

CHAPTER – VII

CONCLUSIONS

The study has led to the conclusion that following issues need consideration in order to facilitate marketing of timber:

- The secondary data on timber and timber products in the country is inadequate, inconsistent and marked with time lag for a proper analysis required to monitor and assist the industry. Discussions with timber traders, and forest sector staff and experts reveal that a requisite and reliable statistical information and market intelligence system which is essential for building up consumer confidence, efficient trade mechanism and marketing strategies does not exist in the country.
- Data on different aspects of forest sector are collected and stored by different agencies in India and are not maintained by any particular entity devoted to the subject matter. This caused difficulties in projecting a complete and consistent picture of the sector and related issues. The Indian Council of the Forestry Research and Education (ICFRE) has commissioned Directorate of Statistics in 1995 which has been renamed as the Division of Statistics, to collect, collate, process and publish statistics covering all aspects of the forest sector at the national level. It is found that the information does not give the present picture. This is mainly because the information is collected from the states that do not give timely information.
- Reliability and timely availability of data on timber production and sale is important factor not only for the traders, consumers, researchers but also for the policy maker to monitor the situation and take timely decision
- There is total absence of serious consideration for an economic information and market intelligence system which would give due attention to the timber market's data requirement. There is no mechanism to ensure flow of information from and to national and local traders in terms of product-specific and species-specific information.
- The data on consumption, price and also trade data from each and every individual is not possible. In fact such information is collected by the association dealing in the commodity for the benefit of their members. Unfortunately the timber sector, particularly the round timber sector is dis-organized.
- Databases depicting forest information chain i.e from felling, production, consumption and price of various timber products to transport, export, imports, forest related taxes, forest based industries and companies is not available at one place.
- The discussions with the experts revealed that there should not be any restriction and control on the commodity for inclusion in the futures. The bulk supply of wood for domestic consumption is from the private sources. There are strict regulations for felling of trees on the private lands under the Acts. Even for the transport of timber transit permits are necessary. This will cause delays in

the delivery period, which is the important provision in the standardized derivative contract.

- The only authentic data collected for the study is from the auction/sale results of timber from important depots of Gujarat Forest Department and Haryana Forest Department.
- Timber can be included as one of the commodities in the trade through commodity exchanges after standardization, grading and certification as per the demand driven market.
- The Association of Timbers and Saw mill owners associations are also hesitant to adopt exchange based trading of timbers. Hence, exchange based trading needs to be promoted gradually in addition to the existing practice of sale and purchase.
- The Teak could be promoted in initial stages as there is potential with this timber. The trading practice of this commodity is based on its length and girth as well as there is no time constraint between its felling or trading and consumption whereas, in Poplar which is being traded on weight basis and there in no time gap between its harvesting and processing. Since, the exchange based trading requires time lag between trading and delivery of goods. Poplar has to be peeled within a week for Ply wood manufacturing. Similarly, Eucalyptus for wood industry is also required for peeling within 3 days of harvesting hence for wood industry it should not be considered whereas for other domestic purposes it could be promoted. Hence, for the purpose of wood/furniture of Eucalyptus, its trading could be promoted through exchange based trading.

Considering all these factors under the present scenario, there is need of coordination of all the stakeholders including traders, consumers, importers, State and Central Governments and the experts in the field of data collection, processing and dissemination. Many policy decisions at the levels of the Central and State Governments are required regarding the issue of the felling of trees in the private area, transit rules, and the tax structure on timber.