pioneer State of India, producing the best quality Tendu leaves. The Tendu leaves are used as Beedi wrappers. The

production of Tendu leaves in Chhattisgarh is approximately 16.44 lacs standard bags annually, which is nearly 20% of the total Tendu leaves production of the country. One standard bag of Tendu leaves in Chhattisgarh comprises of 1000 bundles of 50 leaves each. The collection season is from third week of April to last week of May. The collection season starts earlier in the Southern part of the state in comparison to Northern part of the state.[Koul, Lokesh (2003). Manual for project work, New Delhi: school of education, ignou]

The Chhattisgarh 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 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 goodowns or the godowns of Forest 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. In the collection year 2007, 2009, 2010, 2011 and 2012, 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. [Gandhi, J. C. (1985). Marketing: a managerial introduction, New Delhi: Tata mcgraw – hill publishing co. ltd.]

2.1 POTENTIAL INTERVENTIONS FOR NTFP DEVELOPMENT.

2.1.1 Marketing of primary commodities

- a. Organise producers into trading groups or marketing co-operatives to improve their bargaining power
- b. Inform producers about prices in other locations and market channels
- c. Help marketing co-operatives reach more profitable markets, including access to working capital
- d. Reduce the number of levels of intermediaries in marketing
- e. Reduce transport costs through bulk shipments
- f. Develop infrastructure or services for transport

2.1.2 Marketing of processed products [Kotler, Philip, and Gary Armstrong(1996), Principal of marketing, New Delhi: Prentice hall of india]

- a. Conduct a market assessment and prepare a marketing strategy.
- b. Train processors in quality control and product

specifications of various markets.

- c. Inform processors about prices in other markets
- d. Link processors to manufacturers and consumers using the processed products
- e. Promote the purchase and use of sustainably produced products to increase demand on the domestic or export markets.
- f. Improve packaging and labelling
- g. Obtain a premium price for environmentally sustainable production
- h. Make financing available for storage, transport and marketing.

2.1.3 Processing access to technology and financing.

[Shiva M. P. & Mathur R. B. Price Regime Analysis, Marketing and Trade of Minor Forest Produce by C. Sekhar Eds.]

- a. Provide access to technology and financing for processing of marketing of forest produce of Chhattisgarh state.
- b. Make financing available for processing
- c. Develop commercially valuable by-products
- d. Establish private or co-operatively owned facilities for local processing to lower transport costs, reduce number of intermediaries, decrease storage losses and generate more value added locally
- e. Improve quality control
- f. Diversify the products processed
- g. Reduce processing costs or increase productivity
- h. Decrease environmental impacts in processing

Chhattisgarh having 44 percent geographical area under forest is very rich in biodiversity because of favorable agro climatic condition like good rainfall and comparatively less biotic interference. State has dense forest cover with all the three canopies in the forest area. The forest ecosystems can broadly classified into following three types depending upon species composition. [Mintzberg, Henry, (1979). The structuring of organisations, Englewood cliffs, N. J., prentice-hall, inc.]

Table 1.2 Productions In Chhattisgarh Forest Type Area Biodiversity Status, Products.

S. No.	Forest Type	Area(Sq. Km.)	% of G.A.	Biodiversity Status
1.	Sal Forest	19682	14.56	Very Rich
2.	Teak Forest	5858	4.33	Fairly Rich
3.	Mixed Forest	34230	25.32	Rich
	Total	59772	44.21	

2.1.4 : Based on significance of potential income can generate

- (a) **Mahua, Lac, Tendupatta** adds significantly to household income in the project area.
- (b) **Kosa** has lot of potential but very few people are cultivating Kosa in the project area.
- (c) **Tori, Harra, Chironji and Anola** add very little to farmer’s income so any intervention by GVT is not likely to have significant impact on overall income of the farmers.

2.1.5 MARKET PRICES FLUCTUATIONS

Active involvement in providing market information

- a. Planting trees on which both type of Lac can be cultivated
- b. Value addition from scraped Lac to seed Lac which can be stored for longer duration.
- c. Work with forest department to set up

2.1.6 Collection and Trade Practices [Hussain, donna & Hussain K. M., (1985). Information processing systems for management, Homewood, III, Richard D. Irwin, inc.]

