

GOVERNMENT OF KERALA
Abstract

Report on the problems relating to the supply of softwood to Plywood, Match wood and packing case Industries – orders issued.

Agriculture (Forest) Department

G.O.Ms.324/72/AD.

Dated, Trivandrum, 9-10-1972.

ORDER

In G.O.Rt.1456/71 Agri. dt. 9-7-1971, Government constituted a committee to examine the problems relating to supply of Softwood to Plywood, Match wood and Packing case Industries in Kerala under the Chairmanship of Shri. T.P. Viswanathan, Conservator of Forests, Trichur. The terms of reference of the Committee were the following:

1. Whether levy of uniform working charges in causing may undue hardship to Any of the consumers of softwood.
2. Whether the rate now charged by Government is reasonable or not.
3. Whether it will be practicable to allot particular areas for mating the Requirements of the concerns for a period of 3 or 5 years.
4. Whether it is possible to eliminate cross transport of raw materials totally.

The Committee submitted its report on 25-2-1972. The recommendations of the

Have been examined by Government and the following orders are issued.

Rates to be charged:

1. The rate for matchwood is fixed as the circle wise average working cost for the previous year with 10 enhancement plus mallabhom rate. For packing case timber, the rate will be circulawise average working charges for the previous year with 10% enhancement plus seignior age for each species and the seignior age rate will be enhanced by 15% for all species.

In taking circle wise average working charges, the Divisions in Industrial Plantation Circle, Perumbavoor will be treated as part of the Central Circle, Trichur and the divisions in the special; Forest Circle, Kozhikode will be treated as part of the Northern Circle, Kozhikode.

2. Reasonableness of the rates now charged.

The committee has observed that the new rates are extremely reasonable in so far as firms situated in Central Circle are concern but not so in regard to the firms in Southern Circle were the rates we lower than the new rates. But the orders in respect of item 1 will solve the problem of rates.

3. Whether it will be practicable to allow particular areas for meeting the Requirements of the consumers for a period of 3 to 5 years. According to the Committees report above arrangement is possible only in respect of the supply of Plywood. The Committee has recommended that the "Silent Vally" and Muthukulam" Areas in Palaghat Division may be allocated to the Plywood firms in the Private Sector on a long term basis of five years subject to a schema ion working stipulated by the Forest Department to ensure a sustained supply and that the rates to be charged for supply of timber from this area will have to be fixed taking into consideration the investment involved in making the area accessible and the cost of transport of timber from the remote area. The area is to be fixed subject to the Governments right to revise them at intervals of not less than two years. It has also been suggested that in the alternative Government may take up the question of opening up the areas by laying out a system of extraction roads in which case the resulting supplies can be distributed to all the eligible consumers. It is also recommended that the area between Achencoil and Kakki in the Southern Circle may be marked for the supply of Plywood to the Travancore Plywood Industries, Punalur (A Government concern) which has already embarked on a scheme of expansion. It is further recommended that in these two areas the Forest Department may undertake without delay, an intensive survey of the resources of softwood supply and prepare regular scheme of working enlisting the assistance of collaboration of the firm to whom the area is allotted in preparing such a scheme of working.

The recommendation of the committee is generally accepted. There will be no change in the rates to be charged. However the allotment of areas will be subject to the condition that roads according to the specifications of the Forest Department will be constructed in the allotted area by the allottees. In quota allotted for each year alone will be allowed to be taken by the allottee and the excess quantity of timber available will be worked down by him to the depots of the forest Department.

4. Whether it is possible to eliminate cross transport of raw materials totally.

According to the committee delivery at coupe site cannot be made a general case. However if any firm situated in a locality which would necessarily involve cross transport requests for delivery at coupe site, such requests will be considered and in such cases, coupe sites will be treated as 'Depots' for realization of price and delivery of timber. Government accept this recommendation.

5. Period of Validity for quota as recommended by the Committee the period of validity for quota will be fixed as beginning from 1st July and ending on 30th June so that the firms can take advantage of the full working season.

