

F.No. 2/19/2013-CP&R
Government of India
Ministry of Tribal Affairs
(CP&R Division)

281, August Kranti Bhavan,
Bhikaji Cama Place, New Delhi-110066

Date: 25-01-2014

To
(As per list)

Subject: **Guide lines and operational manual of the scheme "Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of Value Chain for MFP".**

Sir/Madam,

I am directed to inform that an estimated 100 million forest dwellers depend on the Minor Forest Produce (MFP) for food, shelter, medicines, cash income etc. Contribution of MFP to the house hold income varied between 10 to 70 percent and about 25 to 50 percent forest dwellers depend on them for food requirement. The price of MFP is most often determined by the traders than by demand /supply (barring few high revenue items nationalized by the state governments). Most of the MFP rich states are affected by left wing extremism making it easier for unscrupulous traders to operate freely in the market and the state is many a time unable to play effective role in checking the exploitation of the MFP gatherers.

2. In this backdrop, Committee of Secretaries (CoS) in its meeting held on 21.07.2010 decided that the Planning Commission, in consultation with the Ministry of Panchayati Raj and Ministry of Tribal Affairs (MoTA), would work out a mechanism for marketing of MFP to ensure fair returns to the MFP gatherers. Accordingly, Sudha Pillai Committee (Planning Commission) and Haque Committee (under Ministry of Panchayati Raj) constituted for the purpose, studied MFP trade in the country. Both the committees recommended strategic government intervention in the form of Minimum Support Price (MSP).

3. The MoTA held a series of consultations and meetings with State Governments and Ministries of the Central Government viz. the Ministry of Finance, Department of Expenditure, Panchayati Raj, Environment & Forest, Rural Development, the Planning

Commission, National Agriculture Cooperative Marketing Development Federation of India, Food Corporation of India and National Medicinal Plants Board and their views were duly incorporated in the proposal to EFC. The Planning Commission had given in principle approval. EFC met on the 27th of September, 2012 and again on the 10th of December 2012 and approved the scheme with certain modifications.

4. Based on the decisions of the EFC and Inter- state and inter-ministerial consultations, the scheme Minimum Support Price (MSP) for Minor Forest Produce (MFP) was formulated. The scheme has been designed as one of the social safety measure for the MFP gatherers, who are primarily members of Schedule Tribe.

5. In order to achieve objectives of u/s 3(1)(c) read with the preamble of FRA i.e., sustainable use, conservation of biodiversity, maintenance of ecological balance and ensuring livelihood and food security of forest dwelling scheduled tribes and other traditional forest dwellers, a package of interventions viz. Minimum Support Price, Trade Information System, Supply Chain Infrastructure, Value Addition and Scientific Harvesting of MFP have been introduced.

6. The scheme has been launched during 2013-14 and will continue during XII Five Year Plan (2012-2017) and beyond based on evaluation of its performance.

7. The total outlay of the project approved by the cabinet for the 12th plan period is Rs.967.28 crore Central Government share and Rs.249.50 crore State Government share. Working capital in the form of revolving funds in 75:25 ratio between the Central Government and the State Governments shall be provided during the initial two years.

8. The scheme envisages operation of a separate fund to meet the losses to the state agencies on 75:25 sharing between the Central and State governments. The fund will be made available to state agencies on yearly basis, based on their audited accounts and vetting by TRIFED. The fund requirement has been estimated as Rs. 285.00 crore (central share).

8. The Scheme will initially be implemented in the States having Scheduled Area and Scheduled Tribe in accordance with Fifth Schedule of the constitution of India for identified 12 MFP which are abundantly found in these States.

9. The scheme envisages fixation of Minimum Support Price for the selected MFP based on the suggestions/ input received from TRIFED & State and declaration of MSP for selected MFP by the Ministry of Tribal Affairs. TRIFED would be the nodal agency for implementation of the scheme. Marketing operation at pre fixed MSP will be undertaken by the designated State Agencies. Simultaneously, other medium & long term issues like sustainable collection, value addition, infrastructure development, knowledge base expansion of MFP, market intelligence development, strengthening the bargaining power of Gram Sabha/ Panchayat will also be addressed.

10. The detailed guide lines along with operational manual of the scheme are attached as Annexure-I for reference. These guidelines are also available on the website of the Ministry i.e www.tribal.nic.in.

11. You are therefore advised to take necessary action for rolling out the MSP operation for these identified MFP as indicated vide this Ministry's letter no. 2/21/2013-CP&R dated 02.01.2014.

Yours Faithfully,

(Nivedita)

Deputy Secretary to the Government of India
Telephone: 26182428

Encl: As above

**LIST OF NODAL DEPARTMENTS AND IMPLEMENTING AGENCIES INVOLVED IN OPERATION
OF MSP FOR MFP SCHEME**

1. Secretary, Forest Department, Govt. of Madhya Pradesh, Bhopal
2. Special Secretary, Forest Department, Govt. of Chhattisgarh, Raipur
3. Principal Secretary, Tribal Area Development, Udaipur, Rajasthan
4. Secretary, Tribal Development Department, Govt. of Gujarat, Ahmedabad
5. Commissioner-cum-Secretary, ST & SC Development Department, Govt. of Odisha, Bhubaneswar
6. Principal Secretary, Tribal Development Department, Govt. of Maharashtra, Mumbai
7. Principal Secretary, Tribal Welfare Department, Government of Andhra Pradesh, Hyderabad
8. Secretary, Welfare Department, Government of Jharkhand, Ranchi

9. Managing Directors of
 - a. CGMFP Federation, Raipur, Chhattisgarh.
 - b. M P. State MFP cooperative Federation, Bhopal, Madhya Pradesh.
 - c. Girijan Cooperative Corporation, Vishakhapatnam, Andhra Pradesh
 - d. OFDC, Bhubaneswar, Odisha
 - e. TDCC, Bhubaneswar, Odisha
 - f. JHASCOLAMPF, Ranchi, Jharkhand.
 - g. JHAMFCOFED, Ranchi, Jharkhand.
 - h. Gujarat State Forest Development Corporation, Vadodara, Gujarat
 - i. Rajasthan Tribal Area Development Coop. Federation, Udaipur, Rajasthan
 - j. MSCTDC LTD. Nasik (Maharashtra)

Copy to:

- (i) Managing Director, TRIFED---- For information and follow up action.
- (ii) PPS to JS (A), MoTA, Shastri Bhawan, New Delhi.
- (iii) Director NIC, MoTA, Shastri Bhawan, New Delhi – with the request to upload the contents on the website of the Ministry.

Guidelines of the scheme 'Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP' as a measure of social safety for MFP gatherers.

1. Introduction:

An estimated 100 million forest dwellers depend on the Minor Forest Produce (MFP) for food, shelter, medicines, cash income etc. Contribution of MFP to the house hold income varied between 10 to 70 percent and about 25 to 50 percent forest dwellers depend on them for food requirement.

The price of MFP is most often determined by the traders than by demand /supply (barring few high revenue items nationalized by the state governments). Most of the MFP rich states are affected by left wing extremism making it easier for unscrupulous traders to operate freely in the market and the state is many a time unable to play effective role in checking the exploitation of the gatherers.

Based on Inter- state and inter-ministerial consultation, suggestions of the Planning commission and Expenditure Finance Committee the scheme "Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP" as a measure of social safety for MFP gatherers' was formulated. The scheme was finally approved by the cabinet on 01-08-2013 for its implementation during the 12th plan period and beyond bases on its evaluation.

The scheme has been designed as one of the social safety measures for the Minor Forest Produce (MFP) gatherers, who are primarily members of Scheduled Tribe. It seeks to establish a system to ensure fair monetary returns for their efforts in collection, primary processing, storage, packaging, transportation etc. It also seeks to get them a share of revenue from the sales proceeds with cost deducted. It also aims to address other issues for sustainability of process.

2. Objectives: The basic objective of the scheme is to ensure fair returns to the MFP gatherers mainly through minimum support price for identified MFP collected by them along with necessary infrastructure at local level.

3. Fixation of MSP for MFP: Minimum Support Price would be determined based on the baseline survey of price for each of the MFP, its cost of collection, cost of cleaning and primary processing, packaging and transportation cost for each state. A Pricing Cell constituted in the TRIFED would be assigned this task. The Ministry will finally approve and announce state wise MSP for each MFP taken up for that state. The price review would be carried out every three years based on revision in cost of collection.

4. Coverage of MFP and the Coverage Area:

The scheme will initially be implemented in States having areas under V Schedule of the Indian constitution for non- nationalized and abundantly available items out of 12 MFP namely (i) Tendu, (ii) Bamboo, (iii) Mahuwa Seed, (iv) Sal Leaf, (v) Sal Seed, (vi) Lac, (vii) Chironjee, (viii) Wild Honey, (ix) Myrobalan, (x) Tamarind, (xi) Gums (Gum Karaya) and (xii) Karanj.

Any MFP nationalized for procurement would stand deleted from coverage under this scheme for that state. Similarly, MFP removed from monopoly procurement, can prospectively qualify for coverage under the scheme provided such change is effected at least six months prior to commencement of harvest season but not later than 31st December of the preceding calendar year. Once non-nationalized MFP is included for MSP under the scheme, it will continue to be in that list for at least three years.

