CHAPTER VII

MARKETING OF FOREST PRODUCTS IN BALAGHAT DISTRICT
Marketing occupies a prominent place in economic sphere of a developing economy. Generally, most of the economic activities are largely concerned with the marketing process. The ultimate objective of almost all production oriented activities is to meet the demands of the people for their own consumption. The products are also demanded in other types of economic activities for the production or performance of different forms of products or services. In order to meet such demands marketing has to play a very significant role. It is rightly defined that "Marketing includes activities involved in the flow of goods and services from production to consumption".\(^1\) The marketing process includes a number of activities for maintaining the constant supply of commodities from the one end of producers to the other end of consumers. In the context of distribution of forest products also, the role of marketing cannot be over emphasised. As a matter of fact, scientific and systematic organisation of a marketing system is very essential for the healthy development of the forest economy of a particular region.

**Importance of Marketing :**

The points of view of a producer, a middleman and a consumer are different, but each is individualistic and concerned with private profit. From the producer's point of view, it is important to know whether the prices prevailing in the market

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enable him to continue to produce or not and what he should produce and where and at what time he should sell it. Large scale production requires skill to sell it at a remunerative price. A consumer looks at marketing from the point of view of goods and the prices at which they are offered. Marketing has even greater importance and significance for the society as a whole than for any of the individual beneficiaries of the marketing process. The following points clearly show the importance of a marketing process in a developing economy.

1. The nation's income is really composed, not of money, but of the goods and services which money can buy. Any increase in the efficiency of the marketing process which results in lower costs of distribution and lower prices to consumers really brings about an increase in the national income.

2. A reduction in the cost of marketing is a direct benefit to society. The man, who makes such a contribution, renders a service as important as that of the inventor of a labour saving device of a new manufacturing process.

3. Marketing process brings new varieties, quality and beneficial goods to consumers. A wealth of merchandise can be purchased at retail stores which was not available previously.

4. Approximately one third of all persons gainfully employed in the country are engaged in the field of marketing, and one-fourth of the money which buys the goods and services which make up our national income is earned by marketing profession.
Marketing pattern of forest produces before Nationalisation:

Prior to the Britishers' taking over the reins of administration in India, the forests were almost no-man's property except those forests of limited extent which abounded in wild life and were declared as sovereign preserves to quench the lust of mass-massacring the forest denizens, under the grandios art of hunting sport. No cutting of trees or exploitation of any forest produce from such areas was permitted. The greedy contractor was in existence even then. He was charged an infinitesimal 'Seigniorage value' or 'royalty payment' for the forest produce actually extracted and in the wake of this lax and wholly unregulated system, extensively uncontrolled fellings extended in all easily approachable areas, much of the produce was wasted and forest damage was simply rampant.

The British rulers promulgated 'Indian Forest Act', demarcated forest reserves for perpetual existence and alongside laid down the foundations of scientific forest management, through working plans which localised annual forest fellings to specific areas of suitable extent, in the vicinity of the main centres of consumption. However, the actual exploitation of forests in such localised annual coupes was continued to be done by licencees and royalty-lessees. Shortly, a transformation came into being and by the turn of the last century, leases of annual coupes were auctioned for a fixed sum pre-prescribing the period of such working, which generally did not exceed one open season. This system of forest exploitation and earning of forest revenue suited the British rulers simply because only a modicum of
supervisory staff was necessary to watch the working of contractors and no capital and annually recurring expenditure was required for actual working of forests and transporting the exploited forest produce to the main centres of consumption and markets for disposal.

The greedy contractors quickly took advantage of the Government's inability to provide enough field staff to watch their doings and misdeeds in the farflung forests and the Government's sole dependence on contractors for working forests and providing requisite forest produce in the main centres of consumption and forest produce markets. They persistingly indulged in illicit fellings within and around the leased areas. Thus they continuously caused havoc to forest growth and the Government having no intention to oust them, remained a mere silent spectator, as the contractors contrived a host of surreptitious and unlawful means to riggle out of contemplated punishments and fines for discovered offences. After Independence all private forests were brought within the folds of Government ownership and management, as a first priority. Even after Independence, the general practice adopted was to work the annual coupes through the agency of contractors. Annual coupes were auctioned for a fixed sum, pre-prescribing the period of for one open season. The greedy forest contractors were prospering and amassing wealth at the cost of forests and exploitation of innocent village-dwellers engaged in forest operations. They were also, not hesitating to manipulate forest produce markets to earn heavy profits by making forest produce available only at
inordinately high rates. Thus they were robbing the Government of their legitimate earnings devastating forests, exploiting mazdoors engaged in forest working and thus proved themselves as "persona non grata" within the bounds of forests.

The only obvious remedy to overcome such ills was to institute monopoly trading in forest produce, so that forest contractors are wholly eliminated from forest working and departmental operations may commence in the wake of nationalisation of forest produce trades. This change in policy was brought in force gradually, and took almost a decade to complete, from its commencement in 1964.

Marketing of Tendu Leaves in Balaghat District:

In Balaghat district, the pace of nationalisation of various forest produce trades was speeded up in periodic phases. A beginning was made by nationalising the tendu-patta trade on 28.11.64 under Machya Pradesh Tendu Patta Vyapar Viniyaman Adhiniyam, 1964. Before the enactment of M.P. Tendu Patta (Vyapar Viniyaman) Adhiniyam, 1964, tendu leaves from Balaghat district forests and lands were being auctioned by the Divisional Forest Officer. Tenants who had proprietary rights over the leaves growing in their holdings under the M.P. Revenue Code, were disposting of their leaves in any manner and to whomsoever they liked.

Marketing Pattern after Nationalisation:

Sealed tenders to purchase leaves in raw form are invited from persons desirous of purchasing leaves collected by
agents or government. The successful tenderer is appointed as the purchaser for the unit. The units which are not sold by tenders are sold by auction or worked departmentally. In 1985 due to higher upset price 37 units were not sold to tenderers; hence the tendu patta was collected departmentally in Balaghat Circle. It is mentioned in the tender notice and the purchaser's agreement that all leaves offered to the purchaser shall be purchased by him at the Collection Centres in green form as and when delivered. The purchaser shall have no choice of selection of leaves. Therefore, there is no risk of loss of leaves even by natural calamities. The purchaser is required to pay part purchase-price in advance, and the balance price before the final delivery of leaves. If the purchaser desires to keep the leaves safe in his godown, under the supervision and control of the Government, he is allowed to pay the balance purchase price in 3 instalments. Where a purchaser agent does not come forward, departmental collection is done.

Financial Results:

One of the objectives of the state trading in tendu leaves was to increase the government revenue by stopping pilferage and smuggling of leaves. The details of revenue given below, show that the above objective has been fulfilled. The data given below show that before nationalisation i.e. in 1964-65 revenue from tendu leaves was only Rs. 1,76,183 and it increased to Rs. 2,45,52,129 in 1984-85. Thus within twenty years of nationalisation it shows an increase of more than 139 times.
It also indicates that the tendu leaf is quite a money earner for the forest Department.