6. Assessment of requirements.

The committee has recommended that the assessment made by the industries Department regarding the requirements of the firm should be based not only on the previous year's consumption of wood but also on the actual output of finished product. Instructions have been issued to the officers concerned by the Industries Department that the Assessment should be made by an actual verification of the records maintained by the firms in regard to the raw materials, production of finished products, tax, cess, excise duty etc. paid by the unit; electricity consumed machinery installed and the number of workers employed. These instructions should be strictly followed.

The recommendation of the Committee is accepted. The firms will be required to produce Sales Tax and Income tax clearance. Certificates before fresh allotment. Industries Department will purpose suitable action in the matter.

7. Reduction in Wastage during extraction of trees.

In order to reduce the Wastage resulting from the abandonment in the forest itself of timber unfit for plywood consumption but utilizable either as matchwood or packing case, as recommended by the committed the plywood firms which are given the concessions of working down marked trees in the forest areas on a milliohm system will be called upon to collect timber useful for either milling industries and deliver them at the points specified by the Department, for which appropriate working charges will be paid to the plywood firms. In some areas where plywood is worked on a milliohm basis other softwood timber is also available for extraction without infringing silvicultural principles. It is not possible nor is it desirable from the point of view of the maintenance of forest that another agency should step in for the collection of this softwood timber immediately after the plywood extraction is over. Therefore the extraction of all the available timber from a particular area will be arranged to be done by the same agency during the same year.

8. Collection of small girth logs.

There is already a concession granted in G.O.Rt.107/67/Agri. dated 19-1-1967 reducing the mallabham rate by 25% for small girth logs (from 90 to 120cm. in girth). As recommended by the committee this concession is increased to a 30% reduction so as to make the collection of small girth logs more attractive.

9. Reclassification of timber and gradation of prices.

In order to ensure the utilization of all available materials from the trees felled, the classification of logs into plywood, matchwood and packing cases, strictly on the basis of species will be modified. For the species

that are suitable for utilization by more than one category of industry (Plywood/Matchwood/Packing case) the classification will be not only on they basis of species, but also on the use and utility of the particular logs. Thus a species categorized solely as plywood species, for example vellapins should have three such categories namely Vollapins Plywood, Vellapine match wood and vellapine packing case wood. A re-classification of important species on this basis would enable a greater utilization of available material and considerable reduction of wastage during the collection in the forests. It is therefore considered necessary that instead of average mellabhand rate for plywood, a graded system of rate according to the superiority or otherwise of the species is fixed as detailed below:

	<u>Botanical name</u>	<u>Local Name</u>	<u>Rate per cum.</u>
1.	Vataria indica	Vollapine	Rs.125.00
2.	Acrocarpus fraximifolius	Korangatti	Rs.125.00
3.	Diptere carpusw indicus	Kalpina	Rs.125.00
4.	Dipterocarpus Bourdilloni	Karanjily	Rs.125.00
5.	Machilus Macranta	Kulamavu	Rs.105.00
6.	Cedrela Icona	Red Cedar/ Chandanavembu	Rs.105.00
7.	Dichopaia elliptica	Pali	Rs. 90.00
8.	Callophyllum tomentosum	Poon/Punnappa	Rs. 90.00
9.	Canarium strictum	Tellipyna/Pondayne	Rs. 90.00
10.	Hardwicki pinuatta	Kulavu	Rs. 90.00
11.	Mangifera indica	Mavu	Rs. 80.00
12.	Cullenia excelsa	Mullampali/ Vediplavu	Rs. 70.00
13.	Holigaras arnetians	Charu/Charu	Rs. 60.00
14.	Sterculia allata	Pothondi	Rs. 50.00
15.	Terminalia boherica	Thanni	Rs. 50.00
16.	Tetrameles nudiflora	Cheeni	Rs. 50.00

For short girth logs below 120 centimetres, a reduction of 30 per cent will be given.