5. Composition of the Scheme and Financial Requirements

The scheme has following main components:-

5.1 Revolving Fund: A revolving fund will be operated at state level for upfront payment for procuring MFP for the initial two years on 75:25 sharing by the Central and participating state governments. After the MFP is disposed off, the proceeds there from, shall be credited back to this fund. A budgetary provision of Rs.345.00 crore has been proposed in the scheme for this purpose.

5.2 Fund to meet the losses: The scheme envisages operation of a separate fund to meet the losses to the state agencies on 75:25 sharing between the Central and State governments. The fund will be made available to state agencies on yearly basis, based on their audited accounts and vetting by TRIFED. The fund requirement has been estimated as Rs. 285.00 crore (central share).

5.3 Expansion of Storage and Trading facilities at the State level: In order to operationalize the scheme, necessary infrastructure such as godowns, cold storage, processing facilities, transport facilities, etc. will be required for states which do not have adequate infrastructure. The estimated budget earmarked for this purpose is Rs.37.50 crore for the 12th plan.

5.4 Modernization of Haat:

Modernization of haats with permanent structure and facilities for storage, drinking water, shade, platforms etc., in a phased manner is an essential component of the scheme. Total budget of Rs.80.00 crore has been proposed; of which states shall bear 25% i.e Rs.20.00 crore and balance 60.00 crore shall be met by the Government of India.

5.5 Creation of Storage facility at aggregation points: The scheme seeks to establish small godowns of 50 MTs capacity at block level to aggregate the stocks procured at haats spread over the entire area under the block. The total requirements of funds have been estimated at Rs.28.00 crore out of which Center's share will be 75%, i.e. Rs.21 crore and the State's share will be 25% i.e 7.00crore during the 12th Five year plan . Apart from this state's share, the cost of land and recurring expenses will also be met by respective state agencies.

5.6 Multi purpose Centre for training, primary processing, value addition in MFP and storage/ (warehouse and cold storage) facilities:

To facilitate capacity building, training for value addition, storage, marketing of MFP and warehousing and cold storage facilities, TRIFED will initially establish five multipurpose centers in the first phase (12th Five year plan) at an estimated capital cost of Rs 71.00 crore.

5.7 Strengthening of State Institutions/ Service Charge of the State Agency: An incentive of 2% (of the base procurement value of MFP) to encourage the State Governments has been envisaged in the scheme for the initial five years and tentatively an amount of Rs.30.64 crore will be admissible as service charge to the state agencies for the twelfth plan period.

5.8 State Agency will also work to ensure that Aadhar numbers are seeded in the beneficiary account at the earliest. Periodic reviews will have to be undertaken in the initial period for linkage of Aadhar numbers with the system.

5.9 Capacity Building of Gram Sabha/ Panchayati Raj Institutions: Linkages with the 'Mahila Sashaktikaran Pariyojana' launched under NRLM initiative would be ensured for participation of MFP gatherers and their capacity through the gram Sabhas. Estimated budget for the purpose is Rs. 20.00 crore for 12th plan period.

5.10 Development of market information system: In order to ensure fair returns to the MFP collectors on a long term basis, MFP market information system will be developed. An advance information and communication technology based Scheme (MFPNET) shall be established for speedy collection and dissemination of market information. To start with, trade information through ITeS facility for quoting daily prices of the commodities traded along with quantity traded at major mandis like *Khadi Baoli* of Delhi through messaging and web based services would be created by TRIFED in collaboration with state level agencies. Daily prices and quantity traded at major mandis/bazaars would also be displayed on the web of TRIFED and state level agencies.

5.11 Expanding the knowledge base on MFP, training for sustainable collection, value addition, etc Appropriate training will be provided by the TRIFED to the stakeholders regarding resource regeneration, improved practices for extraction and value addition of MFP. An estimated budgetary requirement for undertaking these activities is 54.40 crore for the 12th plan period.

6. Institutional mechanism and Monitoring: The Ministry of Tribal Affairs (MOTA), Government of India shall be the nodal Ministry for operationalising the Scheme. State Governments will be responsible for implementation, supervision and monitoring of the scheme by constituting state level coordination and monitoring committee under the chairmanship of the Chief Secretaries and district level coordination and monitoring committee headed by District Collector for monitoring the scheme at the state and local level. Ministry of Tribal Affairs in association with TRIFED will monitor the performance of designated state agencies and review it periodically. TRIFED and the state agencies would keep close watch on the market prices during procurement season. Whenever the market price falls below the MSP, state agencies would start procurement. For this purpose, TRIFED will establish a trade information system for broadcasting daily prices through web and web enabled SMSes. Such information will be collected and forwarded to the TRIFED by market correspondents. It would scrutinize the accounts of the State Agencies. The details of scheme design, monitoring mechanism, flow of funds and operational mechanism at **Annex-A**.

7. Duration of the scheme:

The scheme has been launched during 2013-14 and will continue during XII Five Year Plan (2012-2017) and beyond based on evaluation of its performance.

8. Financial implications: Total cost of the project over the proposed period:

The estimated outlay of the scheme approved by the cabinet is Rs.967.28 crore as Central Government's share and in addition, States will share an amount of Rs.249.50 crore towards capital and revenue expenditure.

9. Miscellaneous:

Ministry of Tribal Affairs in consultation with Ministry of Finance and Planning Commission may effect changes in the scheme guidelines, other than those affecting the financing pattern as the scheme progress, if such changes are considered necessary.

OPERATIONAL MANUAL FOR “MECHANISM FOR MARKETING OF
MINOR FOREST PRODUCE (MFP) THROUGH MINIMUM SUPPORT PRICE
(MSP) AND DEVELOPMENT OF VALUE CHAIN FOR MFP”

2013-2014



MINISTRY OF TRIBAL AFFAIRS, GOVT. OF INDIA

**“The Mechanism for Marketing of Minor Forest Produce through
Minimum Support Price and Development of Value Chain”**

INDEX

S No.	Particular	Page No.
I	Preface	
	Operational Guidelines for Implementation of the scheme.	1
1	Introduction	1
2	Institutional Mechanism	1
3	Coverage of MFP & Coverage Area	2
4	Preparation and submission of proposal for procurement of MFP under the Scheme	2
4.1	Designating State Nodal Department and State level procurement agency	2
4.2	Annual Action Plan for procurement of MFP under MSP Scheme	3
5	Minimum Support Price for selected MFP	5
6	Infrastructure Development	5
7	Procurement Operational Arrangement	6
8	Publicity of the Scheme	10
9	Capacity Building of Gram Sabha/ Panchayati Raj Institutions	10
10	Development of Market Information System	10
11	Funding	11
12	Supervision and Monitoring	12
13	Post procurement inspection	14
14	Reporting/ Intimation	14
15	Incentive/service charge to the States	15
16	Audit and certification of utilization of funds	15
17	Grievance Redressal	15
18	Sales guidelines – Disposal of stocks procured under MSP Scheme	16
19	Profitability Analysis	17
20	Sharing the profit	18
21	Submission of Final Account	18
22	Other Programme Activities	18
23	Concluding the Scheme	19

List of Annexures

S No.	Particular	Page No.
1	Annexure 'A' Operational mechanism, Flow of Fund and Audit:	20
2	Annexure-1a CONSOLIDATED PROCUREMENT PLAN UNDER MSP FOR MFP FROM	24
3	Annexure-1b MFP WISE PROCUREMENT PLAN	26
4	Annexure-2 Quality Specifications for selected MFP (Fair Average Quality Grade)	28
5	Annexure – 3 SAFE GODWNING	35
6	Annexure- 4 SAMPLING METHDOLOGIES	38
7	Annexure- 5 FUND REQUISITION FORMAT	39
8	Annexure-6	40
9	Annexure- 7 WEEKLY PROCUREMENT REPORT	41
	Annexure- 8a MONTHLY PROCUREMENT & STORAGE REPORT	42
10	Annexure- 8b DISTRICTWISE PROCUREMENT	42
11	Annexure- 9 COST OF OPERATIONS	43
12	Annexure- 10 FINAL ACCOUNT	45

PREFACE

The Government of India has taken a decision to implement the scheme of “The Mechanism for Marketing of Minor Forest Produce through Minimum Support Price and Development of Value Chain” The scheme has been designed as one of the social safety measure for the MFP gatherers, who are primarily members of Schedule Tribe. The Scheduled Tribes and Other Forest Dwellers (Recognition of Forest Rights) Act, 2006 (Chapter-II, section 3(I)(c), the forest dwelling Scheduled Tribes and Other Traditional Forest Dwellers have been vested with right of ownership, access to collect, use and dispose of minor forest produce which has been traditionally collected within or outside village boundaries. In order to achieve objectives of u/s3(1)(c) read with the preamble of FRA i.e., sustainable use, conservation of biodiversity, maintenance of ecological balance and ensuring livelihood and food security of forest dwelling scheduled tribes and other traditional forest dwellers, a package of interventions viz. Minimum Support Price, Trade Information System, Supply Chain Infrastructure, Value Addition and Scientific Harvesting of MFP have been introduced.

The scheme has been launched during 2013-14 and will continue during XII Five Year Plan (2012-2017) and beyond based on evaluation of its performance. The Scheme is initially being implemented in the States having Scheduled Area and Scheduled Tribe in accordance with Fifth Schedule of the constitution of India for identified 12 MFP which are abundantly found in these States.