**Table No. 7.01**

**Revenue from tendu leaves in Balaghat Circle**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-65</td>
<td>1,76,183</td>
<td>Before Nationalisation</td>
</tr>
<tr>
<td>1965-66</td>
<td>33,19,686</td>
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<tr>
<td>1966-67</td>
<td>50,96,059</td>
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<tr>
<td>1967-68</td>
<td>63,46,729</td>
<td>After Nationalisation</td>
</tr>
<tr>
<td>1968-69</td>
<td>1,14,49,910</td>
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<tr>
<td>1969-70</td>
<td>90,03,232</td>
<td></td>
</tr>
<tr>
<td>1970-71</td>
<td>68,18,779</td>
<td></td>
</tr>
<tr>
<td>1971-72</td>
<td>1,16,30,403</td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>1,19,25,907</td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>1,37,78,830</td>
<td>After Nationalisation</td>
</tr>
<tr>
<td>1974-75</td>
<td>1,46,42,326</td>
<td></td>
</tr>
<tr>
<td>1975-76</td>
<td>1,40,85,104</td>
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</tr>
<tr>
<td>1976-77</td>
<td>1,42,93,471</td>
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</tr>
<tr>
<td>1977-78</td>
<td>1,81,67,087</td>
<td></td>
</tr>
<tr>
<td>1978-79</td>
<td>2,51,74,860</td>
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<tr>
<td>1979-80</td>
<td>1,13,91,900</td>
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<tr>
<td>1980-81</td>
<td>72,04,804</td>
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<tr>
<td>1981-82</td>
<td>58,97,606</td>
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<td>1982-83</td>
<td>1,33,94,580</td>
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<td>1983-84</td>
<td>2,11,54,469</td>
<td></td>
</tr>
<tr>
<td>1984-85</td>
<td>2,45,52,129</td>
<td></td>
</tr>
</tbody>
</table>

*Source*: Office of the Conservator of Forests, Balaghat.
REVENUE FROM TENDU LEAVES
IN BALAGHAT CIRCLE

[RS. IN LAKHS]

YEAR
Marketing of Timber Trade in Balaghat District:

Before the nationalisation, the general practice adopted was to work the annual coupes through the agency of contractors. Annual timber coupes were auctioned to contractors. Auctioned coupes were felled, trees logged, timber transported and graded through the agency of contractors. The department had nothing to do except marking the coupes. The greedy forest contractors were prospering and amassing wealth at the cost of forests. They were also not hesitating to manipulate timber markets to earn heavy profits by making timber available only at inordinately high rates. Thus they were duping the Government of their legitimate earnings devastating forests exploiting mazdoors engaged in forest working.

In Balaghat district timber trade was nationalised in fourth phase on 1.10.75 under the provisions of a special Act, called the Madhya Pradesh Van Upaj (Vyapar Viniyaman) Adhiniyam 1969. Only four species namely, Teak, Sal, Bija and Sesam were nationalised.

Marketing pattern after nationalisation:

After nationalisation all coupes within the specified area are felled, trees logged timber transported to depots, graded, sawn and treated if necessary, and disposed of by the department itself. Stacked fuel is sold from coupes and charcoal manufactured and sold where fuel is not saleable or there is a special demand for this commodity. Adequate supplies of timber, fuel and charcoal at fair prices are made available
to local consumers by opening up fair price depots at 82 places. Logging is market oriented, depending on the demand for particular types and sizes. For haulage of timber to the sale depots, dependence is mostly on private trucks but the department is maintaining a small fleet of 12 trucks and utilizing them where private haulage is not forthcoming. At the same time the interests of local population owning bullock-carts are not lost sight of and local haulage within the coupe or over short distances is got done through them to prove them adequate employment during the season.

All the valuable timber logs and poles are transported to depots generally situated at railheads or where from onward transport by road or rail is easy. The timber received in the depots (important depots are Garra, Baihar, Lamata, Lanji and Tirodi) is measured, graded and stacked and subsequently sold by open auctions, held on pre-notified dates. As large quantities are offered for sale at these depots, more and more dealers from the consuming centres are directly participating in the auctions and thereby the middlemen are being eliminated. Supplies are also made to consignees at pre-determined rates, arrived at through negotiations. In this manner, the demand of railways, mines, Collieries and other important buyers is satisfied to the advantage of both the Department and the consumer.

Invariably, fuel is stacked in the forests (2x1x1 m) and sold at the site to consumers or by open auction or charcoal manufactured either departmentally or on contract basis by calling advance tenders and the charcoal sold at site as far as
possible by inviting tenders or open auction. Timber
nationalisation has not affected the nistar supplies. While
adequate care is taken to see that the villagers get their
requirement of timber and firewood, arrangements have also been
made by opening 82 retail sales depots of firewood in Balaghat
district.

Depot Sales Conditions of the Timber/Fuelwood/Charcoal :

Rules regulating the conditions of sale of the timber,
fuelwood, charcoal from various depots/coupes of Balaghat circle
are given below :-

(i) (a) No person shall be allowed to bid for any lot in the
auction unless he has signed the sale notice in token of the
agreements to abide by the conditions therefor and has deposited
as earnest money in respect of each lot before bidding therefor a
sum equal to ten per cent of the amount to the extent of which he
wants to bid. Subject to the condition that such deposit shall
in no case be less than Rs. 1,000/-.

(b) The amount of earnest money deposit shall in the case of
unsuccessful bidders be refunded to them at the close of auction
on their passing a duly stamped receipt. Therefore, in case of
auction of timber the amount of earnest money deposit shall be
adjusted towards the payments of the 25 per cent of the bid amount
of the lot as required under prescribed conditions. In case of
auction sale of fuel and charcoal it shall be adjusted towards the security deposit.

(2) (a) Immediately on acceptance of the bid or within a maximum period of seven days from the date of auction as may be allowed, by the D.F.O. at his discretion the successful bidder in case of depot auction sale shall have to pay such further sum as may be required to make up 25 per cent of the bid amount in case of auction sale of fuel wood and charcoal 25 per cent of the bid amount in cash or through a call Deposit Receipt or a crossed bank draft issued by any scheduled Bank of its local branch drawn in favour of the D.F.O. Balaghat Production Division, Balaghat, failing which the sale shall be cancelled and the whole amount of earnest money deposit under condition 1 (a) above shall be forfeited to the Government and the lot shall be auctioned afresh without risk to the defaulting bidder.

(b) (i) The remaining 75 per cent of the bid amount shall be paid by the purchaser in case of depot auction sale within forty five days and in case of auction sale of fuelwood, and charcoal within 15 days/from the date of which sanction of the bid in writing communicated by the D.F.O. to him by registered post. However, in exceptional cases the D.F.O. may on the request of the purchaser extend this period of 45 days/15 days for the payment of balance bid amount upto 75/45 days on payment of interest.

