

Let OFDC, not panchayats, handle Kendu leaf trade: State Government

The amended Forest Rights Act (FRA) has posed a new challenge for the State Government with the Kendu leaf (KL) working trade all set to come under the control of the panchayats as a minor forest produce (MFP). The State Government has requested the Centre to continue with the current system under which Odisha Forest Development Corporation (OFDC) has been mandated as the brokering agent.

The OFDC, a State PSU, manages the whole show by buying, packaging and transporting the KL stock for which it gets a commission. With the FRA changing the norms, the OFDC is in danger of losing its brokering job, while the State Government is wary of the financial benefits reaching the panchayats.

The annual revenue from the KL trade stands at `415 crore. The corporation gets an annual revenue of `39 crore as commission for dealing with the trade. "The Government decides everything __ starting from fixing the purchase price to working norms. The OFDC as the brokering agent carries out buying, packaging and transportation, for which it pays," said a Forest Department official.

For its work, the OFDC gets the commission which forms the bulk of its annual income and once the trade goes away to the panchayats, the corporation will lose significant earnings. While this poses a challenge for the State PSU, the Government is unsure about panchayats getting the benefits if the MFP is directly handled by the civic bodies.

The Rs 376 crore revenue the Government generates from the organised system which the OFDC had chalked out is re-appropriated to all the panchayats through its budgetary system. "Currently, there are 59 MFPs which have been de-nationalised and panchayats handle them directly, but the required benefits do not reach the grassroots. In fact, the panchayats are exploited by the traders. The Government is wary that the KL trade will go the same way," said a senior official.

With the FRA generating heat across the States, the Government has impressed upon the Centre not to change the present system of KL trade in the interest of the panchayats.

The Government has also pitched in with the argument that 30 per cent of the collection of KL is outside the forest areas where tribals are not involved. If the KL trade goes to the panchayats as per the FRA, the tribal areas will lose a significant chunk of the revenue.