The scheme envisages fixation of Minimum Support Price for the selected MFP based on the suggestions/ input received from TRIFED & State and declaration of MSP for selected MFP by the Ministry of Tribal Affairs. Marketing operation at pre fixed MSP will be undertaken by the designated State Agencies. Working capital in the form of revolving funds in 75:25 ratio between the Central Government and the State Governments shall be provided for initial two years Simultaneously, other medium & long term issues like sustainable collection, value addition, infrastructure development, knowledge base expansion of MFP, market intelligence development, strengthening the bargaining power of Gram Sabha/ Panchayat will also be addressed.

Operational Guidelines for Implementation of the Scheme

1) Introduction:

The scheme has been designed as one of the social safety measures for the Minor Forest Produce (MFP) gatherers, who are primarily members of Scheduled Tribe. It seeks to establish a system to ensure fair monetary returns for their efforts in collection, primary processing, storage, packaging, transportation etc. It also seeks to get them a share of revenue from the sales proceeds with cost deducted. It also aims to address other issues for sustainability of process.

2) Institutional Mechanism and Monitoring:

- The Ministry of Tribal Affairs (MOTA), Government of India shall be the nodal Ministry for operationalising the Scheme.
- State Governments will be responsible for implementation, supervision and monitoring of the scheme by constituting state level coordination and monitoring committee under the chairmanship of the Chief Secretaries and district level coordination and monitoring committee headed by District Collector for monitoring the scheme at the state and local level.
- Ministry of Tribal Affairs in association with TRIFED will monitor the performance of designated state agencies and review it periodically.
- TRIFED will establish a trade information system for broadcasting daily prices through web and web enabled SMSes. Such information will be collected and forwarded to the TRIFED by market correspondents.
- TRIFED would scrutinize the accounts of the State Agencies (details of scheme design, monitoring mechanism, flow of funds and operational mechanism at Annex-A)

3) Coverage of MFP and The Coverage Area:

The scheme will initially be implemented in States having Schedule Areas and Scheduled Tribes as provided under Vth Schedule of the Indian constitution for abundantly available items out of the following 12 MFP for which gatherers have been vested full ownership right u/s 3(i) cc of FRA 2006.

Sl.No.	Name of MFP	Botanical name
1.	Lac	Kerria lacca
2.	Chironjee	Buchanania lanzan
3.	Wild Honey	Apis dorsetta, A.cerana, A.floera, Trigona spp
4.	Karanj Seed	Pongamia pinnata
5.	Mahuwa Seed	Madhucaindica M.latifolia, M. longifolia
6.	Sal Seed	Shorea robusta
7.	Sal Leaf	Shorea robusta
8.	Tamarind	Tamarindus indica
9.	Gum Karaya	Sterculia urens
10.	Myrobalan	Terminalia chebula
11.	Tendu	Diaspyros melonoxylon
12.	Bamboo	All species of Bamboos

4) Preparation and Submission of Proposal for Procurement of MFP Under the Scheme:

4.1 Designating State Nodal Department and State level Procurement agency:

i.) Each State shall designate a **State Nodal Department (SND)** which will be responsible for implementing and monitoring the scheme in the State. SND shall preferably be the Tribal Development Department. Main responsibilities of SND shall be:

- To ensure timely approval of the procurement plan submitted by the State Agency/ies (SA)
- To coordinate for supervision, monitoring and effective implementation of the Scheme.
- To submit final audited accounts of SAs to MoTA

ii) Each State shall also designate State Agency/ies (SA) for undertaking procurement of MFP under the Scheme. Main responsibilities of the SA shall be:

- To prepare proposal and detailed action plan for each season & commodity for procurement along with budgetary requirement and submit it to the State Nodal Department well in advance.
- To undertake procurement operation under MSP scheme
- To maintain a separate account of working capital & utilize the funds only for procurement of operations at the fixed MSP. Interest accrued on the working capital amount will also be accounted for in this account.
- To finalize the accounts related to each commodity on yearly basis and submit the commodity-wise statement of accounts in respect of transaction of procurement and disposal, duly audited by the Accountant General of State, through SND and the State Government to the MoTA.

4.2 Annual Action Plan for procurement of MFP under MSP scheme

i.) SA shall prepare a comprehensive procurement plan for the selected MFP to be procured **during the next financial year** (showing quarter-wise procurement and fund requirement).

ii.) The procurement plan should clearly specify the following details MFP-wise:

- Procurement season
- Total production potential in the targeted areas
- Total quantity estimated to be procured in the season and value thereof to be calculated as per the last years' procurement rates

- List of Procurement Centres/Haats to be operated along with the expected arrivals (quantity) at each of such Centres/Haats
- List of aggregated godowns/central godown corresponding to procurement centres
- Details of estimated expenses to be incurred on the following :
 - Handling charges (Loading/Unloading/Bagging/Stitching/ Weighment/ Stacking/Labour charges etc.)
 - Packing materials (Gunny bags etc.)
 - Transportation from procurement centre to aggregated godown (if involved)
 - Transportation from procurement centre to Central Godown
 - Storage charges
 - Cost of Capital, if any
 - Insurance charges
 - Statutory charges
 - Any other incidental charges to be specified clearly.
 - Service charges payable to grass-root level agencies, if engaged for procurement.

In order to maintain uniformity, the above details are to be furnished in the prescribed format shown at Annexure-1 (A & B).

iii.) The procurement plan prepared by SA on the above lines shall be submitted to State Nodal Deptt. (SND) for their concurrence and recommendation by 31st December every year.

iv.) Thereafter the Nodal Deptt. will submit the proposal for procurement of MFP in the State to TRIFED Head Office, New Delhi with a copy to the Regional Office concerned. TRIFED, in turn, shall scrutinize the proposal and submit it to the Ministry of Tribal Affairs with its recommendations by 31st Jan. every year.

v.) MoTA shall scrutinize the recommendations of TRIFED and accord sanction of the proposal within 30 days of receipt of proposal from TRIFED.

5) Minimum Support Price for Selected MFP.

Minimum Support Price would be determined based on the baseline survey of price for each of the MFP, its cost of collection, cost of cleaning and primary processing, packaging and transportation cost for each state. A Pricing Cell constituted in the TRIFED would be assigned this task.

- The Ministry will finally approve and announce state wise MSP for specified quality of each MFP taken up for that state.
- The price review would be carried out every three years based on revision in cost of collection.

6) Infrastructure Development:

A. To be developed by State

- I. State agency will ensure arrangement of adequate infrastructure facility for **storage, transport, primary processing, value addition** etc of MFP to be procured at MSP by efficiently utilizing the existing ones. However, if need arises state nodal department may submit separate proposal for establishing Warehouse/Cold storage /processing centers , giving full justification for their optimum utilization for implementation of the scheme.
- II. State nodal department may also submit proposal for **modernization of Haats like construction of Shades, platforms/small room, drinking water facilities etc** if not already available which may cost not more than Rs.5.00 lakh each haat and establishment of storage of 50 Mt capacities at each aggregation points.

The above proposal should be prepared and authenticated by qualified technical person/Engineer of the concerned department.

B. Establishment of Multipurpose Centers by TRIFED:

- To facilitate capacity building, training for value addition, scientific storage of high value MFP, Marketing of procured stock, TRIFED will simultaneously establish 5 Multipurpose Centers in the tribal areas.
- TRIFED will identify suitable place in the tribal area, work out detailed costs and submit a proposal for establishing such centers.

7) Procurement Operational Arrangement:

7.1 Deployment of adequate staff at procurement centers and Procurement Channels:

SA shall deploy adequate staff at the procurement centers matching with the scale of operations. The procurement centers must be functional well before the start of the actual procurement.

- SPA may undertake procurement through their existing set up or may engage Primary Procuring Agencies (PPA) like Co-operative Societies/ LAMPS/ Mahila Samities/ SHGs/VDCs/ JFMCs/ reputed NGOs etc. in consultation with Gram Sabha concerned as its procurement agents whose services could also be utilized for awareness generation, value addition etc. Suitable charges may be paid for such services .

7.2 Direct expenses incidental to procurement & storage:

The following direct expenses incidental to procurement & storage shall be included in the procurement plan by SA:

- Labour charges involved in weighing, stitching, loading at the procurement center
- Cost of Gunny / packing material (Indicate quantity of Bags)
- Transportation Charges up to the Aggregation point if required
- Labour charges involved in unloading, stacking
- Loading charges at the Aggregation point
- Transportation charges upto the Central Godown
- Unloading & Stacking charges
- Statutory levies if any,
- Primary Procuring agency charges

SA shall ensure that the charges for the above are in consonance with the prevailing market rate.

7.3 Transportation arrangements:

- i. Arrangement for transportation of the stock from the procurement centre to the storage point and/or to the destination by cheapest and safest mode shall be made by SA in a transparent manner as per the approved rates and procedure of the Government, well in advance.
- ii. SA shall ensure that the stocks are not permitted to be stored in the godowns of the transporter and should be straightaway dispatched to the destination.

- iii. SPA shall be responsible for the quality & quantity and also safety of the stocks from the point of procurement up to the point of final storage.

