

Final

**DRAFT POLICY FOR SUSTAINABLE UTILISATION OF
AGAR WOOD**

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GOVERNMENT OF INDIA

MINISTRY OF ENVIRONMENT AND FORESTS

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Draft Policy for Sustainable Utilisation of Agar Wood, 2014

1. PREAMBLE

1.1 Agarwood is an integral part of the religious and cultural fabric of India, largely used as agarbathi. *Aquilaria malaccensis* Lamk. (locally known as agar or Sasi) is a precious floral wealth of North-East India and has been identified as a potential aromatic plant of this region. The tree is medium size to large evergreen, which can grow up to 40 m in height and reach a diameter of 60 cm and is commonly found in primary and secondary forests, mainly in plains but also on hillsides and ridges up to 750 m altitude. It is found in North-Eastern States viz. Assam, Arunachal Pradesh, Meghalaya, Manipur, Tripura, Mizoram, Nagaland and also in West Bengal and Sikkim.

1.2 The essential oil from agarwood is valued in high class perfumery as a fixative and is much priced by European perfumer for mixing their best grade scents. The oil obtained from agar is described as a stimulant, cardi tonic and carminative, aphrodisiac, alternative anodyne, antidiarrheal, antiasthmatic, astringent, laxative stomachic and tonic and enter into the preparation of several pharmaceutical and cosmetic products. Indonesia and Malaysia appear to be the main source of agarwood (from all species) in international trade. The *A. malaccensis* tree is rare in wild due to illegal and indiscriminate felling from North Eastern States of India owing to its high prices, thereby threatening its natural stands in the forests. This has necessitated the formulation of policy for sustainable utilisation of agarwood.

2. OBJECTIVES

2.1 The salient objectives of policy include:-

- To ensure sustainable utilisation of the agarwood including harvesting, processing, transit and trade.
- To curb illegal trade.
- Incentives to growers for plantation of agarwood trees on private/farm lands.

- To develop suitable strategies to augment its natural regeneration, artificial regeneration and conservation.
- Research and Development for sustainable harvesting.
- Regulation for industrial units for agarwood processing and marketing.

3. TRADE

3.1 Hojai town of Nagaon district in Assam is a nerve centre of trade and commerce of agarwood including Naharani and Namti in upper Assam. During 2003-04, more than 90,00,000 agar plants of different age classes were enumerated in the non-forest land (private land) by Assam Forest Department. More than 9100 agar oil extraction units are working in Assam requiring more than 7,28,000 trees of agar which are supplied by agar farmers. More than 50,000 workers and farmers are involved in the agar business and while another 1.5 lacs benefit from it indirectly.

3.2 Three grades of oil are being extracted from the agar namely Boya, Boha and Khara. The rate also varies from Rs. 500/- to 12,000/- per tola (11.62 gram) in the North-East India. However, in the international market, the value of first grade agar wood is extremely high. Prices range from a few dollar per kilo for the lowest quality to over thirty thousand US dollars for top quality oil and resinous wood.

4. CURRENT STATUS

Population of *A. malaccensis*, a critically endangered tree species of India, has markedly decreased in natural forests of north-east India due to unsustainable harvesting of mature trees for agar wood trade, forcing the government to take action to bring the international trade within sustainable limits. Hence, the species is included in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1994). The species is also listed as 'Vulnerable' globally, 'Critically Endangered' in India (IUCN 2009) and almost 'Extinct in Wild' in Assam. The species is commonly cultivated in the home gardens of Upper Assam in association with other useful plants for its high commercial value.

5. EXPORT

5.1 The export of agarwood has been prohibited since 1991, when the export of all wood products (including log, timber, chip, powder, flake, dust etc.) of all species was banned through the EXIM policy in force at that time. The EXIM policy (2009-2014) published by the Directorate General of Foreign Trade, Government of India, import of agarwood is restricted and this will be subject to the provisions of convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES). Regarding the export provision of agarwood, the export of agarwood is regulated under

chapter 12 (S.No. 80 to 83) of ITC (HS) Classification of Export and Import items. As per these provisions:-