- a. The entire area of collection is divided into different units.
- b. These units are sold in advance through tenders and auctions by Federation, Raipur to facilitate the collection of Harra.
- c. The purchaser is required to deposit the 10% of the sale value, calculated on the basis of notified quantity in the tender notice, as security deposit.
- d. The collection charges to the collectors at collection centres are paid by the purchaser at the rate fixed by the Govt.
- e. Govt. of India decided scheme for purchase of Harra under “Mechanism for Marketing of Minor Forest Produce through Minimum Support Price and Development of Value Chain”.
- f. The collection rates for Harra is Rs. 1100/- per quintal for the year 2014-15.
- g. After making the payment to the collectors of the collection charge and the difference amount of sale rate and collection rate in the District Union, the purchaser is allowed to transport the collected Harra wherever he desires.
- h. The collection and payment to the collectors in units unsold in advance is done by Primary Societies through Phad Munshies and transportation to the permanent godowns is done by District Union.
- i. The godowned quantity of Harra is disposed off by tenders/auctions by M.F.P. Federation Raipur.

2.1.7 Sharing of Profit from Tendupatta trade

The profit earned from the trade of Tendu Leaves till 2007 season was distributed in the following manner.

- a. 70 % of profit as incentive wages to the collector of Tendu leaves. [Wheelen, Thomas L., & J. David Hunger, (1983). Strategic management and business policy reading, mass., Addison - Wesley publishing company.]
- b. 15 % of profit for village resource development.
- c. 15% of profit for the development of forest and forest produce. From the collection year 2008 profit earned from the trade of Tendu Leaves is distributed in the following manner.
- d. 80 % of profit as incentive wages to the collector of Tendu leaves.
- e. 15 % of profit for collection, sale, godowning and value additon of non-nationalized minor forest produce.
- f. 5% of profit for the temporary reimbursement of losses of societies.

2.1.8 Collection and Trade Practices [Malhotra, K.C. and Prodyut Bhattacharya(2010). Forest and Livelihood. Published by CESS, Hyderabad. pp.246]

- a. The villagers collect the forest produce from forest areas and sell in the local haat-bazars or to the petty traders in the nearest town.
- b. Some petty traders purchase the forest produce from the villagers, visiting their homes or villages at regular intervals.
- c. Main traders of forest produce collect this produce from petty traders or agents appointed by them for the purpose at village or haats.
- d. The produce collected by the petty traders or agents of main traders is graded / primarily processed.
- e. The graded / primarily processed material is sold in near by Mandis or to the main traders at Jagdalpur, Bilaspur, Dhamtari and Raipur markets in Chhattisgarh.
- f. The main trader, if required, further processes/grades the material according to the market need and sells the same in bigger markets of the country.
- g. The main markets out side the state for the forest produce of Chhattisgarh are in Delhi, Uttar Pradesh, Maharashtra, Madhya Pradesh, West Bengal, Tamilnadu and Andhra Pradesh states.
- h. The mode of trade with main traders is based on traditional market linkages and fixation of rates is based on the samples sent to the customer.

Table1.3 Forest Produce in Chhattisgarh Estimated Collection and Trade Quantities for Marketing

S.NO	Local Name	Potential (in qtl.)	Approximate Value (In Crores)
1	Imli	510000	161.68
2	Chironji	51200	44.29
3	Mahua Flower	500000	110.00
4	Mahua Seeds	302000	50.17
5	Kusum Lac	10000	10.00
6	Kusum Seed	27000	2.70
7	Kosa	113009644	24.92
8	Chirota	700000	42.00
9	Palas Lac	10000	4.00
10	Palas seeds	2000	0.12
11	Palas Flower	22000	1.54
12	Mahul leaves	22000	5.20
13	Phulbahari	15000	1.50
14	Baichandi	2700	0.29
TOTAL			458.41

2.11 Forest Produce in Chhattisgarh Estimated Quantities for Marketing.

Chhattisgarh having 44 percent geographical area under forest is very rich in biodiversity because of favorable agro climatic condition like good rainfall and comparatively less biotic interference. State has dense forest cover with all the three canopies in the forest area. The forest ecosystems can broadly classified into following three types depending upon species composition. [Bhattacharya, P.etal (2008). "Towards Certification of Wild Medicinal and Aromatic Plants in Four Indian States" *Unasylva*,230, vol.59, pp. 35-44.]

