

PREFACE

The Ministry of Environment and Forests, Government of India has taken initiatives to explore the possibilities of exchange based marketing of Timbers and other forest products in the country. Subsequently, the National Level Committee was constituted which was required to draw a comprehensive road map for starting exchange based electronic spot trading of the selected timber and non-timber forest products.

The Regional Centre, of NAEB at Agricultural Finance Corporation Ltd., New Delhi had been assigned the task to explore the possibilities of exchange based trading of selected timbers under the Annual Work Plan 2007-08, "Marketing Study – map and analyzing complete marketing chain of five selected forest products for establishment of Exchange based Spot Marketing System". The National Level Committee on exchange based marketing evinced interest to ascertain modalities about Teak and Eucalyptus from Valsad circle in Gujarat and Poplar from Yamunanagar of Haryana.

The existing practice of grading of timber at depots are based on the natural defects found in the timber like bend, twist, taper, surface cracks, knots live and dry, heart rot, hollowness, shakes etc. The log, which has the minimum defects, is graded in the superior grade. The grade I will have minimum defects whereas the grade VI will have maximum defects.

There would be need for coordination of all the stakeholders including traders, consumers, importers, state and central government and the experts in the field of data collection, processing and dissemination. Many policy decisions at the Central and State Governments level are also required regarding the issue of the felling of trees in the private area, transit rules, and the tax structure on timber. The study has gone into analysis of various dimensions of trading of Timber. During the course of study, interactions were held with a number of traders, farmers, officials and experts in the field of exchange based trading. The study would be an important milestone in putting in place the modern system of exchange based marketing.

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