



Economic Development and Golden Leaf Of Odisha

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Economic development of any country is reflected through the growth of national output. To achieve an expansion of national output it is essential to combine natural resources, human resources and capital. The sum of all physical, chemical, biological and social factors which compose the surroundings of man is referred to as environment and each element of these surroundings constitute a resource on which man depends in order to develop a better life. The resources can be divided into renewable and non-renewable resources. Renewable resources are those which are reproductible and are obtained from the biomass of living organisms e.g. forests and fish.

Forest Resources of Odisha:

Out of the total geographical area of 15.5 million ha, the total recorded forest area is 5.5 million ha, i.e, 37% of total geographical area. However the actual forest area is 4.7 million ha. Forest resources are forest products that are beneficial for the economy as well as forest dwellers. Not only tribal but also villagers of nearby areas are also benefited by the forest. Because they get employment in different seasons of the year, particularly for collection of minor products.

Minor forest products(MFP) or non-timber forest produce(NTFP) :

Minor forest products include all products obtainable from forest other than wood, so they are also known as non-timber forest products. These products derived from about 3000 species in the forests of India. For the sake of convenience these products are classified into :

1. leaves
2. bamboos and canes
3. gums and resins and oleo-resins
4. oilseeds
5. essential oils
- 6 fibre and flosses
7. grasses
8. tans and dyes
9. drugs and species
10. animal products
11. edible products
12. destructible distillation of wood

Forests are source of variety of these "Minor Forest Products". These meet the indispensable requirement of the population particularly of those who live in or near the forests. Also there are cottage, small and medium sized industries where certain minor forest products are processed. Some of the



products in this category constitute a significant part of the commodities for export. There is a great potential for these products to contribute to the economy of the nation. For this, it is desirable to increase production, organize proper methods of collection and grading, develop a fair system of marketing and distribution, ensure proper utilization, maximize foreign exchange earnings and augment the employment opportunities of tribal and other living beings in and around forest. The measures need to be taken for the development of minor forest products, both from economic and social aspect, so that it will help in overall economic development.

Kendu leaves (KL); The Golden Leaf of Odisha:

Among all these minor forest products; the kendu leaf is most important product of Odisha. Kendu leaf is called golden leaf of Odisha. It has greater economic value and richly it has contributed to the state economy and at the same time it benefits the poor during hard lean seasons. Out of total forest revenue of Odisha in 1990-2000 of 868.0 million rupees, kendu leaf alone has earned 635.0 million rupees as revenue in that year. It's business is a pride of Odisha because of its specialized operations. Not only that but Kendu leaf also plays an important role for the tribal of India as well as Odisha. Plucking provides employment and means of livelihood to millions of families spread across the country. People get employment due to this during summer when there is no agricultural work or opportunities of wage earnings. In terms of coverage, dependencies and revenue to the state exchequers; Kendu Leaf (KL) is the most valuable and important non-timber

forest produces available in the State. Odisha is the largest producer of processed KL after Madhya Pradesh and Chattisgarh and account for 15% of the total KL production of the country. In terms of quality leaves, Odisha has the unique distinction of production of best quality leaves in the country. This trade create an estimated 15 millions mandays of work in the state. More than 10 lakh tribal and more forest dwellers are engaged in the kendu leaves collection in the state of Odisha and to take into account their associates in the field, it is a question of the livelihood of around 18 lakh people.

A brief history of Kendu Leaf (KL) trading in Odisha:

In Odisha the KL trade was monopolized by a few merchants who were holding the lease on long or short term basis with nominal royalty. They not only introduced the trade in the state but developed and perfected its technique. After independence, it played a prominent role in the state economy long or short term leases, public auction, tender or negotiated sales were tried at different periods to check monopoly influence of these merchants. Ultimately Govt introduced "Orissa Kendu Leaf Lease (Control of trade act 1961) with the intention of introducing State Trading in Kendu Leaves in the state. The system remained in force from 1962 to 1972. Government directly dealt with the collection and processing etc through commissioned agencies and the sale was made to purchasers appointed by Government through tenders. However the above arrangements also was not free from complaints. So Govt decision was issued in Forest Department letter no-1473 dt 9th Nov 1972 with the observation that Forest



Department would remain in charge of collection and processing of Kendu leaves and the Orissa Forest Corporation with the task of sale of Kendu leaves produced by the Department. Later in 1973 a separate head of Department and the Addl.CCF(KL) Odisha has been kept in overall charge of Kendu leaf operation. Government nationalized the trade in 1973 to get rid of private contractors.

A work schedule has been prescribed in letter no-1530 FAH dtd 22nd Nov.' 1972 and kendu leaf operation is taken up according to the principle of the work schedule at different stage. All the preliminary operations such as construction and repair of phadi houses, selection of *mundies* and appointment of choukidars are done in the month of January. Bush cutting starts from the second part of February and the collection of leaves starts from the month of April. In this way both Govt staff and seasonal staff remain busy around the 8000 phadies houses for production of kendu leaf. After collection of leaves, the pluckers prepare, kerries of leaves, prescribed by the Govt., fit for manufacture of bidies. There remains 30 to 50 phal leaves in each Kerry. These leaves are dried for 7 to 10 days and kept in phadi houses for 21 days. When these leaves are ready for processing, the experienced binders are engaged in processing it. Then these leaves are made of bundles of 5 kg and twelve bundles are kept in a bag with grade mark. These bags are brought to Central Godown and delivered to "Odisha Forest Development Corporation" for sale.