(c) (i) In addition to the amount payable under condition 2 (a)
and (b) above sales tax payable by the Forest Department in accordance with the provision of the M.P. General Sales Tax Act 1958 (No. 11 of 1959) and the Central Sales Tax Act 1966 as the case may be shall be recoverable from the purchaser alongwith the sale price.

Besides the above a Forest Development cess at Rs. 2 percent of sale price payable in accordance with provisions of the M.P. Forest Development Cess Act 1982, shall be recoverable from purchaser alongwith the sale price.

(ii) The purchaser shall also be responsible for the subsequent liabilities, if any, including payment of additional sums on account of sales tax payable by the Forest Department in respect of the goods sold to him under these conditions, such payment shall have to be made within 15 days of a demand in writing by the D.F.O.

(iii) No person shall be allowed to bid on behalf of another person for a firm unless he produces before the Divisional Forest Officer a power of attorney executed by such person or firm before and duly certified by a competent court of law, empowering him to act or the certificate of registration of the firm of which he claims to be a partner.

(4) No person, who has been prescribed or debarred from bidding for forest contracts shall while such prohibition is in force, bid at the auction.
(5) Except with the written permission of the Divisional Forest Officer no person by whom any money is due to the Government on account of or under any forest contract, shall bid at the auction.

(6) The Divisional Forest Officer may fix the reserve price for each lot and may withdraw any lot from auction, if the bid be less than such reserve price.

(7) The Divisional Forest Officer may fix the minimum amount of each advance on the previous bid and alter the amount so fixed from time to time in the course of bidding. In the event of any dispute arising out of the bids given, the bidding shall be immediately reopened and, at least the undisputed bidder gets the lot.

(8) The D.F.O. shall have the power without assigning any reason to :-

(a) prohibit any-one from bidding at any stage of the auctions
(b) reject the highest or any bid
(c) accept the highest or any bid, and
(d) withdraw any lot from the auction at any stage notwithstanding the readiness of the bidders to purchase the same.

(9) The successful bidder shall immediately after acceptance of his bid sign the bid sheet in respect of the lot knocked down in his favour.
(10) The sales of contracts beyond the power of sanction of the Divisional Forest Officer shall be subject to the sanction of the competent authority and the successful bidder shall remain bound by his bid until orders are passed by the competent authority.

(11) The successful bidder whose bid has been accepted by the competent authority shall be the purchaser.

(12)(a) In the event of non-payment of the remaining 75 per cent of the sale price alongwith amount in lieu of sales tax payable by the forest department, as required by condition 2 (b) and (c) above, the sale will be cancelled and any money already paid which in no case shall be less than 25 per cent of the accepted bid price shall be forfeited by the Government. The defaulter may also be blacklisted. The lot will be auctioned afresh without risk of the defaulter.

(b) If the sale has been cancelled for non-payment of the remaining 75 per cent of the bid amount and the authority next higher in rank is satisfied that the purchaser was unable to pay it within the prescribed time limit for good and sufficiently convincing reasons, to be recorded in writing, such authority may restore the sale on pre-payment of all the dues.

(13)(a) Removal of timber/fuelwood/charcoal sold shall not be allowed unless full payment in respect thereof has been made as detailed in condition 2 above and where necessary ground rent
and penalty under condition 14 below/Removal shall be restricted
to hours of day light removal of timber charcoal shall be allowed
through a gate set apart for the purpose where the timber, charcoal
shall be presented for inspection and branding timber with a exit
hammar mark.

(b) While taking delivery of the timber/fuel-wood/charcoal
sold the purchaser shall pass a receipt therefor.

(c) All timber/fuel-wood/charcoal being removed from the
depot coupe shall be covered by a transport permit duly prescribed
for the purpose to be obtained from the concerned Depot Officers/
Range Officer.

(d) The purchaser shall be liable to make good loss or damage
if any caused during the course of removal of timber fuelwood/
charcoal from the depot/coupe. The loss or damage as may be
valued by the D.F.O. shall be final and binding on the purchaser.

(14)(a) If the timber/fuelwood charcoal sold is not removed from
the depot/coupe within two months from the date of communication
of sanction vide condition 2 (b) (i) above ground rent (wharfage)
shall be charged by the D.F.O. as under -

(i) Timber - ten paise per cubic metre per day
(ii) Fuelwood- ten paise for standard stack (2 M x 1 M x 1 M)
per day
(iii) Charcoal- ten paise per standard bag without any kind of
Flap (0.673) 26" x 44" per day.
(15) (a) The Forest Department shall accept no responsibility whatsoever for deterioration, and loss of sold timber/fuelwood/charcoal by any cause, like fire, theft, misappropriation or other accidents. The fuelwood/charcoal in the depot/oupe after the sale shall remain entirely at the risk of the purchaser.

(16) (a) A road permit shall have to be obtained from the Divisional Forest Officer for plying trucks or other heavy vehicles on the forest roads at the rates given below :-

(i) Rs. 250/- per quarter per vehicle, or (ii) Rs. 5/- per vehicle per one side trip.

(17) The act of bidding shall be deemed to be a complete and unreserved acceptance of these conditions.

(18) The provisions of the (M.P. Van Upaj Vyapar Viniyaman) Achiniyam 1969. The Indian Forest Act 1927 and rules framed there under including forest contract rules in so far as they are applicable shall apply to the successful bidder/purchaser as conditions of sale.

(19) Any sum falling due from the bidder on any account under these conditions shall be recoverable from him as arrears of land revenue.

(20) All disputes arising out of these conditions shall be subject to the jurisdiction of courts in Madhya Pradesh.
**Financial Results of Fuelwood And Timber Trade in Balaghat Circle:**

In Balaghat Circle timber trade was nationalised on 1.10.1975. The table given below indicates the demarcation that came in after nationalisation of timber trade.

**Table No. 7.02**

**Gross Revenue from Timber Trade in Balaghat Circle**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Revenue In Rs.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>1,77,92,680</td>
<td>Before nationalisation</td>
</tr>
<tr>
<td>1976-77</td>
<td>1,67,68,081</td>
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</tr>
<tr>
<td>1977-78</td>
<td>2,11,94,202</td>
<td>After nationalisation</td>
</tr>
<tr>
<td>1978-79</td>
<td>2,81,37,460</td>
<td></td>
</tr>
<tr>
<td>1979-80</td>
<td>3,98,70,244</td>
<td></td>
</tr>
<tr>
<td>1980-81</td>
<td>4,74,88,861</td>
<td></td>
</tr>
<tr>
<td>1981-82</td>
<td>7,00,16,918</td>
<td>After nationalisation</td>
</tr>
<tr>
<td>1982-83</td>
<td>7,49,28,678</td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>7,39,08,937</td>
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</tr>
<tr>
<td>1984-85</td>
<td>7,38,64,544</td>
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</tr>
</tbody>
</table>

**Source:** Conservator of Forests Office, Balaghat.

The above table indicates that in 1984-85 Balaghat forest circle earned a gross revenue of Rs. 7,38,64,544 from timber compared to the gross revenue of Rs. 1,77,92,680 earned before
REVENUE FROM TIMBER IN BALAGHAT

CIRCLE

[Rs. in crores]

YEAR

1976-77 77-78 78-79 79-80 80-81 81-82 82-83 83-84 84-85
nationalisation in 1970-71. Thus the department has earned more
than 4 times after 1970-71. However the contractors are still
reaping huge profits through resale of timber in markets in the
adjoining states. Attempts should be made to eliminate contractors
from depot sales also. More depots should be opened within and
outside the state to eliminate contractors. Market studies are
also essential to earn more profits.