7.4 Quality parameters:

- i. SA shall ensure that the stocks procured under this scheme shall conform to the Fair Average Quality (FAQ) parameters mentioned in the Chapter on Quality Norms for different MFP enclosed as Annexure-2. The staff deputed at the procurement centers shall be made aware of the quality parameters.
- ii. Necessary directions/guidelines shall be issued by SA to the field staff about the assessment of the quality during procurement operation.

7.5 Packaging material:

Commodity specific packaging material as per trade practice shall be arranged by SA in a transparent manner as per the approved procedure well in advance.

7.6 Storage Arrangements:

- i. Storage shall be restricted to the nearest Warehouses owned by SA only or Central Warehousing Corporation/State Warehousing Corporation (CWC/SWC) godowns. However, SA may hire godowning facilities if space is not available or sufficient as per the standards prescribed by CWC/SWC. But in all cases, responsibilities of selecting the storage space and consequences arising out of storing in a new place shall lie on SA. Some suggestions about Safe Godowning facilities are mentioned at Annexure -3.
- ii. Depending upon the nature of the commodity Cold Storage facilities may be hired wherever required. Some of the commodities like Tamarind, Chironjee kernel are required to be stored in cold storage. Sometimes Honey, Gum karaya etc are also required to be kept under controlled atmosphere to prevent deterioration of quality.

7.7 Verification of weights, measures and quality

- i. SA must ensure that stocks brought by individual MFP gatherers are properly weighed at the Procurement Centre and upfront payment as per the MSP is made.
- ii. All the bags should be filled having uniform weight on net basis irrespective of trade practice.
- iii. In case of Honey, it shall be packed in appropriate food grade container.
- iv. The bags should be properly stenciled with details like
 - o Name of commodity
 - o Batch / lot number
 - o Date of storage
 - o Net weight of the material
- v. Driage/shortage shall be normatively accounted for in case of MFP to be stored in warehouse.
- vi. The procurement center must insist that the warehousing agency, at the time of finalizing the warehousing arrangement, take responsibility for the weight deposited.
- vii. The weight deposited must correspond to the weight delivered after deducting shortage/driage as per standard norms.
- viii. A random sample must be taken to verify weights within 15 days of their being deposited in the warehouse.
- ix. Quality check should also be performed by drawing the sample and conducting test to see conformity with quality specifications laid down at the time of procurement.

7.8 Warehouse Receipts (WHR):

SA shall ensure that Warehouse Agency give a fortnightly statement of stocks received by the agency indicating details of WHRs date wise and quantity covered therein. A copy of the same shall be sent to the local Regional Office of TRIFED.

7.9. Insurance:

SA shall ensure that procured and stored socks are comprehensively insured at all times against theft, fire, SRCC (strike, riot, civil commotion), natural calamities (earth quake, flood etc.) terrorist and malicious damages etc.

7.10 Sampling:

i. Representatives samples of stock procured shall be collected and sealed with proper signatures of authorized persons. General sampling methodologies for drawing samples are enclosed as Annexure- 4. Possibility of involving independent agencies for drawing of samples may also be explored.

ii The samples so drawn can be sent by the SA to the nearest reputed Testing Laboratory. The number of samples to be drawn can be decided by SA depending upon the requirement. For this purpose, SA may empanel a few testing laboratories and send the samples for testing as and when required.

7.11. Payment of MSP to MFP gatherers:

- It shall be the responsibility of SA to ensure that individual MFP gatherers get upfront payment as per the notified MSP for the stocks which he/she brings and delivers at the procurement centre and a simple and transparent procedure to this effect shall be put in place by SA.
- State Agency will also work to ensure that Aadhar numbers are seeded in the beneficiary account at the earliest. Periodic reviews will have to be undertaken in the initial period for linkage of Aadhar numbers with the system.

7.12 Documentation of Procurement & Distribution of profit amongst the Gatherers:

- SA will maintain a proper/correct up to date record of commodity wise MFP procured at each procurement centre from individual gatherer showing the name of gatherers, village, quantity procured and payment made in respect each transaction.
- SA may consider issuing cards to the individual gatherers as has been done by MPMFP & CGMFP Federations for Tendu Patta operations. Any other suitable system in this regard may also be considered.

7.13. Completion/Concluding of procurement operations

All procurement operations of a commodity need to be concluded once it is felt that

- The benefits of the procurement operation is not reaching to the target group;
- The arrivals/purchases in a particular season stop or become negligible;
- The prevailing market rate is higher than the MSP.

8) Publicity of the Scheme:

- Before commencement of the procurement, the MFP gatherers shall be made aware about the scheme with particular reference to Minimum Support Price fixed by the Government of India through publicity by media (including Radio, TV, Press etc.) and Posters/Banners, Pamphlets, drum beating etc.
- Notices, posters, banners etc. shall also be put up in the offices of the Gram Panchayat, Panchayat Samities/Mandals and District Head Quarters before commencement of procurement operations. The campaign must start well before start of the season and information through said modes shall be displayed at the Haat Bazars and other places frequented by the MFP gatherers.

9) Capacity Building of Gram Sabha/ Panchayati Raj Institutions:

- States shall ensure that Gram Sabhas are involved in implementation of the proposed Scheme and build their capacity to play meaningful role in the implementation of this Scheme.
- In order to ensure transparency and participatory decision-making at the village level, the SA shall share information about MFP operations and local accounts with Gram Sabha. Representatives of the SA shall attend Gram Sabha meetings on the MFP related issues.
- SA shall encourage participation of MFP gatherers by organizing them into Self Help Groups, Producer Companies, Cooperatives or other Collectives & support them through Non-Government Organizations to improve their bargaining power.
- Modernization of haats shall be done by State Agencies in consultation with Gram Sabha/ Panchayat & District Administration.

10) Development of Market Information System:

In order to ensure fair returns to the MFP collectors on a long term basis, MFP market information system will be developed. An advance information and communication technology based Scheme (MFPNET) shall be established for speedy collection and dissemination of market information. To start with, trade information through IT facility for quoting daily prices of the commodities traded along with quantity traded at major mandis

like *Khadi Baoli* of Delhi through messaging and web based services would be created by TRIFED in collaboration with state level agencies. Daily prices and quantity traded at major mandis/bazaars would also be displayed on the web of TRIFED and state level agencies. TRIFED will establish a trade information system for broadcasting daily prices through web and web enabled SMSes. Such information will be collected and forwarded to the TRIFED by market correspondents.

11) Funding:

- i. Release of initial Working Capital:
- ii. Working capital in the form of revolving funds in 75:25 ratio between the Central Government and the State Governments shall be released to SA directly by MoTA as per the agreed schedule mentioned in the proposal, recommendation of TRIFED and acceptance of MoTA. While sanctioning the schedule of providing funds for the operations, the benchmarks to be completed for utilization of the initial amount provided to the State will be specified.
- iii. Working Capital to be raised from the financial institutions only as an exception in case grants provided by the Centre and the States are inadequate.
- iv. Opening of Separate Bank Account:
 - a. A separate bank account(s) shall be opened by the SA for such MSP operations which shall be subject to verification by Government of India or its authorized representative at all times. All the funds transferred by Government of India and State Government for MSP operations and also sale proceeds for the stocks disposed of shall be routed through the bank account(s).
- v. Release of subsequent Funds:
 - a. Funds to be utilized efficiently and expeditiously and should not be blocked up with the inventory which may affect business operation.
 - b. Subsequent funds shall be released to SA on submission of utilization statements duly supported by the statement of goods procured commodity-wise and centre-cum-district-wise, its storage details at the designated godowns and also mid-term inspection reports conducted by SA or by TRIFED's authorised Officials. Request for funds shall have to be presented as per the prescribed format enclosed as Annexure-5.

vi. Idle Funds/Diversion of Funds

State agency will ensure that:

- There are no idle funds lying at procurement centers.
- Fund is not diverted for the activities other than it is approved

- vii. Efficient and appropriate utilization of funds will be monitored by TRIFED/Agency as authorized by the Ministry.
- viii. All requests for release of funds for MSP operations shall be made through SND to MoTA duly supported by the requisite documents authenticating achievement of benchmarks set at the time of approval by MoTA endorsing a copy of the same to TRIFED Regional Office of the concerned State in the prescribed format (Shown at Annexure-5).
- ix. The release of funds shall be made directly by MoTA to the bank account(s) of SND of the concerned State depending upon progress of procurement operations.
- x. SA shall maintain proper accounts of the funds received from MoTA & State Government, payment made to gatherers, and expences made towards incidentals and other costs.
- xi. SA shall make available for inspection by the representative of MoTA/TRIFED/Government of India from time to time or whenever required the aforesaid resister/account/document.

12) Supervision &Monitoring:

It is important to ensure that the scheme is strictly implemented as per the guideline & benefit of the scheme is extended to the target group i.e. tribals/ forest dwellers. The main responsibility for monitoring the scheme rest with State.

12.1 Constitution of State level Coordination & Monitoring Committee;

- i. SND shall issue necessary notification about constitution of State Level Monitoring Committee (SLCMC). SLCMC shall invariably be headed by Chief Secretary of the State and comprise :
- The concerned State Government Departments/Agencies,
 - Heads of Procurement Agencies and
 - Regional Manager, TRIFED.
- ii. The responsibilities of State level Committee shall be:

- To ensure preparedness of SA and timely approval of the Detailed Action Plan (DAP) submitted by SA to SND.
- To ensure proper coordination amongst all concerned Departments/Agencies for effective implementation of Minimum Support Price and issue necessary instructions for the purpose.
- To take fortnightly review of MSP operations (District wise) and take remedial measures as may be required to ensure timely payment of MSP to MFP gatherers.
- To take periodical review of status of storage and marketing of stocks procured under MSP and take remedial measures as may be required for efficient marketing of the stocks at the best possible prices.
- To ensure convergence of various schemes to optimize the welfare and development of tribal communities.