Production, Sale Value of Kendu leaves:

The table shows the year-wise production of Kendu leaves and their sale values.

Year-Wise Production, Sale Value of KL Trade in the State Since 1973

Sl. No.	Year	Production (in Lakh Qtls)	Sale Value (in Rs lakh)
1	1973	3.52	876.04
2	1974	3.39	875.67
3	1975	3.98	1044.41
4	1976	4.13	1139.07
5	1977	3.99	1258.78
6	1978	3.83	1299.40
7	1979	4.08	1447.60
8	1980	3.08	2394.12
9	1981	3.02	2142.46
10	1982	2.95	2090.40
11	1983	3.42	2609.48
12	1984	3.94	3018.1
13	1985	3.79	3672.75
14	1986	3.84	3975.79
15	1987	4.28	4319.38
16	1988	3.90	5580.69
17	1989	4.55	15320.67
18	1990	3.97	11180.95
19	1991	4.97	13778.47
20	1992	5.09	13720.15
21	1993	4.98	14781.56
22	1994	4.91	14215.48
23	1995	3.86	11732.85
24	1996	5.11	13874.42
25	1997	4.95	14929.50
26	1998	3.90	14855.12
27	1999	4.71	13741.58
28	2000	5.19	17626.72
29	2001	4.07	15715.82
30	2002	4.60	19131.83
31	2003	4.77	15969.43
32	2004	4.54	12769.57
33	2005	3.73	14205.17
34	2006	3.87	24854.51
35	2007	4.45	25901.14
36	2008	4.16	30196.00



37	2009	4.41	32664.00
38	2010	4.44	36424.00
39	2011	3.81	41341.35

Source: Office of the CCF(KL), Bhubaneswar

Odisha produces about 14-17% of India's total production of Kendu Leaves. It is the only state producing processed leaves hence has got a monopoly in the market of processed KL. The production of Odisha goes mostly to West Bengal and only about 10% or so is consumed partly by the Bidi manufacturing units of the state and partly for export purpose. In 2005-06 Odisha had a turnover of Rs.154.035 crores in this trade as against an expenditure of Rs.84.346 crores.

It is used as wrapper of Bidi's; a popular smoke used especially among poor nations. The state producing Bidi leaf in India comprises mainly Madhya Pradesh, Chhatisgarh, Odisha, Andhra Pradesh, Jharkhand, Gujrat and Maharashtra. The annual production of Bidi leaf in Orissa is around 4.6 to 5 lakhs quintal which is about 20% of the countries. Kendu leaf is available in 50 subdivision of all the 30 districts. In Odisha Kendu leaf plucking is carried out in a spreadout area of 6 lakhs hectares in 30 districts. Maximum Kendu leaf growing districts are Sundergarh, Angul, Deogarh, Kalahandi, Keonjhar, Kandhamal, Malkangiri, Nabarangpur, Koraput, Dhenkanal, Jharsuguda, Sambalpur, Baragarh, Bolangir, Sonapur, Boudh and Nuapada. More than 10 lakh tribal and other forest dwellers are engaged in the Kendu leaves collection in the state of Odisha and to take into account their associates in the field; it is a quantum of the livelihood of around 18 lakh people. Natural damage to the KL crop or reduced/ cancelled procurement by the state agent directly affects

a major source of their livelihood as KL contributes significantly to their annual income and happens to be the most important NTFP of its section.

Kendu Leaf Grant:

The amount received from KL trade is utilized to give fair price to the pluckers and for development of KL growing subdivision. 50% of the actual revenue received from this trade is used for KL grant. In the Panchayati Raj Budget Rs.22.91 crores is provided out of which 90% is distributed among Zilla Parishad, but as per the recommendation of the 1st state Finance Commission, Zilla Parishad is given a share out of Kendu leaf grant.

Utilization of KL grant : Gram Panchayat / Panchayat Samiti, Zilla Parishad will utilize 80% of KL grant received during a financial year for infrastructure development of projects approved by each tier of PRIs.

- a) A separate resolution will be passed in the Gram Panchayat, Panchayat Samiti/Zilla Parishad indicating the project-wise allocation of funds out of KL grant. There shall not be any over-lapping in incurring expenditure out of KL grant and other sources.
- b) When a project is selected for executing under KL grant, full cost shall be provided out of KL grant and grants allowed to the PRIs. The project shall be completed during the financial year.
- c) PRIs may purchase private land for construction of infrastructure if govt land is not available.
- d) If the Gram Panchayat, Panchayat Samiti and Zilla Parishad intend to pool the amount



available with them for construction of a project requiring substantial big amount resolution of Panchayati Raj bodies, along with the recommendation of the Collector shall be sent for grant for approval.

e) 10% of KL grant received during a financial year shall be spent for providing services to public in respect of primary education, primary health, safe drinking water, street light, sanitation and public distribution system. Roads and building are not to be built under sanitary programmes.

f) Rest 10% shall be spent for the production activities. Under the activities, village artisans may be imparted training for improvement of their skill. Improved institution may be provided to them. Grama Panchayat may purchase agriculture implements and provide the same to them. Self Help Group may be asserted under this sector. Rest of 10% of the grant termed as the hard case KL grant is retained by the State Government and is utilized for the promotion of socially relevant purpose and activities and improvement of Panchayati Raj administration.

So this shows the importance of Kendu leaf as the most prominent non-timber produce of Odisha. It gives not only revenue but also generate employment opportunity during lean seasons. Problems are there but proper policy and policy implementation can fight these problems. Proper handling of this trade will be immensely beneficial for our State.

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