Table No. 7.03

Gross Revenue from Fuelwood Trade in Balaghat Circle

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Revenue In Rs.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>43,94,970</td>
<td>Before departmental working</td>
</tr>
<tr>
<td>1978-79</td>
<td>48,61,782</td>
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</tr>
<tr>
<td>1979-80</td>
<td>57,25,424</td>
<td>After departmental working</td>
</tr>
<tr>
<td>1980-81</td>
<td>1,11,16,661</td>
<td></td>
</tr>
<tr>
<td>1981-82</td>
<td>1,45,93,322</td>
<td></td>
</tr>
<tr>
<td>1982-83</td>
<td>91,97,512</td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>1,23,96,764</td>
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</tr>
<tr>
<td>1984-85</td>
<td>1,07,99,452</td>
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</tr>
</tbody>
</table>

Source: Conservator of Forests Office, Balaghat.

The above table indicates that in 1984-85 Balaghat forest
circle earned a gross revenue of Rs. 1,07,99,542 from fuelwood
compared to the gross revenue of Rs. 43,94,970 earned before
REVENUE FROM FIREWOOD IN BALAGHAT CIRCLE

[RS IN LAKHS]

YEAR

1978-79  79-80  80-81  81-82  82-83  83-84  84-85
departmental sale in 1970-71. Thus the department has earned more than 2 times after 1970-71.

**Marketing Pattern of Bamboo:**

**Before nationalisation:**

The annual bamboo potential in Balaghat district is of the magnitude of about 1,80,000 N. Tonnes. Such vast resources of bamboos within the district had practically no commercial value till 1940 and the extensive areas of bamboo forests remained almost untapped leaving the limited use by the people for their domestic requirement. The problem before the department was how to remove bamboos from the district forests. Gradually by the seventies, the increase in population and the advent of new industries resulted in a greater consumption of bamboos for domestic use, commercial export outside the state, and for industrial purposes.

Before nationalisation of the bamboo trade the general practice adopted was to auction the annual bamboo coupes to the agencies of contractors. The auctioned bamboo coupes were felled, logged, graded and transported through them. The department has nothing to do except marking the coupes. The greedy forest contractors were prospering and amassing wealth at the cost of the forests. They were also not hesitating to manipulate bamboo markets to earn heavy profits by making bamboo available only at inordinately high rates. Thus they were duping Government of their legitimate earnings, devastation bamboo forests and exploiting labourers engaged in forest working.
Marketing Pattern after Nationalisation:

In Balaghat district, bamboo trade was nationalised on 9.11.1973 under the provisions of the Madhya Pradesh Van Upaj (Vyapur Viniyaman) Adhiniyam 1969. As a result of nationalisation, the departmental working was introduced in all the commercial and industrial bamboo felling series and in some of the nistar felling series where departmental working was already in vogue. The other important features contemplated in the nationalisation were:

(a) provision for sale of commercial bamboos from specified depots situated outside the coupe,
(b) termination of the existing old leases of the Paper Mills and to require them to enter into fresh agreements,
(c) ensuring application of the 1974 bamboo cutting rules and other silvicultural operations to the bamboo forests so as to ensure perpetuity and augment productivity, and
(d) ensuring least disturbance to the existing nistar arrangements and prevailing concessions to agriculturists in various ranges of the district.

Method of State Trading in Bamboo:

From the time of state Trading in bamboo in the Balaghat Circle the following methods of disposal have been adopted:

(A) For Commercial Bamboo:
(a) Advance purchase tender system
(b) Auctions at the depots
(c) Sale of bamboo at open rates
(d) Negotiated sales

(B) For Industrial Bamboo :

(a) Committed supplies to paper mills
(b) Negotiated sales.

Out of the above methods of disposal for commercial bamboos, maximum quantity of bamboos is being sold on Advance Purchase Tender System. Under this system in the month of September each year, the tenders for advance sale are called for a fixed quantity of bamboos at specified depots and the successful tenderer is to be supplied—the agreed quantity up to 30th June of the following year at the tendered rate. Auction system is resorted to when the advance purchase tender system fails to attract purchasers and/or rates offered by them are not acceptable to the department being below the ruling rates fixed earlier. Sometimes one system in combination with another is also applied.

At present industrial bamboos are sold from this district to the Orient and Nepa Mills at the Royalty rate of Rs. 450 per N. Tonne. With the revised rates of royalty as a result of bamboo nationalisation huge revenue is accruing to the state from Balaghat district.

Financial Results of State Trading :

The table given below indicates that the results of state trading in bamboo in Balaghat circle over the last 9 years
have been quite encouraging. One of the objectives of State trading in bamboo was to increase the Government revenue by stopping pilferage and smuggling of bamboos. The details of the revenue given below show that the above objective has been achieved.

Table No. 7.04
Revenue from Bamboo in Balaghat Circle

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue In Rs.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>25,25,968</td>
<td>Before nationalisation</td>
</tr>
<tr>
<td>1976-77</td>
<td>29,84,885</td>
<td></td>
</tr>
<tr>
<td>1977-78</td>
<td>1,00,25,608</td>
<td></td>
</tr>
<tr>
<td>1978-79</td>
<td>1,28,70,684</td>
<td></td>
</tr>
<tr>
<td>1979-80</td>
<td>3,27,80,399</td>
<td></td>
</tr>
<tr>
<td>1980-81</td>
<td>3,60,12,679</td>
<td></td>
</tr>
<tr>
<td>1981-82</td>
<td>4,12,56,897</td>
<td>After nationalisation</td>
</tr>
<tr>
<td>1982-83</td>
<td>2,36,34,788</td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>3,88,57,369</td>
<td></td>
</tr>
<tr>
<td>1984-85</td>
<td>3,87,12,696</td>
<td></td>
</tr>
</tbody>
</table>

Source: Conservator of Forests Office, Balaghat.

