

ANDHRA PRADESH FOREST PRODUCE (FIXATION OF SELLING PRICES) RULES, 1991

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ANDHRA PRADESH FOREST PRODUCE (FIXATION OF SELLING PRICES) RULES, 1991

In exercise of the powers conferred by Sub-section (1) of Section 10 of the Andhra Pradesh Forest Produce (Fixation of Selling Prices) Act, 1989 (Act No.29 of 1989), the Governor of Andhra Pradesh hereby makes the following Rules:

1. . :-

These Rules may be called, the Andhra Pradesh Forest Produce (Fixation of Selling Prices) Rules, 1991 and shall come into force from the date of its publication in the Andhra Pradesh Gazette.

2. . :-

In these Rules, unless the context otherwise requires:

(a) 'Act' means, the Andhra Pradesh Forest Produce (Fixation of Selling Prices) Act, 1989 (Act No.29 of 1989),

(b) "forest produce" means timber bamboo and other wood suitable as per Industrial raw material"

(c) "selling price" means the price payable by the wood-based industries for the forest produce allotted by the Government of Andhra Pradesh and includes the royalty rate payable by the wood-based industries for the rights given to them for extraction and use of such forest produce;

(d) "supply year" means a period of 12 months commencing from the 1st October and ending with the 30th September of the next calendar year in case of bamboo and from the 1st April to the 31st March of the next calendar year in case of miscellaneous mixed wood and timber.

3. . :-

The selling price for the bamboo raw material for supply to Paper Pulp Industries shall be fixed basing on the production costs, but not below the market value of the produce, at the point of supply;

4. . :-

The selling price for the miscellaneous mixed wood suitable for particle boards, rayon grade pulp and paper pulp shall be fixed basing on the production costs, but not below the market value of the produce at the point of supply;

5. . :-

The selling price for timber for supply to plywood Industries shall be fixed basing on the market value, at the point of supply.

6. Determination of production costs :-

(a) The production costs for bamboo raw material shall be worked out based on the projected production costs, plantation projects of Andhra Pradesh Forest Development Corporation using the discounted cash flow techniques to arrive the present value;

(b) The production costs for miscellaneous mixed wood raw material shall be worked out based on the projected production costs of Eucalyptus Plantation Projects of Andhra Pradesh Forest Development Corporation using the discounted cash flow techniques to arrive at the present value.

7. Determination of market value :-

(1) The market value of a forest produce shall be determined after taking into consideration the following factors:

(a) The sale prices obtained in the open and negotiated sales of such forest produce effected by order or on behalf of the State Government or the Forest Development Corporation within the State during a period of twelve months preceeding six months prior to the date of commencement of the supply year: Provided that, where no such sale was held in the State of Andhra Pradesh during the said period of twelve months or number or magnitude of sales

transaction that have taken place during that period is not, in the opinion of the State Government adequate for the purpose of determining the market value, the State Government shall take into consideration the sale prices obtained in such sales held during a period of twenty four months preceeding the period of six months prior to the date of commencement of the supply year; Provided further that, if in the opinion of the State Government, the quantity of forest produce involved in a sale is too small and insignificant to serve as a representative instance for the determination of the market value, the State Government may, having regard to the facts and circumstances of the case, ignore such sale;

(b) the general trend in the prices of the forest produce since the date of sales referred to in Clause (a);

(c) the weightages to be given for the following:

(i) quantities involved in the sales referred to in (a);

(ii) proximity or otherwise of the areas, where the sales referred to in (a) have taken place, to the areas from where the supplies are to be made;

(d) any other factor which, in the opinion of the State Government, is relevant to the determination of the market value

(2) Where no sale of forest produce has taken place within the State, during the period referred to in Clause (a) of Sub-rule (1), the market value of the forest produce, be determined by the State Government taking into consideration, the open and negotiated sales, transactions of such forest produce effected in one or more of the State/ adjoining the State of Andhra Pradesh but keeping in view as far as possible, the factors mentioned in Sub-rule (1).
Explanation :- For the purposes of this rule "open sales" shall include in the sales effected by public auction or by inviting public or limited tenders, and "negotiated sales" shall exclude in the sales in which the price or the rate for sale or supply is fixed by the supplier under a pre-existing agreement .

8. . :-

The Selling Price shall be fixed for each year basing on market situation. The price so fixed will not be lower than the selling price of previous year. The selling price so fixed will be based on the recommendation of an independent consultant appointed by the Government. The figure so arrived will be rounded off to the

nearest rupee

9. . :-

The selling price shall be revised at the end of every block period of three years. The prices shall become operative from the beginning of the supply year, in which it becomes due for revision irrespective of the date of its communication.

10. . :-

The Government shall constitute Andhra Pradesh Industrial Planatation Fund and make available, a sum not less than 20% of the total selling price payable by the allottees of forest produce under Rule 8 above, every year to the Andhra Pradesh Forest Department or Andhra Pradesh Forest Development Corporation, as an addition to the plan budget, for the purposes connected with the raising of Industrial Plantations or afforestation or improvement to natural forests or purposes incidental thereto.