S. No	Item Description	Export Policy	Nature of Restriction
80	Plants and plant portions of wild origin, of species specified in any of the Schedules of Wild Life (Protection) Act, 1972 or Appendix I of CITES or Export Licensing Note I.	Prohibited	Not permitted to be exported. Special exemption can be granted for the purpose of research, education and life saving drugs on case by case basis by DGFT, on the recommendation of Ministry of Environment & Forests.
81	Plants and plant portions of cultivation origin of species specified in any of the Schedules of Wild Life (Protection) Act, 1972 or Appendix I of CITES or Export Licensing Note I.	Free	Subject to production of a Certificate of Legal Possession in favour of the exporter, issued by the DFO having jurisdiction where the exporter is situated. In case of species listed in Schedule VI of Wild Life (Protection) Act, 1972, subject to the exporter complying with the provision of S.17A of the Act. In case of species listed in Appendix I of CITES subject registration of the nursery and appropriate CITES documentation from the Asst. Management Authority.
82	Plants, plant portions of wild or cultivation origin, of species specified Appendix II or III of CITES.	Free	Subject to production of certificate of Legal Possession in favour of the exporter, issued by the DFO having jurisdiction where the exporter is situated. Export subject to CITES.
83	Plants, plant portions of wild or cultivation origin, of species not specified in any of the Schedules of Wild Life (Protection) Act, 1972 or Appendix I, II, III of CITES or Export Licensing Note I.	Free	Subject to obtaining a Certificate of cultivation from District Agriculture Officer or District Horticulture Officer or DFO".

5.2 Imported agarwood may be re-exported as value-added herbal formulations, if these are manufactured only from imported material. At the time of export, exporters are required to present an affidavit to Customs authorities stating that only imported plant material was used to produce the formulation being re-exported.

6. MANAGEMENT OF AGARWOOD FOR SUSTAINABLE UTILISATION

The following priority areas have been identified for utilisation of agarwood on sustainable basis:

- Documentation of information on geographical distribution and resource base.
- Package for cultivation, value additions, market status, domestic policies for growers and traders by concerned State Government.
- Formulation of Rules and Regulations for harvesting, marketing industries and trade policy.
- Pricing pattern, social and economic dimension as per requirement of the concerned State, may be further supported by Minimum Support Price (MSP).

6.1 Management of Wild Population

- Inventory of wild population by the Working Plan Officers of respective forest departments of State Governments.
- Inclusions of proper prescriptions in the Working Plans for conservation and regeneration of the species in the wild.
- Coordinated legal and policy issues for control over trade between all agarwood producing states of the country, including a Non Detrimental Findings Study of the species by the CITES Management Authority of India to ascertain its availability and sustainable harvesting.

6.2 Research Initiatives

- Series of cultivated species having wider and representative genetic base providing seed security for future plantations throughout its range of occurrence under state control
- Motivating private growers to establish preservation plots with R&D support from research institutes and advocating sustainable harvest.
- Promoting research collaboration amongst all agar producing countries.
- Use of tissue culture etc. to provide genetically superior trees.
- Research to enhance the productivity of trees.

7. STRATEGY

- Wild agarwood populations must be identified and conservation of such areas has to be initiated with the scientific extraction of agarwood from the wild.

- A comprehensive framework for conservation of wild agarwood populations may be drawn up for this purpose including a Non Detrimental Findings Study of the species by the CITES Management Authority of India to ascertain its availability and sustainable harvesting. This will help designated government agencies to monitor harvesting, transit and trade of the species.
- The State Forest Departments will have the responsibility of maintaining inventory of all the plantations in the state and of providing the assessment of sustainably available yield from private and public plantations separately. For this purpose, appropriate statutory regulatory mechanisms will be devised like provision of registration of agarwood plantations with the Divisional Forest Officers.
- Trade including export of the plant, its parts or their derivatives may be as per Country's extant EXIM Policy and provisions of CITES. However, the EXIM Policy for the agar wood products will be based on the conservation status of the species in wild as well as plantations, which will be assessed and reviewed at a frequency of 10 years.
- To help growth of local economy and for enhancing the livelihood opportunities further for the local people, setting up of small scale distillation units will be encouraged in the localities bearing agarwood plantations.
- The number of units to be set up may be arrived at depending on the extent of plantations present in the area and such units may be set up only after obtaining proper license/permit as per extant rules and provisions for establishment of wood based industries.