The above table indicates that a marked improvement in the revenue from bamboo came with the nationalisation of the bamboo trade in September 1973. In 1984-85 Balaghat forest circle earned a revenue of Rs. 3,87,12,696 from bamboo against Rs. 25,25,968 before
REVENUE FROM BAMBOO IN
BALAGHAT CIRCLE

[RS. IN CRORES]
nationalisation (1970-71). Thus the department has earned more than 15 times after the nationalisation.

Marketing Practices of Minor Forest Produce before State Trading:

Before state trading came into existence the tapping and collection rights of the minor forest produces from annual coupes were leased to purchasers. It was often noticed that the contractors agency motivated by selfish interests operated in disregard of business ethics and exploited the innocent and illiterate forest labour. Forest produce from the Government forests used to be smuggled out under the garb of the produce from the private holdings. These intermediaries at their will purchased the forest produce from the villagers at very low prices and appropriated a lion's share of the profits thereby adversely affecting the Government revenue.

Marketing Pattern of Minor Forest Produce after State Trading:

In Balaghat district (Myrobalans) harra and gums trade was nationalised on 21.6.1969 and the sal seed trade was nationalised on 9.12.1975 under the Madhya Pradesh Van Upaj (Vyapar Vinlyaman) Adhiniyam 1969. To facilitate collection and disposal of forest produce, the area is divided into units. The minimum quantity to be collected and sold in each unit is notified. Applications are invited through a Gazette Notification for appointment of agents. The agents so appointed, collect and purchase the forest produce on behalf of the Government for which
the Government advances them money. The agents are paid remuneration at the rates fixed by the Government. On collection in excess of the notified quantities the remuneration is paid at enhanced rates.

Forest produce of each unit is sold in advance by the Government by inviting tenders from the intending buyers through a Gazette Notification. The purchaser of a unit, so appointed, pays partial price in advance to the Government and pays the balance price just before obtaining the delivery of the forest produce. The quantity in excess of the notified quantity can be purchased by him at prefixed concessional rates. The Government's agent of a unit collects the produce on behalf of the Government and hands it over to the purchaser of the unit on remission of the price money. Where agents are not available the collection is carried out through the appointment of Sub-agents or through departmental agency. In some cases the stocks were sold through negotiations also. The system of agent purchase has been adopted in the case of sal seeds from the very beginning (Year 1975). Since 1976-77 the Government has adopted this system for collection and disposal of harra and gums. In North Balaghat Territorial Division MARKFED appointed as purchaser through LAMPS as agents for harra, salseed and gums for the period 1979-83.
Financial Results of State Trading:

The impact of the State Trading on the revenue receipts is apparent from the following table.

**Table No. 7.05**

Revenue from Harra and Gums in Balaghat Circle

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (In Rs.)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-63</td>
<td>6,686</td>
<td>Before State Trading</td>
</tr>
<tr>
<td>1979-80</td>
<td>6,89,836</td>
<td></td>
</tr>
<tr>
<td>1980-81</td>
<td>1,33,966</td>
<td></td>
</tr>
<tr>
<td>1981-82</td>
<td>4,01,579</td>
<td></td>
</tr>
<tr>
<td>1982-83</td>
<td>3,47,256</td>
<td>After State Trading</td>
</tr>
<tr>
<td>1983-84</td>
<td>6,74,435</td>
<td></td>
</tr>
<tr>
<td>1984-85</td>
<td>4,31,106</td>
<td></td>
</tr>
</tbody>
</table>

**Source**: Office of the Conservator of Forests, Balaghat.

The above table indicates that in 1983-84 Balaghat forest circle earned a revenue of Rs. 6,74,437 from harra and gums against Rs. 6,686 before State Trading (1962-63). Thus the department has earned more than 100 times after 1962-63. In 1980-81 a sharp decline in harra revenue was recorded due to the non-disposal of the stocks of harra.
### Table No. 7.06

**Revenue from Sal Seed in Balaghat Circle**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (In Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976-77</td>
<td>82,352</td>
</tr>
<tr>
<td>1977-78</td>
<td>11,35,384</td>
</tr>
<tr>
<td>1978-79</td>
<td>1,06,849</td>
</tr>
<tr>
<td>1979-80</td>
<td>5,11,578</td>
</tr>
<tr>
<td>1980-81</td>
<td>12,62,162</td>
</tr>
<tr>
<td>1981-82</td>
<td>14,47,625</td>
</tr>
<tr>
<td>1982-83</td>
<td>8,53,359</td>
</tr>
<tr>
<td>1983-84</td>
<td>9,05,029</td>
</tr>
<tr>
<td>1984-85</td>
<td>10,09,575</td>
</tr>
</tbody>
</table>

**Source**: Office of the Conservator of Forests, Balaghat.

The above table indicates that the financial results of state trading in salseed in Balaghat circle over the last 9 years have been quite encouraging. In 1984-85 Balaghat forest circle earned a revenue of Rs. 10,09,575 from salseed against Rs. 82,352 just a year after nationalisation (1976-77). Thus the department has earned more than 15 times after 1976-77. However, the authorized agents are earning huge profits by the resale of sal seeds in the outside markets. Attempts should be made to eliminate them.
Salient features of the M.P. Tendu Patta (Vyapar Viniyaman) Adhiniyam (1964) :

The bill was passed as 'M.P. Tendu Patta (Vyapar Viniyaman) Adhiniyam 1964'. It received the assent of President of India on 23rd November, 1964 and was brought into force throughout Madhya Pradesh from 28th November 1964. The salient features of the Act are as under:-

"Section 3 - Empowers the State Government to divide specified area into units Section 4 Empowers the State Government to appoint 'Agents' for the purpose of purchase and trade in tendu leaves on its behalf, on such terms, conditions and procedure as the State Government may prescribe.

Section 5. Imposes restrictions on purchase and transport of tendu leaves. No person other than -

(i) The State Government,
(ii) an Officer of the State Government authorised in writing in that behalf or (iii) an agent in respect of the unit in which the tendu leaves have grown, can purchase or transport tendu leaves. The provision of this section creates monopoly in the trade.

Section 6 and 7. These sections safeguard the interest of private growers of tendu leaves and ensure payment of fair price to them for such leaves as are grown in their holdings and are sold to the Government."
Section 10.

Provides for registration of growers of tendu leaves.

Section 11.

Provides for registration of manufacturers of bidi and exporters of tendu leaves.

Section 12.

Empowers the State Government to dispose of tendu leaves purchased under the provisions of the Act in any manner they like.

Section 14.

Provides the power of entry search, seizure, etc. for a proper compliance of the provisions of the Act.

Section 15.

Provides for penalty for branch of the provisions of the Act or the rules made thereunder.

Section 17.

Provides that no court shall take cognizance of an offence except on a report in writing made by the Divisional Forest Officer or an officer authorised by the Government.

Section 19.

Empowers the State Government to make rules.
Section 22.

Empowers the State Government to do anything, not inconsistent with such provisions, which appears necessary or expedient for the purpose of removing the difficulty arising in giving effect to the provisions of the Act".