3. OBJECTIVE

Following are the objectives which have been formulated from the studies:-

1. To identify the marketing mix of forest produce in Chhattisgarh.
2. To understand the marketing dynamics of forest produce in Chhattisgarh.
3. To study and make analysis of the role and contribution of marketing in forest produce in Chhattisgarh.
4. To study how the major forest produce maintains their market and how effectively state utilize those resources.
5. To understand the problems faced in the marketing of forest produce providers in Chhattisgarh.
6. To recommend suitable changes in the management structure and marketing style to achieve better results, and suggestive actions for improvements, if possible.

4. PROPOSED APPROACH

The Chhattisgarh Government has declared the state as "Herbal state" with an objective to conserve resources including medicinal plants, cultivation of medicinal plants, non destructive harvesting, promote organized trade and promote based industries for processing. so as to generate the additional employment opportunities in the state and provide health cover. A taskforce has been constituted within Federation to achieve the objectives of herbal state. In order to explore the frequency, nature, determinants & underlying dynamics of thought, the research methodology can be:- Universe: Sum total of all the units that confirms to some designated part of specification is Universe. For this research, Chattisgarh region is the universe/Population []

Sample: The sample is the representative unit of population the researcher has taken public & private service undertakings(Name of Companies) as sample. Since in this research, Deliberate of purposive sampling is taken into consideration.

Sampling Size: Refers to number of items to be selected from the universe to constitute to sample. For this research, the sample size will be 400.

Type of Research : The research " title" is based on descriptive research as well as exploratory research. Descriptive research includes survey & fact finding enquiries of different kinds where as exploratory research is done so as to formulate the working hypothesis from an operational point of view.

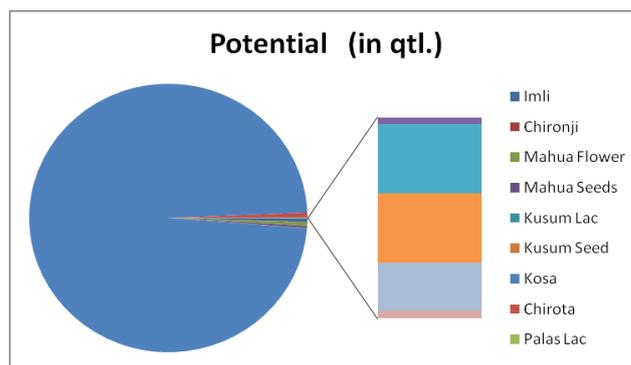
Data Collection : The data will be collected from primary-source as well as secondary data source. The statistical technique like correlation parametric or non-parametric test etc, can be used.

5. RESULT

Chhattisgarh State Minor Forest Produce Co-Operative Federation is a part of the Government of Chhattisgarh. Its vision is to make a significance difference in the lives of the tribal poor through minor forest produce collection, processing and marketing. The project included evolving a marketing direction for the retail brand, positioning the brand among the core customers, evolving a brand architecture and communication guidelines in order to catalyse growth.

Aonla Dry	<i>Embilica officinalis</i>	31000
Van Tulsi	<i>Ocimum Gratissimum</i>	44000
Bel Pulp	<i>Aegle Marmelos</i>	15600
Baibadang	<i>Embelia Ribes</i>	11300
Dhawai	<i>Wooddfordia</i>	26250

Flower	<i>fruticosa</i>	
Kalmegh	<i>Andrographis paniculata</i>	13950
Bhelwa Fruit	<i>Semicarpus anacardium</i>	12250
Baheda	<i>Terminalia belerica</i>	26700
Nagarmotha	<i>Cyperus esculentus</i>	14800



This chart was clubbed with the resource chart of for the area and preferences of people, government support and expert advice were considered to identify to focus for development.