12.2 Constitution of District level Coordination & Monitoring Committee (DLCMC);

- i) SND shall issue necessary notification about constitution of DLCMC to be headed by District Collector and comprise local MPs, MLAs, CEO of Zilla Parishad, District Forest Officer, Tribal Welfare Officer, Weight & Measurement officer, District Heads of the Procurement Agencies, prominent NGOs dealing with the welfare of tribals etc.
- ii) The responsibilities of DLCMC shall be:
 - To ensure effective implementation of MSP to MFP gatherers in a professional and transparent manner.
 - To identify and finalize list of procurement centres/haats/storage facilities in the entire district for MSP operations and submit the same well in advance to the State level Procurement Agencies for preparing action plan and onward submission to the State Nodal Department.
 - To ensure preparedness of procurement agency for undertaking procurement under MSP at notified procurement centers.
 - To take weekly review of MSP operations in the district and take remedial measures as may be required to ensure timely payment of MSP to MFP gatherers.

- To review periodically the status of storage and disposal of stocks procured under MSP in the district and take remedial measures required for efficient disposal of the stocks.
- To undertake sensitization and awareness programmes about the Minimum Support Price through NGOs etc.
- Redressal of grievances with regard to MSP operations and related issues.

12.3 The monitoring committees constituted by the State Government at District and State Levels shall monitor the entire operations and share the relevant information with TRIFED and MoTA on monthly basis.

12.4 The Central Government shall also periodically monitor the operations either directly or through TRIFED or any other agency designated for this purpose.

13) Post Procurement Inspection:

- TRIFED & SA shall conduct inspection of stocks at different locations at suitable intervals to check whether adequate measures like proper storage, fumigation etc. are being taken to preserve and maintain quality of the stocks.
- Representative samples may be drawn by TRIFED directly or through SA from all the storage godowns and sent for testing. The report shall be shared with the concerned SA for initiating appropriate action in case of any major difference.

14) Reporting/Intimation

- Beginning & Closure of Procurement Operation**
Date of beginning and closure of the operation shall be intimated to TRIFED by SA immediately on commencement and closure. (Annexure-6)
- Weekly Report on Procurement Status**
A weekly report on the status of procurement shall be sent by SA to the TRIFED Regional Office every Monday who shall forward the same to TRIFED HO with comments. (Annexure-7)
- Monthly Procurement –cum- Stock Statement**

Each SA should send Procurement –cum-stock statement of the month latest by the 1st of the following month to TRIFED regional Office who shall forward the same to TRIFED HO with comments. (Annexure-8)

iv. Final procurement Accounts:

After completion of procurement and its storage, accounts of each commodity should be finalized by the SA so as to arrive at landed cost for calculation of costing of each commodity and also service charges admissible. The statement of landed cost at Central godown of each commodity should be submitted to TRIFED Regional Offices within 15 days of closure of procurement for onward submission to TRIFED HO and MoTA. A report on cost and related aspects of procurement shall be submitted by SA to the TRIFED HO in the prescribed format after closure of procurement of each commodity. (Annexure-9)

15) Incentives/ Service Charges To State Procuring Agency:

- SA shall be eligible for service charges not exceeding two percent of MSP.
- In the event of non-collection / under collection of items mentioned in the approved procurement plan due to whatever reasons, SA shall be entitled to 1% of MSP of total quantities approved in the procurement plan or 2% of the MSP for actual procurement whichever is higher.

16) Audit And Certification Of Utilization Of Funds:

- i. SA shall maintain separate Accounts/ Record for MSP operations which shall be open to auditing, verification.
- ii. SA shall submit an audited accounts statement duly certified by the Auditor General of the State in the prescribed format under Government Financial Rules (GFR) within three months of closure of procurement operation of each commodity. The audited Statement of Accounts and certified Utilization certificates shall be submitted by SND to MoTA directly.
- iii. All the claims & expenses are also subject to spot verification by representative of MoTA.

17) Grievance Redressal

For grievance redressal, SA shall institute appropriate mechanism. TRIFED being the nodal agency shall have a Grievance redressal cell at its HO. Phone numbers/ addresses/ email details etc. of officials responsible for grievance redressal shall be placed on TRIFED's website.

18) Sales Guidelines--Disposal Of Stocks Procured Under MSP Scheme:

- i. The main objective of the Minimum Support Price Scheme (MSP) for MFP is to ensure that a remunerative price can be ensured to the tribals/forest dwellers. As a part of the scheme, it is envisioned that Govt. of India shall announce a Minimum Support Price (MSP) for different MFP at which state level agencies are expected to purchase. In case the State level agencies incur any loss on the commodities procured under this scheme, the same shall be reimbursed by Govt. of India and the State Government Concerned in the ratio of 75: 25.
- ii. Accordingly, while a remunerative price shall be fixed to be paid to the MFP gatherers, the overall success of the scheme shall depend on how efficiently and at what price the items are sold. It is therefore essential that all out efforts are made to maximize sales so that losses, if any, can be minimized.
- iii. All SAs shall make all out efforts to dispose off the stock procured under MSP during the season and before the start of the next season by following a transparent and fair procedure and system.
- iv. SAs shall try to bring qualitative improvement in the process being followed by them for disposal of stock. It has been observed that if the competition is increased, the price realization increases and it results in minimization of losses. In view of the above, SAs are advised to make earnest efforts to improve competition by ensuring that maximum number of interested buyers participate in the sale.
- v. For dissemination of the information about sale, SAs shall do the following
 - a. Upload the tenders on their website.
 - b. Share information about the tenders with other organizations including TRIFED which can also upload the same on their website.
 - c. Create a mailing list and update it regularly so that a database of interested traders is created. This mailing list may have details about the traders and the product/product group in which they are interested. All advertisements must be brought to

- the notice of parties listed in the mailing list timely to enable them to inspect the materials and submission of offer.
- d. Share the database with agencies in different States engaged in trade of MFP.
 - e. Bring to the notice of prospective buyers availability of commodities through personal contact, emails, SMS in addition to regular mailing to provide equal opportunity to all and generate healthy competition.
 - vi. All SAs shall introduce online tendering process.
 - vii. As nodal agency for implementing the MSP scheme for MFP, records pertaining to the transaction under the scheme shall be open for inspection by Ministry of Tribal Affairs / TRIFED. They may seek information about any transaction on random basis in the interest of successful implementation of the scheme.
 - viii. SA shall inform about the prevalent market rates in the identified markets on a regular basis in prescribed format on fortnightly basis. The information so received shall be uploaded on NTFPNET being developed by TRIFED.
 - ix. SA shall also keep TRIFED informed about the disposal status of different commodities on monthly basis.
 - x. At the time of submission of accounts, SPA shall specifically inform about the efforts made to increase competition and the methodology of inviting offers.
 - xi. All State agencies shall strive to undertake value addition wherever possible to increase per unit realization.

19) Profitability Analysis

- i. After disposing off the stock preferably in a year, commodity-wise profit/ loss shall be worked out by SA and final account will be prepared within 30 days from the date of sale of stock of each commodity to ascertain profit / loss in the transactions. (Annexure-10)
- ii. The system of calculation of profit / loss shall be as follows:

- A. Profit – If amount received as sale proceeds is more than all cost including MSP, handling charges, transportation cost, storage cost, insurance coverage, service charges etc. directly attributable to the operations under the scheme.
- B. Loss – If amount received as sale proceeds is less than all cost including MSP, handling charges, transportation cost, storage cost, insurance coverage, service charges etc. directly attributable to the operations under the scheme.
- iii. In case of loss, the same shall be shared by the Central and State Govts. in the ratio 75:25.
- iv. Each state will submit the proposal for reimbursement of loss giving full justification for the same.
- v. The proposal will be examined by the TRIFED for the appropriateness before releasing the amount to the state by the MoTA.

20) Sharing The Profit:

- In case SPA earns profit on a commodity, entire profit shall be passed on to the gatherers of the said commodities who are its owners.
- For the purpose of returning the profit to the gatherers it is essential to maintain a proper record of procurement as mentioned at Para 7.12
- Efforts should be made to link the operation with Adhar No. as early as possible.

21) Submission of Final Account.

The designated State agencies will finalize the accounts based on established accounting principle, related to each commodity on yearly basis and submit the commodity-wise statement of account in respect of transaction of procurement and disposal, duly audited by the Accountant General of State, through their State nodal department to the MoTA. Each State will submit the proposal for reimbursement of loss giving full justification for the same. The losses shall be reimbursed for the actual quantity sold during the year.

22) Other Programme Activities

Training of MFP gatherers, Knowledge base expansion of MFP, publicity of the scheme etc. will be simultaneously taken by TRIFED

23) Concluding the Scheme.

The scheme is likely to continue in the next Plan period however, at the time of concluding the scheme MoTA will take a suitable decision about appropriation of the balanced funds.

