

F.No.2/21/2013-CP&R
Government of India
Ministry of Tribal Affairs

Room No.218- B, 'D' Wing,
Shastri Bhawan, New Delhi-110001

Date: 28th May, 2015

To

The Principal Secretaries/ Secretaries/Commissioners of Tribal Welfare Department of the States of Chhattisgarh, Madhya Pradesh, Odisha, Jharkhand, Gujarat, Maharashtra, Rajasthan, Andhra Pradesh & Telengana.

Subject: Invitation of Proposals under the scheme "**Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of Value Chain for MFP**" for the financial Year 2015-16 - regarding.

Madam/ Sir,

As the State Governments are aware, this Ministry provides grants under the Centrally Sponsored Scheme of "Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of Value Chain for MFP". These grants are disbursed to State Implementing Agencies on recommendation of the State Nodal Agency.

2. 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. The scheme has following main components:-

- a) **Revolving Fund:** A revolving fund is 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, is credited back to this fund.

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- b) **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 is made available to state agencies on yearly basis, based on their audited accounts and vetting by TRIFED.
- c) **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. is required to be developed by the states which do not have adequate infrastructure.
- d) **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. Funds are provided for this activities on sharing basis between Centre and State on 75:25 basis.
- e) **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. Apart from 25% state's share, the cost of land and recurring expenses are also met by respective state agencies.
- f) **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 will be admissible as service charge to the state agencies for the twelfth plan period.

4. The scheme also envisages TRIFED to undertake following activities in implementation of the scheme:

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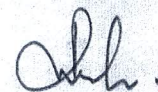
- a) **Capacity Building of Gram Sabha/ Panchayati Raj Institutions:** Encourage participation of MFP gatherers by organizing them in to Self Help Groups, Cooperatives or other collectives to improve their bargaining power. TRIFED to organize meeting with Gram Sabhas.
- b) **Multipurpose Centre for training, 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 to establish multipurpose centers at specific locations.
- c) **Development of market information system:** In order to ensure fair returns to the MFP collectors on a long term basis, an advance information and communication technology based Scheme (MFPNET) has been established for speedy collection and dissemination of market information. Daily prices and quantity traded at major mandis/bazaars is displayed on the web of TRIFED and state level agencies.
- d) **Expanding the knowledge base on MFP, training for sustainable collection, value addition, etc** Appropriate training to be provided by the TRIFED to the stakeholders regarding resource regeneration, improved practices for extraction and value addition of MFP.

5. This Ministry has issued a detailed Guidelines and Operational manuals of the scheme vide letter No.2/19/2013-CP&R dated 03.01.2014 to all the concerned State Governments/Departments/ Agencies. The same is also available on the website of this Ministry- www.tribal.nic.in.

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6. It has been observed that ad-hock funds have been released for certain activities, to some State agencies during the F/Y 2013-14 and 2014-15. For the smooth operation of the scheme, State Agencies are requested to work out precise funds requirement for the above specified activities relating to the concerned States and submit the proposals as per the guidelines of the scheme along with recommendations of respective nodal departments of the States, for the Financial Year 2015-16. Infrastructure proposal should be supported by proper justifications and estimation of cost.

Yours faithfully,



(P.K. Sahoo)

Under Secretary to the Government of India

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Copy to:

1. Managing Director, TRIFED, New Delhi – with a request to follow up and also submit the proposal for the F/Y 2015-16.
2. The Managing Directors of concerned STDCCs/FDCs.
3. Director, NIC – with a request to upload on the web-site of the Ministry.