In regard to the species enumerated above, if the timber is unsuitable for consumption by plywood firms, but suitable for matchwood it will be measured ever to matchwood firms. The rates for the supply will be fixed and communicated separately. The rejection from these supplies may be supplied as packing case wood at the rates fixed for packing case timber.

10. Increase use of more number of species.

The species of Plywood timber now supplied are mostly, Vellapine, Pali and Kullamavu. There are plywood species approved by I.S.I. and available in our forest like Punna, Thalipyne, Rizchofia Javanica, Thanni, Modunnar, Cheeni, Sterculia allata etc. It is felt that increased/use of these species would ensure a better utilization of Forest resources.

11. New species to be tried

There are also other species of timber reported to be suitable for plywood but not approved by I.S.I. The Forest Department will intimate trials of these new species in collaboration with the Travancore Plywood industries Limited at Punalur. The species suggested are *Anacolasa densiflora* and *Eliacarpus* species. If these trials would prove successful the I.S.I. will be approached by the Government to get these species also approved as plywood.

12. Graded rates for Matchwood.

It is observed by the Committee that there is greater scope for utilization of more number of species as matchwood and that even though there is a preference for Elavu, Mutti and aspinwood, species like Thellipyne Elicarpus, Ambazham pala, Pulamavu etc. are also suitable for consumption by matchwood industry. Even 'Vatta' timber is used to a limited extent. Small girth logs of plywood species like Vellapyne can also be utilized as matchwood. It is, however, necessary that the timber supplied should not have lost their freshness. In order that a greater utilization of larger number of species is ensured, a gradation in the price according to the quality of the species and its out turn is considered desirable. The more superior species and those that would give a larger out-turn will be charged a higher rate than the species of interior quality and poor cut-turn. The gradation of the price is indicated below:

	<u>Botanical name</u>	<u>Local name</u>	<u>Rate per cum.</u>
1.	<i>Sodia reburghiana</i>	Aspinwood/Nasajam/Kabli	Rs.120.00
2.	<i>Bombax malabaricum</i>	Plavu	Rs.100.00
3.	<i>Ailanthus malabarioum</i>	Matti	Rs.100.00
4.	<i>Hynonodictyon excelsum</i>	Uthi	Rs. 80.00
5.	<i>Elaeocarpus species</i>	Bedraksham	Rs. 70.00
6.	<i>Sapindus manfigera</i>	Ambazham	Rs. 70.00
7.	<i>Canrium strictum</i>	Thallipyne/Pendapyne	Rs. 70.00
8.	<i>Machilus macrantha</i>	Kulamavu	Rs. 70.00
9.	<i>Mangifera indica</i>	Mavu	Rs. 60.00
10.	<i>Alatonia Scholaries</i>	Pala	Rs. 50.00

13. Softwood from Andamans.

The possibility of getting plywood from Andamans will be explored subject to the condition that this should be implemented only if any concern is willing to collect timber from Andamans.

14. New units.

New units will not be encouraged until a detailed survey of resource of raw materials is conducted. A survey will be conducted accordingly. The industries Department will inform the entrepreneurs about the shortage of raw materials when they come forward for starting new industries.

14. Quota price for Bobbinwood.

Quota price for Bobbinwood viz. Manjakadambu and white cedar is fixed at 85% of the Schedule rate for supply to quota holders.

15. Rate for pencil wood

The price for pencil wood viz. Venkotta is fixed at 90% of the Mellabham rate for this species.

16. Quota for Photoframe manufacture.

The Committed has observed that no allotment of timber is made to photo frame manufacture as these firms do not have the requisite machinery for consersion of round logs. As such the firms are not direct users of round logs as supplied by the forest Department and no quota need be fixed.

By order of the Governor,

Sd/-

Joint Secretary to Government.

To

C.C.F. and D.F.Os.

Endt. on CC1-11181/71 dated 25-10-1972.

Copy to Range Officers, Vazhachal and Sholayar and Depot Officers, Chalakudy and Chettikulam.

Copy to stock file.

Sd/-

For Divl. Forest Officer,
Chalakudy.