Operational mechanism, Flow of Fund and Audit:

- i. The Ministry of Tribal Affairs (MoTA) will be the nodal Ministry for implementing the scheme assisted by the Tribal co-operative marketing Development federation (TRIFED), which will be entrusted with the responsibility for implementing the scheme through the State Agencies.
- ii. The pricing cell within TRIFED will suggest state wise MSP for each selected MFP in the State concerned.
- iii. MSP will be determined on the basis of cost of collection + cost of cleaning and primary processing +grading + packaging + transportation cost.
- iv. MoTA will announce the State wise MSP for selected MFP.
- v. Implementation of the scheme will be the responsibility of the State Governments.
- vi. The State Government will designate a nodal department/agency (preferably State Tribal Development Department) for the purpose.
- vii. The state shall constitute state level and district level coordination and monitoring committee headed by the Chief Secretary and concerned District Collector to ensure effective implementation of the scheme.
- viii. For effective implementation during initial years, state level coordination and monitoring committee (headed by the Chief Secretary) would monitor the implementation during harvest season and district level coordination and monitoring committee under DM will monitor the operation at district level.
- ix. The Nodal department will designate the procurement agency/agencies to undertake the procurement operations.
- x. TRIFED and the state agencies would keep close watch on the market prices during procurement season.
- xi. Whenever the market price falls below the MSP, State agencies would start procurement operation. For this purpose, TRIFED will establish a trade information system for broadcasting daily prices through web and web enabled SMSes. Such information will be collected and forwarded to the TRIFED by market correspondents.
- xii. States will develop procurement plan by accessing number of procurement centres required, estimated quantity of each MFP likely to be procured, arrangement of funds,

arrangement of storage and transportation, arrangement of manpower and involvement of agencies/ experts.

- xiii. State agencies will prepare proposal and detailed action plan for each season and commodity for procurement and submit it to the State nodal department well in advance.
- xiv. State agencies will prepare budgetary requirement and submit it to the State nodal department.
- xv. State nodal department will ensure timely approval of the procurement plan submitted by the State agencies.
- xvi. States will submit their detailed action plan in December for undertaking the procurement operations of MFP in the States for the next financial year.
- xvii. TRIFED will examine the proposal and send its recommendations to the Ministry of Tribal Affairs (MoTA).
- xviii. MoTA will further examine the proposal and release the requisite working capital to the state concerned
- xix. Working capital in the form of revolving funds in 75:25 ratio between the Central Government and the State Governments
- xx. Fund for meeting the Loss, if occurs will also be met provided in the same ratio.
- xxi. States will release the fund to the state designated agencies.
- xxii. State designated agencies will maintain a separate account of working capital and utilize the funds only for procurement of operations at the fixed MSP. Interest accrued on the working capital amount and profit (if any generated) will also be accounted for in this account.
- xxiii. Profit = If value of sales price - (MSP+ loading charge+ Transportation cost+ manpower cost) is positive on the operations will be passed on to the gatherers from whom stocks have been purchased .
- xxiv. Loss = If, Value of sales price - (MSP+ loading charge + Transportation cost+ manpower cost) is negative, if occurs, will be compensated by both the Central and State Government on 75:25 basis through a separate fund.
- xxv. State will ensure sufficient infrastructure for the operations along with manpower support.
- xxvi. States will ensure that Gram Sabhas are involved in implementation of the proposed Scheme

- xxvii. States will ensure that the Gram Sabha / PRIs are consulted by the Forest Department in formulation of their working plans of regeneration, conservation and management of MFP.
- xxviii. State will ensure setting up of adequate number of procurement centres with necessary manpower and storage facility to meet the needs of MFP gatherers.
- xxix. Procurement Agencies will share information about their operations and local accounts with Gram Sabha. Representatives of the Procurement Agencies will attend Gram Sabha meetings on the issues relating to trade of MFP.
- xxx. State agencies shall be encouraged to identify business advisor who will help them with marketing and will act as advisory group to suggest how more, lucrative markets can be access.
- xxxi. After Sale Operations and Audit --The designated state procurement agencies will finalize the accounts related to each commodity on yearly basis and submit the commodity-wise statement of account in respect of transaction of procurement and disposal, duly audited by the Accountant General of State, through their state nodal department to the MoTA.
- xxxii. Each state will submit the proposal for reimbursement of loss giving full justification for the same.
- xxxiii. The proposal will be examined by the TRIFED for the appropriateness before releasing the amount to the state by the MoTA.
- xxxiv. TRIFED will provide supports to the state government and the state agencies in following manners
- Collect information on MFP potential, market rates, quality specifications etc.
 - Prepare guidelines for procurement and sales operations.
 - Undertake advertisement and wide publicity about the scheme to create awareness amongst beneficiaries about the prices, good collections practices etc.
 - Obtain progress of the operations from state agencies on fortnightly bases, examine the same and give suggestions to Ministry.
 - Conduct random monitoring and inspection of the operations at procurement centres through its regional offices.
 - Check the deposits of stock in warehouse/cold storage.

- Prepare detailed product profile of each MFP covering marketing, regeneration, end uses etc.
- Find new uses of MFP through R&D activities
- Computerization of operations so that they can be undertaken on a large scale.
- Training of MFP gatherers on cultivation, scientific collection, primary processing value addition, storage, marketing etc by way of developing training module, organizing training of trainers etc.
- Multipurpose centers in above direction will be established for further purpose.

Annexure -1A

CONSOLIDATED PROCUREMENT PLAN UNDER MSP FOR MFPs FROM												
1	NAME OF THE PROCURING AGENCY											

2	PROCUREMENT PLAN COMMODITY-WISE MONTH-WISE QTY											
											TOTAL	
	COMMODITY	Procurement Season	JAN - MARCH		APRIL - JUNE		JULY - SEP		OCT - DEC		QTY IN MT	Value in lakhs
	Qty / Value		QTY	VAL	QTY	VAL	QTY	VAL	QTY	VAL	QTY	VAL
	COMMODITY 1											
	COMMODITY 1											
	COMMODITY 1											
	COMMODITY 1											
	TOTAL		0	0	0	0	0			0	0	0

3	QUARTER-WISE FUND REQUIREMENT											
	COMMODITY	Crop Season	JAN - MARCH		APRIL - JUNE		JULY - SEP		OCT - DEC		QTY IN MT	Value in lakhs
	Qty / Value											
	COMMODITY 1											
	COMMODITY 1											
	COMMODITY 1										24	
	COMMODITY 1											
	TOTAL		0	0	0	0	0			0	0	0

--	--	--	--	--	--	--	--	--	--	--	--

4 TENTATIVE DISPOSAL PLAN

COMMODITY	Crop Season	JAN - MARCH		APRIL - JUNE		JULY - SEP		OCT - DEC		QTY IN MT	Value in lakhs
Qty / Value											
COMMODITY 1											
COMMODITY 1											
COMMODITY 1											
COMMODITY 1											
TOTAL		0	0	0	0	0			0	0	0

5 PUBLICITY AND AWARENESS GENERATION PLAN:

DATE **SIGNATURE**
NAME
DESIGNATION

Annexure-1B

MFP WISE PROCUREMENT PLAN						
1	NAME OF THE STATE					
2	NAME OF THE COMMODITY					
3	SEASON OF THE COMMODITY					
4	STATE POTENTIAL			MT		
5	COLLECTION DURING LAST THREE YEARS					
	YEAR	QTY (MT)	VALUE (RS.IN Lakhs)	AVE RATE (RS. PER MT)		
6	PROCUREMENT PLAN					
	DIST.	HAAT	LAST YEAR COLLECTION (MT)	ESTIMATED PROUREMENT IN MT	STORAGE POINT	CAPACITY OF STORAGE POINT
	Dist 1	Haat 1			xx	
		Haat2			xx	
		Haat 3			yy	
	Dist 2	Haat 1			yy	
		Haat 2			zz	
		Haat 3			zz	
	TOTAL QTY			0		
7	OVERHEADS					
A	COLLECTION LEVEL					
I	PACKAGING MATERIAL CHARGES FOR KG GUNNY /PP BAG @ RS. PER BAG					
II	WEIGHMENT, LOADING					
III	TRANSPORTATION TO AGGREGATION POINT					
IV	UNLOADING AND LOADING AT AGGREGATION POINT					
V	TRANSPORTATION TO STORAGE GODOWN					
VI	SERVICE CHARGES TO PRIMARY LEVEL AGENCY					
VII	SUB TOTAL A					
B	STORAGE GODOWN LEVEL					
I	UNLOADING, STACKING					
II	STORAGE CHARGES @ RS. PMT PER MONTH FOR MONTHS					

III	SHORTAGES/DRIAGES AS PER NORMS				
IV	SUB TOTAL B				
C	SERVICE CHARGES TO THE IMPLEMENTING AGENCY 2% OF MSP				
D	TOTAL A+B+C				
8	QUARTERLY ESTIMATED PROCUREMENT PLAN & FUND REQD				
		EXPECTED PROCUREMENT		FUND REQMNT RS. IN LAKHS	
	QUARTER	QTY (MT)	VALUE (RS IN LAKHS)		
Value may be calculated at last year's MSP plus overheads mentioned at 5					
9	STORAGE PLAN				
10	DISPOSAL PROCEDURE				
11	TENTATIVE DISPOSAL PLAN (QUARTERWISE)				
	QUARTER	QTY (MT)	ESTIMATED SALE REALISATION IN RS. IN LAKHS		
12	REPORTING & MONITORING SYSTEM				
ANY OTHER (Any other information relevant to the operations)					
SIGNATURE NAME DESIGNATION DATE					

Quality Specifications for selected MFPs

(Fair Average Quality Grade)

1. SPECIFICATION OF TAMARIND WITH SEED

A) General Characteristic:

1. Tamarind (with seed) shall be obtained from *Tamarindus indica* L. after removal of outer covering from the mature and ripe fruits.