Rules called 'The M.P. Tendu Patta (Vyapar Vinishaman) Niyamavali 1965' were framed, published and brought into force from 22nd January 1965. These rules were replaced and the revised Rules called 'The M.P. Tendu Patta (Vyapar Vinishaman) Niyamavali 1966' were published and brought into force from 14th February 1966. These Rules continue to be in force. Rules have been framed for the following :-

Rule 3 Appointment of Agents.
Rule 4 Transport permit.
Rule 5 Procedure for the conduct of business of the Advisory Committee.
Rule 6 Registration of growers.
Rule 7 Procedure for enquiry of rejected leaves.
Rule 8 Registration of manufacturer of bidi and/or exported of tendu leaves.
Rule 9 Certificate of sale necessary forms have also been prescribed.

Salient Features of the M.P. Van Upai (Vyapar Vinivyaman),
Adhiniyam, 1969:

(1) The Act provides for state monopoly on purchase and transport of Forest Produces specified for inclusion in State Trading.

Provision is also made to permit the tribals and other population to retain and transport the forest product for their bonafide use to a liberal extent. This is done to avoid any inconvenience to the local population as a result of nationalisation.

(2) Statutory safeguards have been provided to ensure fair price to the growers for the produce grown on their land. Under section 6 of the Act, an Advisory Committee is constituted for each commissioner's Division, for each calendar year, for every specified forest produce separately. These Advisory Committees advise the Government regarding the fixation of purchase price on which the forest produce should be purchased from the growers. Based on the recommendations of the Advisory Committees the Government fixes the purchase price once a year, and notifies it as provided under section 7. Each Advisory Committee is headed by a Member of the Parliament belonging to the scheduled tribes. Other members of the Committee comprise of a M.L.A. of the scheduled tribes, two representatives of the growers, and two representatives of traders.
Similarly, to ensure proper wages to the tribes and other labourers for collection of the specified forest produce the Government fixes and notifies the collection rates.

(3) To encourage involvement of village panchayats and labour Co-operatives in the collection work, adequate provision is made. Section 4 of the Act provides for appointment of agents to organise collection of forest produce from Government forest and purchase of forest product grown on private holdings. Under section 4 (2), a Gram Panchayat, a Co-operative Society or the Madhya Pradesh State Tribal Co-operative Development Corporation may be appointed as an agent for one or more units provided that the M.P. State Tribal Co-operative Development Corporation shall be given preference in such appointments.

Besides, as per rule 5 (ii) of the M.P. Van Upaj (Vyapar Viniyaman) Niyam, 1969, the State Government may exempt a Gram Panchayat or a Co-operative Society or the Madhya Pradesh State Tribal Co-operative Development Corporation from paying the advance security deposit and enclose security bond of an independent surety, as otherwise required from other applicants.

(4) It provides for the appointment of retail sellers to ensure availability of specified forest produce to consumers for their bonafide domestic consumption at reasonable prices.
Marketing Pattern of Non-nationalised Products:

Some of the important non-nationalised, minor forest produces are chironji, honey, wax, phulbahari dhwai flowers, mahul leaves, medicinal herbs and plants etc. The rights for the collection and removal of these minor forest produce may be sold annually by public auction. Any other non-nationalised minor forest produce which may be required for the nistar by the local population will be sold directly to the purchasers on forest produce passes.

Nistar and Paidawar:

(1) Nistar has been defined as the requirement of forest produce for bonafide domestic and agricultural purposes but not for sale, barter, gift or wasteful use. It includes timber of specified species in sizes for making and repairing agricultural implements, houses and cattle sheds, firewood, bamboos, grass, thorns, bark, fibre, minor minerals, honey, wax edible fruit, flowers and roots.

(i) Firewood:

Head loads of dry and fallen firewood are allowed free of cost for nistar and commercial sale.

(ii) Bamboo:

Bamboos are allowed to be purchased for nistar purposes at schedule rates from nistar depots.
(iii) Grass:

Free removal of grass by head loads from remote areas is allowed.

(vi) Fencing:

The rates of the removal of thorns and fencing material is low. Where these are not available brush-wood such as lops and tops of felled trees, bamboo tops are supplied for making badies (fence).

(v) Bark and Fibre:

Barks and fibres may be removed from trees felled for exploitation, at nominal rates. No live tree should be allowed to be debarked under normal circumstances.

(vi) Edible Fruit:

Edible fruit, flowers, roots, honey and wax are allowed to be removed free of cost by head load for domestic consumption.

(vii) Minor Minerals:

For a bonafide purpose minor minerals can be removed free of cost except those which come under the mining rules.

(viii) Small Timber and Poles:

Timber upto 60 centimetres girth at breast height and khod timber used by agriculturists for building huts, cattle sheds
and implements will be given on sustained basis at approved rates from nistar depots.

(ix) **Depots** :

Nistar and commercial depots are opened at 82 places. From these depots and departmental coupes the material is supplied at fixed nistar and commercial rates.

(x) **Occupational Nistar** :

It is given as under :-

(a) **CHARMKARS** :

Ghot fruit and dhaora leaves are allowed to be removed at nominal fees.

(b) **BASORS** :

Basors who are carrying on trades of weaving bamboo baskets, etc., are allowed to take bamboos at concessional rates upto 1,500 bamboos per family per year from the departmental depots.

(c) **KUMHARS** :

Earth and sand is allowed to be removed free provided the total value of articles manufactured in an year does not exceed Rs. 10,000.

(d) **PANBAREJA** :

Upto 3,000 bamboos per year are allowed to each
panbarea family at concessional rates. These bamboos are supplied from the depots.

**Terms for haulage of Timber and other Forest Products in Balaghat Circle:**

(1) Sealed tenders are invited from persons or parties desirous of hauling on behalf of the Government or the Officer authorised by the Government, timber/bamboos/charcoal/fuel through mechanical means from the various haulage groups formed in various forest divisions of Balaghat Circle to the respective depots. The haulage is to be done from the date of communication of the acceptance of tender by the competent authority.

(2) The tenders are to be given separately for each haulage group.

(3) (a) (i) Only registered firms or individuals or more than one individual jointly having at least one truck in sound working condition in his name their names need tender. The tenderer shall have to employ at least one truck for every 1,500 cubic metre of timber (1,000 Notional Tonne) of bamboo, 10,000 bags of charcoal/3,000 standard fuel stacks. The tenderer may engage trucks from other.

(3) (b) Each tender must be accompanied by a certificate of registration and fitness either in original or duly attested copies thereof, in respect of all the transport vehicles proposed to be engaged on the haulage work tendered.
(3) (c) For each group there should be separate truck (5). The same truck cannot be assigned to more than one group.

(4) (a) The tenders will be given only in the form issued under the seal of Divisional Forest Officer on payment of Rs. 1.00 only.