Based on willingness of farmers, government support and availability of resources in the research area

[A]Tendupatta is managed by forest department so dropped.

[B] Mahua is primarily used for making alcohol and sometimes prickle. Mahua prickle doesn't have much demand in the market; also Mahua alcohol is used by tribal for self consumptions. One of the possible interventions for Mahua is collective procurement, preservation and marketing of Mahua Flowers.

[C]Kosa has lot of potential in the region in term of host plants to grow Kosa cocoons and government support in providing seeds and market to sell cocoon.

A deeper analysis into the survey data reflects that only 22% people are aware of Kosa farming and of those aware people 76% people doesn't want to try Kosa. The most frequent reason given was poor return on Kosa crop as compared to labour required to cultivate it. Kosa cocoons sells very cheap in the market and most people found keeping the Kosa crop safe from birds, owls problematic. Travelling distance of wasteland where Kosa host tree exists from the main revenue land was also another de-motivating factor. Thus any intervention for Kosa will require starting work from scratch.

Data from state silk board which is only buying agency of Kosa cocoon in the project area shows that the production of Kosa cocoon from the project area is negligible. This

further proves that despite lot of potential Kosa is presently not cultivated by tribal families in the project villages.

6. CONCLUSION

PROMOTING THE DEVELOPMENT OF MARKETING OF FOREST PRODUCE OF CHHATTISGARH STATE BY SUCH MEASURES AS IT THINKS FIT.

1- Support and focus by state of Chhattisgarh and forest department is a very big strength for Lac. The forest department with the help of grants from European commission is promoting Lac in the project area and kanker district.

2- The opportunity to unify producers through support to encourage increased production, collective marketing and possibly processing.

3- 76% people didn't have access to Lac seeds due to previous crop failure. The untimely distribution from forest department also resulted in ineffective seeds. Only 13% people were aware of source of seeds other than self crop or from nearby farmers.

3- Price of Lac fluctuates a lot in every season and across seasons as well. The kusumi Lac price in present season was more than 3 times the price of Lac in last season. The prime reason is demand supply gap also the ability of the farmer to negotiate with the level of production he has.

5-Support from existing projects running in the project area, support from other stakeholders (forest office) willing to promote Lac, available resources. Considering the challenges listed above the following strategies are recommended the marketing of forest produce of Chhattisgarh state and raw product.

6.Collection and trade of nationalized minor forest produce such as Tendu leaves, Sal seed, Harra and Gums of Kullu, Dhawda, Khair and Babool.

7.Collection and trade of non-nationalized minor forest produce including medicinal and aromatic plants.

8.Promote non-wood forest produce collection and processing based micro enterprises.

9.Conservation, development and sustainable utilization of non-wood forest produce.

7. SUGGESTIONS

Suggests that development scenarios may move from peasantries (often linked to land-owners or trade patrons) to either to firms (agribusiness, ranch) or to Forest management by autonomous households. Presumably, such forest managers (or forest farmers) would conserve natural resources under adequate market conditions (valuation of forest) and appropriate economic policies (prices, taxes, quotas).

Each master trainer will facilitate implementation of training among the farmers.

1. Forest aders should maintain records of host trees of each of the trainees/growers.
2. Lac leaders should plan, notify and collect their brood Lac requirements in advance of the inoculation season.
3. They should offer technical guidance on all aspects of Lac production including choice of trees, pruning, and inoculation, Control of pests / diseases, timing of Lac removal and drying.
4. Provide regular market information to the growers.
5. Arrange the sale of brood/ raw Lac.
6. Encourage the formation into societies and/ or companies for collective marketing and co-ordination of brood Lac.
7. Incentives of Lac Leaders Recognition of being known as Lac Leader in the village.
8. Per farmer fee for ensuring implementation and record keeping
9. A small % share of additional produce or profit on successful crop cultivated using new methods.

8. Future Work

1. A broader picture of forest marketing may be developed by extending the work area, to all the marketing of forest produce of Chhattisgarh Organizations Plants across different regions and may be country as a whole.
2. Comparative analysis on HRD Climate of public and private sector In Chhattisgarh state forest produce Organizations can be drawn by the potential researcher.

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