2. General Requirements:-

- (i) Tamarind (with seed) shall be mature and ripe and have characteristic taste.
- (ii) The color shall be pale yellow to brown
- (iii) Tamarind (with seeds) shall be free from rancid taste and musty odor.
- (iv) Tamarind (with seed) shall be free from external moisture or any other deleterious substance.

B) Special Characteristic:

S.No	Parameter	Maximum limits of tolerance
1	Moisture content percent by (Max)	22.00
2	Foreign matter (Organic and Inorganic) percent by weight (Max)	5.00
3	Damaged pods percent by mass on dry basis (Max)	3.00

Definition:

- i) Organic extraneous matter consists of vegetable matters of the plants other than the Tamarind pods and its seeds.
- ii) Inorganic extraneous matter consists of sand, stones, pebbles, lumps of earth, clay, mud etc.
- iii) Damaged pods means insect damaged pods and those which are devoid of pulp.

2. SPECIFICATION OF TAMARIND SEEDLESS

A. General Characteristic

- i) The Tamarind pulp shall have been obtained from the mature fruits of the *Tamarindus indica* by removing first the rind and then the fibrous skeleton enclosing the pulp and the seeds.
- ii) The color of the pulp shall be light brown to dark black or mixture of light red to tinged brown and black colors or vice versa.
- iii) The pulp shall have the characteristic taste and flavor and shall be free from any obnoxious odor.
- iv) The pulp shall be free from added moisture, insect infestation or live insects, mould, rodent contamination and deleterious substances.

B. Special Characteristic:

S.No	Parameter	Maximum limits of tolerance
1	Moisture content percent by weight (Max)	25.00
2	Foreign Matter including Organic & Inorganic matter percent by weight (Max)	12.00
3	Seed content percent by weight (Max)	20.00

Definition:

- i) Organic matter will consist of other parts of fruits such as fiber and rind.
- ii) Inorganic matter means stones, dust, dirt and any other foreign material of inorganic nature.

3. SPECIFICATION OF MAHUA SEED:

A. General Characteristic:

Mahuwa seed shall be the cotyledons obtained after decorticating the seed from the fruit borne on the tree *Madhuca indica*, *Madhuca longifolia*, *Madhuca latifolia*.

Minimum requirement:-

- i) Mahuwa seed shall be wholesome, free from obnoxious smell, deleterious substances and other impurities.
- ii) Mahuwa seed shall have uniform shape, size and color (Yellow to Almond color)

B. Special Characteristic:

S.No	Parameter	Maximum limits of tolerance
1	Moisture percent by weight (Max.)	12.00
2	Foreign matter, percent by weight, (Max.)	6.00
3	Damaged and broken seed percent by weight (Max)	15.00
4	Oil percent by weight (Min.)	38 %

Definitions:

- i) Foreign matter: shall include dust stones, lumps of earth or leaves, and any other edible or non edible seeds.
- ii) Damaged seeds: shall be the seeds which are damaged mechanically or by mould or those showing internal discoloration or seeds materially affecting the quality.
- iii) Broken: shall include those seeds which are less than three – fourth but more than one-fourth of a whole seed.

4. SPECIFICATION OF SAL SEED

A. General Characteristic:

- i. Sal seed shall be dried ripe seed of Shorea robusta Gaertn family Dipterocarpacea.
- ii. Sal seeds shall have uniform size shape and color(light green to yellow);
- iii. Sal seed shall be wholesome, free from insect infestation, obnoxious smell, deleterious substance and other impurities.

B. Special Characteristic:

S.No	Parameter	Limits of tolerance
1	Moisture percent by weight, (Max)	10.00
2	Foreign matter, percent by weight, (Max)	4.00
3	Split and Broken seed percent by weight (Max)	15.00
4	Oil percent by weight (Min)	10.00

Definition: -

- I) Foreign matter: -shall include dust, stone, lumps of earth, leaves any other edible or non- edible seed.
- II) Split and broken seeds: splits shall be the seeds which are broken in two parts length-wise Broken seeds shall be those which are smaller than splits.

5. SPECIFICATION OF KARANJ SEEDS:

A. General Characteristic:

- 1) Karanj seed shall be obtained from clean, healthy and mature pods or beans of the plant *Pongamia pinnata* of family Leguminosae.
- 2) The Karanj Seeds shall be wholesome, mature, clean, dried and of characteristic size, shape, odor and color (brown).
- 3) It shall be free from insect infestation, artificial coloring matter, obnoxious flavor, rancidity and mustiness.

B. Special Characteristic:

S.No	Parameter	Limits of tolerance
1	Moisture percent by weight, (Max)	11.00
2	Extraneous matter (Organic and Inorganic) percent by weight, (Max)	5.00
3	Broken seeds percent by weight, (Max)	15.00
4	Oil percent by weight (Min)	20.00

Definition: -

- i. Organic matter consists of leaves, twigs, stems, organic matters other than the karanj seeds.
- ii. Inorganic matter consists of metallic pieces, sand, gravel, dirt, pebbles, stones, lumps of earth, clay and mud, animal filth.
- iii. Insect infected seed means seeds which are wholly or partially bored or eaten by weevils

6. SPECIFICATION OF TENDU LEAVES:

A. General Characteristic:

- i. Tendu leaves shall be obtained from the tree of *Diospyrus melanoxylon*.
- ii. It shall be free from moulds, blemish and holes.

B. Special Characteristic:

Limits of tolerance

S.No	Parameter	Grade A	Grade B
1	Size	12-15 cms.	Below 12-8 cms.
2	Color	Greenish yellow to dull green	Greenish yellow to dull green
3	Texture	Fine	Medium
4	Thickness	0.1 mm – 2mms	0.2 mm to 4 mms.

7. SPECIFICATION OF CHIRONJI GUTHLI:

A. General Characteristic:

- i. Chironjee (seed) shall be obtained from *Buchanania lanzan* of family Anacardiaceae.
- ii. Chironjee shall be free from insect's infestation.
- iii. The Chironjee Seeds shall wholesome mature, clean & dried
- iv. The Chironjee shall have characteristic size, shape & color (Gray to black)

B. Special Characteristic:

S.No	Parameter	Limits of tolerance
1	Moisture percent by weight, (Max)	14.00
2	Foreign matter (Organic and Inorganic) percent by weight, (Max)	5.00
3	Broken and damaged seeds percent by weight, (Max)	4.00
4	Percentage of seed floating on water (Max)	10.00

8. SPECIFICATION OF MYROBALAN:

A. General Characteristic:

- i. Myrobalan shall be obtained from the plant *Terminalia chebulla* of family Combretaceae.
- ii. It shall be sound and solid nuts free from insect infestation.

- iii. Myrobalan shall have characteristic shape, size & colour (yellow to brown/ black) of the species found in the area.

B. Special Characteristic:

S.No	Parameter	Limits of tolerance
1	Moisture percent by weight, (Max)	11.00
2	Extraneous matter (Organic and Inorganic) percent by weight, (Max)	5.00

Definition: -

Extraneous matter: this comprised dust, dirt, crushed matter, seeds and other foreign matter.

9. SPECIFICATION OF GUM KARAYA:

A. General Characteristic:

- i. Gum karaya (crystal) is a vegetable gum produced as exudates by tree of the genus *Sterculia urens*.
- ii. Shall be reasonably dried.
- iii. It shall be free from fungus, insect infestation, rodent excreta etc.

B. Special Characteristic:

Grade	Color	Moisture % by weight (Max)	Bark and foreign matter % by weight
I	White with slight grey and yellow cast	10.00	1.50
II	Pale yellow to light tan and brown	10.00	3.00
III	Brown to black and mixed.	10.00	10.00

Definition:

- i) Foreign matter shall include bark, leaves, dust, dirt, stones pieces or any other organic and inorganic matter other than Gum karaya.

10. SPECIFICATION OF HONEY

A. General Characteristic:

- i. Honey shall be obtained from well ripened honey combs.
- ii. Honey shall be of sweet taste & characteristic aroma.
- iii. Of uniform color throughout and may vary from light to dark brown.
- iv. It shall be free from visible mould, inorganic or organic matters such as insect, debris, brood or grains of sand dirt, pieces of beeswax, the fragments of bees and other insects and free from any other extraneous matter, microorganism.
- v. It should be free from any adulterants like molasses, corn syrup etc.