(4) (b) The tenderers are advised to inspect and satisfy themselves fully with the location of all the coupes included in the group, in the depot where the forest produce will be transported and the road connecting them.

(4) (c) The haulage rate to be quoted shall include loading and unloading charges also. The haulage rates shall be in terms of per cubic metre for timber (measured under bark)/per notional tonne of bamboos (one notional tonne equal to 2,400 metre length) per 100 bags standard 26½" x 44") of charcoal per 10 standard (2m x 1m x 1m) stack of fuel./for entire/lead from the group to the specified depots. The rates shall not be in fractions of paisas.

(5) (a) Every tender must be accompanied by :- (i) A receipt of deposit-at-call or a crossed Bank Draft on State Bank of India or any other scheduled bank drawn in favour of the concerned Divisional Forest Officer for a sum of Rs. 2,000, to be deposited as earnest money.

(ii) A duly signed Tenderer's Agreement. (5) (b) The earnest money will be refunded to the unsuccessful tenderers, and in the case of the successful tenderer, the same will be adjusted towards
the security deposit as required under clause 6 (b) below:

(6) (a) The successful tenderer shall have to execute an agreement in the prescribed form within 15 days of the communication of acceptance of his/their tender. (6) (b) The tenderer shall have to furnish security in the shape of fixed deposit/deposit—at crossed Bank Draft, Bank Guarantee, of an amount equal to 10 per cent of the estimated haulage charges. (6) (c) After allowing adjustment of Rs. 2,000/- of earnest money deposit towards the security deposit as per clause 5 (a) (i) above, the balance amount of cash security, if he so prefers may be recovered by a deduction at the rate of 20 per cent of the amount of each bill of haulage until the said security is fully recovered. (7) (a) A copy of the prescribed agreement bond can be seen in the Office of the Divisional Forest Officer concerned during the office hours on any working day. (7) (b) Blank copies of this agreement bond, which is subject to revision, are obtainable from Divisional Forest Officer concerned on payment of Rs. 5/- per copy.

(8) If the successful tenderer fails to execute the agreement bond the tenders shall be liable to be cancelled and on such cancellation, amount deposited under clause 5 (a) shall be forfeited. Further, in the event of loss to Government by way of acceptance higher by reasons of default of not executing the agreement deed for haulage of the forest produce as per tender notice, the Government may recover such loss as arrears of land revenue.
(9) The Divisional Forest Officer concerned will offer for haulage, the quantity shown against each haulage group in the enclosed Annexure-l during the contract period. However, these quantities are not guaranteed. The quantities as offered for haulage will be duly transported in time. (10) (a) The successful tenderer shall have to transport the material as made available to him in the group up to February 19 and this will ordinarily be not less than 60 per cent of the estimated quantity. If the successful tenderer fails to haul the timber/bamboo/charcoal/fuel as above the Divisional Forest Officer concerned shall be entitled to employ an alternative means of transport at rates not exceeding 33 1/3 per cent and above the sanctioned tender rate and all such payments by the department shall be covered from the haulage or the security deposit of the haulage contract as the case may be. (10) (b) All haulage routes pass through checking barriers of the forest department and it will be incumbent on the tenderer to get the transported forest produce checked at the carrier. (11) (a) The haulage contractor will have to pay road tax for plying the trucks on the forest roads at the rate of Rs. 100/- per quarter per truck or Rs. 2/- per trip each way. (11) (b) Toll tax will be the responsibility of the forest department, where payable. (12) (a) A tender must be filled in legibly in the prescribed form and shall be submitted in a closed and sealed cover bearing the following words and address :-

Tender for haulage of/Timber/Bamboo/Charcoal/Fuel. Division______
________ Range ________________ S.No.______ and Name of Haulage
Group ___________________ Address Shri_______________

Conservator of Forests__________ Circle (12) (b) The cover
Containing the tender or tenders shall be delivered personally
or sent by post 'Registered-Acknowledgement Due' to the
Conservator of Forests/Divisional Forest Officer_____ so as to
reach by___________ upto 16 hours. Tenders received or presented
after this date and time shall not be entertained.

(13) (a) The tenders will be opened in the Office of the
Conservator of Forests _________ Circle at _______ hours on_____.
The tenderers who wish to be present may attend the Office at
appointed hour and date. The sequence of divisions for opening
of tenders will be decided by drawing lots. (13) (b) Tenders not
accompanied by earnest money deposit as mentioned in para 5 (a) (i)
for Rs. 2,000/-, the Certificate of the Regional Transport Authority
showing ownership of the truck/trucks. The document required vide
para 3 (a) (b) and the tenderer's agreement not signed by the
tenderer, shall be liable to be rejected. (14) (a) If the same
rate is offered by more than one tenderer for a particular Haulage
Group, the conservator of Forests immediately after opening of such
tenders will permit those tenderers of that Group, who are present
and who have offered one and the same rate to decrease their
offer and the lowest offer so decreased will be considered for
acceptance. In case of their refusal to decrease the offer or
in absence of the concerned tenderers the acceptance of such
tenders shall be considered by drawing lot. (14) (b) Immediately
after the opening of tenders offers will be invited for the group(s)
for which no tender have been received, Only. Such tenderers as are present and have given tenders for at least one haulage group in a Circle. shall be eligible to give/offer for untendered groups and the rates will be decided by negotiations, subject to compliance of the requirements of the conditions 3 and 5 of this tender notice. (15) (a) The successful tenderer shall have to pay the cost of timber/bamboo/charcoal/fuel lost or damaged during the transit as valued by the Divisional Forest Officer whose decision will be final and binding on the tenderer. (15) (a) The haulage contractor shall have no claim whatsoever to compensation for any damage to property or individuals caused during the process of loading, unloading or transporting timber/bamboo/charcoal/fuel or other materials. (15) (c) The measurement of quantities received in the Depots shall be final for purpose of calculating haulage bill. (15) (d) payments for haulage will be made by the Divisional Forest Officer on the presentation of bills by the successful tenderers and such bill should be supported by carting challans duly signed by the authorised staff of the receiving Dept. Where such final payments are not possible timely, part payments may be made on firm evidence of haulage upto 80 per cent of the estimated charges. (16) The competent authority shall be at liberty to accept or reject any or all tenders without assigning any reason for the same.

General Problems Relating to Marketing of Forests Produces:
(1) Middlemen are Reaping Huge Profits:

The middlemen are reaping huge profits through the resale
of forest produce in markets within and outside the state. Hence consumers are facing the problem of rising prices. Minor Forest Produce (M.F.P.) is purchased by agents appointed by the department who are generally the men of the contractor or the industrialist described as 'purchaser' in law. The agents purchase produce formally on behalf of the department, but the collection is channelled to the final purchaser in reality. The department becomes entitled to the difference between the agreed sale price and the collection charges. Thus the primary objective of removing the middlemen and passing on the maximum benefit to the primary collector is defeated. The system also suffers from the defects of non collection of material from the interior areas, over exploitation of accessible areas, low payment for collection to tribes and declaration of quantities less than actually collected.

(2) **Market Studies** :

Market studies are not carried out for the sale of forest products by the forest department. Hence maximum profits could not be derived from the sale of forest products.

(3) **Higher Upset Price** :

In 1983-84 and 1984-85 due to higher upset price a large quantity of sal wood and tendu leaves remained unsold and the forest department was put to loss.
(4) **Lack of Proper Attention for Collection and Disposal of Other Minor Forest Produce**:  

Proper attention is not paid by the forest department for collection and disposal of other minor forest produces. Hence the revenue from other minor forest produces is very low.

(5) **Irregularity by Private-Saw-Mill Owners**:  

All the Saw Mills are in private sector and they help illicit to the unsocial elements in carrying out their felling and theft of timber for a little gain. Hence illicit felling and theft could not be checked completely.

(6) **Difficulties of the Purchaser**:  

There are some difficulties which the purchaser faces and they are as follows:

(A) **Delay in communicating sanction and Delivery of Sold Produce from Depot**:  

Purchasers have complained about delay in receipt of sanction orders and the delivery of the sold material. These delays cause wastage of the purchaser's time and delay in the transport of his material.

(B) **Issue of Bills**:  

As per the departmental procedure buyers are not issued
bills for the material purchased by them. Purchaser consider bills as primary documents for maintenance and presentation of their accounts.

(C) **Details of Material Before the Auctions**:

Purchasers have complained that details of material before the auctions could not be made available to them.

(D) **Non-availability of Lodging Facilities to Bidders**:

There are no lodging facilities for the outside purchasers in the circle.

(E) **Distinction in Quality Classes**:

At times several quality classes are mixed up in one lot. The purchasers do not like this. This results in confusion in the assessment of value of material.

(F) **Loading Difficulty**:

The traders more often find difficult to get proper labour for loading the trucks or wagons.

(G) **Measurements and Volume Calculations**:

Some of the purchasers critically pointed out errors in the measurement and volume calculations.
(H) **Incorrect grading**:

Some of the purchasers pointed out errors in the grading which creates an adverse impression on the mind of the trader and spoils the reputation of a particular depot and thereby reduces the value of the material.

(I) **Supply of Wagons**:

Uncertain supply of wagons creates a difficult situation for traders. In Balaghat, situation of wagon supply is not satisfactory. This directly affects the depot sale. Gradually the traders are likely to be diverted to other markets in Maharashtra State.

(J) **Sales Tax**:

The rate of sales tax in Madhya Pradesh is 16 per cent which is very high. All traders trading outside the State of Madhya Pradesh have expressed their difficulty that the sales made to them have not been considered interstate sales. This makes them to pay 8-10 per cent more sales tax.

**Suggestions**:

The following are some concrete suggestions for improvement in the Marketing of Forest Produces:

1. **Middlemen should be Eliminated from the Forest Products Trade**:

   More and more sale depots should be opened within and
outside the state to eliminate middlemen from depot sales, to keep the prices low and to maximise profits.

2. Market Studies should be Carried Out:

It is also suggested that appropriate market studies for forest products should be carried out to maximise profits.

3. Suitable Upset Price should be Fixed:

Suitable upset price should be fixed for different forest products, so that unsold stock would not remain and quality would not deteriorate.

4. Minor Forest Products should be Collected and Sold Through Tribal Co-operatives:

Keeping in view the importance of Minor Forest Produce (M.F.P.) in the tribal economy and life, Minor Forest Produce should be collected only through the tribal Co-operatives controlled by tribes at the primary level, so that remunerative prices could be ensured to them. For this purpose, local tribes should be trained in collection and storage techniques and wherever possible the first stage processing be done there.

5. Proper Attention should be Paid for the Disposal of Other Minor Forest Produce:

There is a great potentiality to earn more profits from other minor forest produces. Hence proper attention should be paid
to the collection and disposal of other minor forest produces in
the circle.

6. **Nationalisation of Saw-Mills**: It is suggested that all the Saw-mills should be
nationalised to check theft of timber and to earn full profits.

7. **Seedling Forest Produce should be Transported by Bullock Carts**: Bullock-carts should be provided to certain eligible
tribal families and these bullock carts should be engaged by the
forest department in the transportation of seedling forest
produce instead of transporting these goods by trucks as
the practice at present.

8. **Procedure of Delivery of Forest Products should be Simplified**: The procedure of effecting the delivery of goods to the
purchaser be simplified to the extent permissible by rules. As
for as possible sanction of sale of lots be issued immediately on
the spot on the day of auction and challans also issued
simultaneously. The Divisional Forest Officer may authorise the
Depot Officer to give delivery of lots on the presentation of a
receipt of treasury challan.

9. **A Certificate of Sale Be Issued**: Generally the outsiders insist on having a bill for the
sale made to him. A certificate of sale giving lot wise details,
may be or an enclosure be issued in favour of the purchaser. This can be issued even by the Depot Officer while effecting delivery.

10. **At a time Enough Quantities of Timber be Kept for Auction:**

There are certain depots like Tirodi, Kirnapur where the department expects the buyers from outside, but the quantities to be brought are not enough. To provide better opportunities to the purchasers pick and choose, it is, therefore, necessary to keep at least about 1,500 Cu. metres of timber for auction at a time.

11. **Lots Should be Made of Desirable Sizes:**

Lots should be made of desirable sizes and it is suggested that the volume of a lot should be about truck load or a wagon load.

12. **Quality-Class-Wise Should be Prepared:**

It is advisable not to mix so many quality classes in one lot. Quality class-wise lots of timber should be prepared.

13. **Correct Measurement Should be Done:**

Measurement of logs and volume calculations should be very thoroughly checked and rechecked at the depots. Some of the depots like Garra and Lanji enjoy good reputation in this respect.

14. **Dates of Auctions Should be Finalised for One Year:**

Dates of auctions should be got finalised for one complete
year. It is advisable that at least 5 to 6 auctions should be conducted during the year. Dates after 15th March to the end of May be avoided. Auctions in July and August are also preferred by the purchasers.

15. **Classification of Depots** :

Depots can be classified into categories depending on whether they mainly cater to the internal markets or the external markets. The sales of those depots which mainly cater to the external markets should be advertised at least 15 days in advance and copies of sale notices be sent to traders well in time. The sale notice should show the details of materials proposed to be auctioned.

16. **Loading Gang Should be Kept** :

Loading gangs should be kept available at the depot at reasonable job rates.

17. **Selective Species Should be Auctioned at One Depot** :

Selective species like teak and sal logs, which are available in limited quantities at various depots, should be collected at one central depot and auctioned. Due to increase in quantity and better selection more purchasers will come and this will yield better prices for the produces.
18. **Grading Instructions Should be Followed**

Grading as specified in logging instructions should be followed correctly while preparing lots at the depots.