B. Special Characteristic of Honey:

S .No	Parameter	Limits of tolerance
1	Specific gravity (Min)	1.35
2	Moisture percent by weight, (Max)	25.00
3	pH	3.2-4.5
4	Fiech's test	Negative

SAFE GODWNING

1. In Dry Warehouses:
 - I. Following should be taken into consideration while selecting a storage space
 - (a) Determining whether the commodity requires cold storage or ordinary warehouse.
 - (b) Identifying the nearest CWC/SWC/Warehouses owned by Member Federations/ State Agencies/ State Implementing agencies
 - (c) Reservation of space on the basis of quantity planned for procurement
 - (d) Entering into agreements with CWC/SWC/Warehouses owned by Member Federations and State Agencies/ State Implementing agencies before undertaking procurement operations
 - (e) All the relevant storage records / documents including updated stock register should be maintained at the State Agencies / State Implementing agencies controlling the procurement.
 - (f) All stocks shall be insured for full value with comprehensive risk cover from the time of procurement, its storage and till sale either by the warehouse or State Agencies/ State Implementing agencies directly.
 - II. The exact place of storage should be chosen after considering factors like availability of space
 - (a) The layout of the warehouse
 - (b) Must have at least two openings (entry/exit)
 - (c) Proper drainage system outside and inside
 - (d) Dry storage surface or dunnage to protect the goods from moisture damage. Wooden crates, bamboo mats and witted with polythene can be used for dunnage.
 - (e) Sloping roofs which allow rainwater to flow out
 - (f) No leakage of rain water from the roof, valley gutter, walls and floors protection from pests and rodents.
 - (g) Condition of the warehouse surroundings such as low lying areas, wild growth etc. should be avoided.
 - (h) Proper space for movement of vehicles and porters

- (i) Cost of transportation
- (j) Proximity to procurement center/terminal market
- (k) Storage charges

III. In case of non-availability of storage facilities with CWC/SWC/ godowns owned by the State Agencies / State Implementing agencies, other godowns may also be taken into consideration subject to fulfilling of above factors. But in all cases responsibilities of selecting the storage space and consequences arising out of storing in a new place shall lie on State Agencies / Implementing Agencies.

2. In Cold Storage:

I. Arrangements for storage of commodity requiring storage in cold storages should be done by ensuring the following:

- (a) At the time of planning the procurement of commodities, the State Agencies/ State Implementing agencies must clearly identify the requirement of cold storage facilities. Possibilities of storing stocks in the areas having terminal market of the commodity should also be explored.
- (b) The cold storage having previous experience in handling the commodity proposed to be stored should be preferred.
- (c) Cold storages in the public sector/cooperative sector should be preferred/provided they are able to give efficient services at a competitive price and have good reputation in the matter of storage.
- (d) Hiring should be done at competitive rates/rentals and reservation should be done for the minimum possible period so that the rent is paid for actual utilization.
- (e) The rates should be compared with those prevailing during the previous year. In case of any increase in rates, care should be taken to ensure that they are reasonable.
- (f) During storage, inspections should be carried out frequently to check for quality and temperature being maintained.
- (g) While confirming the hiring of space for storage, obligation in respect of following should be checked and clearly defined
 - Rental Rate
 - Insurance charges
 - Quality

- Gross/net weight delivered
- Timing of payment
- Temperature to be maintained by the cold storage
- Electricity tariff and generator charges should be specifically mentioned in the confirmation letter.

3. Stacking:

It should be ensured that the stacks in dry warehouses and cold storages when completed are stable and perfectly cuboids in shape. It should also be ensured that the mouth of the bags should not face the peripheral side of the stack. Each stack should have a stack card indicating the date-wise log of the number of bags incoming, outgoing and in-stock Stack No. 1 should be stored in the beginning and must be taken out first. The stack card should be tagged on the front side of each stack at a height convenient for recording inspection notes. However, some commodities require different types of storing, stacking like loose heap which also needs to be taken care.

SAMPLING METHDOLOGIES

Sampling is a method by which representative specimen is taken out of a lot for analysis.

The methods of drawing a sample are:

- (I) Sample from a Loose Heap
 - (a) From a lot, sample should be drawn by inserting hand into the heap upto the elbow or more, with the palm facing upwards.
 - (b) The palm should then be cupped with fingers held tightly together so that the dirt does not strain down from the commodity.
 - (c) The arm should be withdrawn slowly and commodity should be transferred into a sample bag.
 - (d) Such armfuls should be taken out from different sides and depths till the required quantity of about four kilograms is collected. This should be mixed thoroughly be ensure a homogeneous mixture.
 - (e) From this, four samples should be taken, each weighing about one kilogram, by halving and quartering the original sample.
 - (f) Each lot should be separately sampled.

- (III) Sample from bagged/packed commodities
 - a) Samples should be taken with a sampler (Parkhi) or by inserting hand or by means of long scoop after cutting open the seams. An equal number of scoopfuls should be taken out from the top, center and both sides of the packages. The quantity of sample drawn from each package should not exceed 0.250 kg.
 - b) The sample so drawn should be thoroughly mixed and from this composite mixture four sample each weighing about one kilogram should be taken by halving & quartering the original sample.

FUND REQUISITION FORMAT		
1	COMMODITY	
2	QTY SANCTIONED	
3	SANCTIONED AMOUNT	
4	QTY PROURED (ENCLOSE STATEMENT)	
5	VALUE INCLUDING OVERHEADS	
6	AMOUNT RECEIVED TILL DATE	
7	BALANCE QTY TO BE PROCURED (2-4)	
8	BALNCE FUNDS TO BE RECEIVED (3-5)	
9	AMOUNT REQUISITIONED	
10	DETAILS OF INSPECTION & MONITORING CHECKS EXERCISED	
	ENCLOSURES	
1	DISTRICTWISE PROCUREMENT	
2	INSPECTION REPORTS IF ANY	
3	STATEMENT OF WHRs	

SIGNATURE
NAME
DESIGNATION

No: MSP/

Dated:

(To be prepared on the letter head of the Implementing Agency)

To

The Managing Director
Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED)
2nd Floor, NCUI Building,
3, Siri Institutional Area, New Delhi -16

Sub: Intimation about start / closure of MSP Operations for(Commodity)

Sir

The Minimum Support Price Operations for(Name of the commodity) has been started w.e.f.(Date) / closed with effect from (Date) in the State of

(In case of closure of operations the reason for closure must be mentioned)

Thanking you

Yours faithfully

()

Authorised Signatory

Name of Implementing Agency with seal

CC: Regional Manager, TRIFED(Local Regional Office of TRIFED in the State)

Annexure- 7

WEEKLY PROCUREMENT REPORT			
COMMODITY			
PERIOD			
DIST.	HAAT	QTY PROCURED IN MT	VALUE RS. IN LAKHS
Dist 1	Haat 1		
	Haat2		
	Haat 3		
Dist 2	Haat 1		
	Haat 2		
	Haat 3		
TOTAL			
SIGNATURE WITH SEAL			

Annexure- 8A

MONTHLY PROCUREMENT & STORAGE REPORT			
COMMODITY			
PERIOD			
DIST.	QTY PROCURED IN MT	VALUE RS. IN LAKHS	QTY STORED
Dist 1			
Dist 2			
Dist 3			
Dist 4			
TOTAL			

SIGNATURE WITH
SEAL

Annexure-9

COST OF OPERATIONS				
A		DIST 1	DIST 2	DIST 3
A	PROCUREMENT VALUE			
B	COLLECTION LEVEL/ AGGREGATION POINT			
1	PACKAGING MATERIAL CHARGES			
2	WEIGHMENT, LOADING			
3	TRANSPORTATION TO AGGREGATION POINT			
4	UNLOADING AND LOADING AT AGGREGATION POINT			
3	TRANSPORTATION TO STORAGE GODOWN			
4	SERVICE CHARGES TO PRIMARY LEVEL AGENCY			
	SUB TOTAL A			
C	STORAGE GODOWN LEVEL			

1	UNLOADING, STACKING			
2	STORAGE CHARGES @ RS. PMT PER MONTH FOR MONTHS (TILL THE END OF CURRENT MONTH)			
3	SHORTAGES/DRIAGES IF ANY (AS PER NORMS)			
	SUB TOTAL B			
DETAILS OF OVERHEADS	SERVICE CHARGES TO THE IMPLEMENTING AGENCY 2% OF MSP			
	TOTAL A+B+C+D			

SIGNATURE

NAME

FINAL ACCOUNT				
	PARTICULARS	DIST 1	DIST 2	TOTAL
I	PROUREMENT DETAILS			
A	PROCUREMENT VALUE			
B	COLLECTION LEVEL/ AGGREGATION POINT			
1	PACKAGING MATERIAL CHARGES			
2	WEIGHMENT, LOADING			
3	TRANSPORTATION TO AGGREGATION POINT			
4	UNLOADING AND LOADING AT AGGREGATION POINT			
3	TRANSPORTATION TO STORAGE GODOWN			
4	SERVICE CHARGES TO PRIMARY LEVEL AGENCY			
	SUB TOTAL A			
C	STORAGE GODOWN LEVEL			
1	UNLOADING, STACKING			
2	STORAGE CHARGES @ RS. PMT PER MONTH FOR ... MONTHS (TILL THE END OF CURRENT MONTH)			
3	SHORTAGES/DRIAGES IF ANY (AS PER NORMS)			
	SUB TOTAL B			
	SERVICE CHARGES TO THE IMPLEMENTING AGENCY 2% OF MSP			
	TOTAL A+B+C+D			
II	AMOUNT RECEIVED			
A	INSTALMENT		DATE	AMOUNT
	TOTAL FUND RECEIVED			
	BALANCE			

SIGNATURE
NAME
DESIGNATION
