

**Government of Tripura
Forest Department**

Public Consultation for Proposed 'Tripura Agar Wood Policy 2021' regarding.

Agar (*Aquilaria malaccensis*) is an evergreen tree which grows in Tripura in abundance. This species has a huge potential of creating another "Economic Revolution" in Tripura after Rubber, Bamboo and other major forestry crops of Tripura. The low input for management and growth, lack of site specificity and intercropping adaptation could make Agar a preferred cash crop. In Tripura, this critically endangered tree is quite adaptable to the land. In order to promote Agar tree, its plantation, its sustainable harvesting and promoting Agarwood based Industry, Government of Tripura is contemplating to bring a detailed policy for promotion of Agar wood in the state.

2. Accordingly, a draft 'Tripura Agarwood Policy 2021' is formulated after taking into views of concern stakeholders like Agar growers, Agarwood traders, Agar oil processors, experts etc and is available on the following websites:


- www.tripura.gov.in
- www.forest.tripura.gov.in
- www.jica.tripura.gov.in
- www.nce.gov.in

3. Some of the objectives of this policy are;

- A. Sustainable utilization of the Agarwood by emphasizing on all the aspects of cultivation, harvesting, processing, transit and trade.
- B. Promotion of Agarwood trade by easing the procedures of procurement, processing and selling of various products subject to the provisions of CITES.
- C. To encourage planting of Agarwood trees to provide better source of income.
- D. To promote the Agarwood based Industries by ensuring Ease of Doing Business and by providing proper market linkages.
- E. To encourage the Research and development in the field of Agarwood sector.

4. All public, stakeholders dealing in Agar sector, opinion makers, experts, business organisations etc are requested to offer their comments on the draft Tripura Agarwood Policy 2021 by 15th June 2021, by email at tripuranc@ gmail.com, so that this draft policy can be finalised before it is placed for necessary Government approval.

5. This issued with the approval of competent authority.


29/5/21
Joint Secretary to the
Government of Tripura

Tripura Agarwood Policy 2021

1.0 Introduction

Agar (*Aquilaria malaccensis*) is an evergreen tree which grows in Bangladesh, Bhutan, Northeast India, Sumatra and Kalimantan of Indonesia, Iran, Malaysia, Myanmar, Luzon Philippines, Singapore and Southern Thailand. In India, it is found in North Eastern States viz Assam, Arunachal Pradesh, Meghalaya, Manipur, Tripura, Mizoram, Nagaland, Sikkim and also in West Bengal. Agar is a precious floral wealth of North East India and has been identified as a potential aromatic plant.

Northeast India is particularly significant in this precious wealth locally known as "Agar" or "Xashi" and is considered to be the cradle of Agarwood aromatics with ancient traditions of Agarwood production which is thriving and growing. It has been used for over 2000 years for medicinal, aromatic and religious purposes. *Aquilaria malaccensis* is the preferred source of Agarwood for perfumery and religious traditions in the Middle East and in India. In Northeast India, Agar is found mainly in two states viz Assam and Tripura.

Agartala, the state capital of Tripura is believed to have origin of its name from Agarwood. This species has a huge potential of creating another "Economic Revolution" in Tripura after Rubber, Bamboo and other major forestry crops of Tripura. The low input for management and growth, lack of site specificity and intercropping adaptation could make Agar a preferred cash crop. In Tripura, this critically endangered tree is quite adaptable to the land. In order to promote Agar tree, its plantation, its sustainable harvesting and promoting Agarwood based Industry, detailed policy for promotion of Agarwood is presented.

2.0 Background

The resin-embedded Agar wood is valued in Indian-North Eastern culture for its distinctive fragrance, and thus is used for making incense and perfumes. The aromatic qualities of Agar wood are influenced by the species, geographic location and parts of the tree like its branch, trunk and root origin, length of time since infection, and methods of harvesting and processing. First-grade Agarwood is one of the high value and most expensive natural raw materials in the world.

In Tripura, preliminary survey shows that Agar resources are available in huge quantity especially in the North district and Agar trees are also adaptable to grow in other districts as well. However, in Tripura, Agar has not gained much importance like Rubber and Bamboo during the past years, may be because of lack of quality Agarwood from existing plantation, lack of inoculation to the extent required for economic revolution, absence of recognized and formal trade mechanism, illegal distillation leading to poor quality extraction of Agar oil / lack of quality control mechanism and also due to lack of encouragement of Agar growers for registration with Forest Department.

Moreover, because of the relative scarcity and high cost of agarwood, this species is considered as potentially threatened species and accordingly the primary source i.e. Agar (*Aquilaria malaccensis*), has been listed in Appendix II (potentially threatened species) by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora.

With this policy, a comprehensive roadmap for promotion of Agar for economic revolution in the state of Tripura is attempted to make it a Rs.20 billion industry in next 5 years. This will be achieved by way of planned intervention for promotion of sector, policy prescription for making it easier for growers to grow and harvest Agarwood and incentivize the industrial use of Agarwood.

3.0 Current Status on Agarwood

Agar plantation is one of the main species of miscellaneous plantation being taken by Forest Department in its plantation programme over the years. Even Forest Department encourages plantation of Agar in private land through different public awareness campaign. Forest Department also allowing extraction of trees on private land as per existing guidelines of extraction of trees from private land.

Forest Department being the nodal department for all tree, attempted to explore the economic benefit of this important species as early as in 2008. References can be seen in NTFP Volume II published by NTFP Centre of Excellence in 2008, where preliminary Economic and Profitability Analysis of Agar had been presented.

In subsequent years, NCE tried to increase the awareness about Agar by way of different workshops, Seminars, Training and even by taking some project for artificial inoculation as well. This encouraged private growers to take Agar Plantation extensively. Forest department had come up with a detailed guideline for sustainable extraction/utilization of Agar trees available in private lands in Tripura in January 2019. With this guideline growers are being encouraged to register the trees growing in their private lands so that in future, at the time of harvesting, Forest department issue the 'certificate of origin' permit as required under CITES.

Recently a special drive had taken place in North Tripura District for registration of Agar Trees. Similar drives are being arranged regularly to convince the private growers for registration of trees. Government of Tripura has also constituted an Agar Conservation Foundation under the chairmanship of PCCF and HoFF, with an objective of facilitating activities relating to Agar among the Agar Growers and

for promotion of Agar based economy with the intervention of Government authorities.

All these activities are taken by the Forest Department independently and while pushing the agenda further it was felt that there is a need for comprehensive policy on Agar, which can provide direction to all stakeholders and also prescribe definite road map for development of the sector through this policy on Agar.

4.0 Objectives:

The objectives of the Tripura Agarwood Policy 2021 are;

- I. To ensure sustainable utilization of the Agarwood by emphasizing on all the aspects of cultivation, harvesting, processing, transit and trade in compliance with National Policy for Sustainable Utilization of Agarwood 2014.
- II. To promote trade in Agarwood by easing the procedures of procurement, processing and selling of various products, within the country and export subject to the provisions of CITES.
- III. To encourage the growers for planting Agarwood trees on their farm/private and homestead lands for livelihood generation and to provide better source of income.
- IV. To promote the Agarwood based Industries by ensuring Ease of Doing Business and by providing proper market linkages.
- V. To encourage the Research and development in the field of artificial inoculation for agarwood formation, sustainable harvesting and improvement in the quantity and quality of products.
- VI. To train and to build capacity of local youth in plantation and nursery techniques, artificial inoculation of Agarwood, Agarwood extraction and processing; and marketing of Agarwood products.

- VII. To encourage community participation by having popular campaign “Ghar Ghar Aagar, Har Ghar Aagar” through the involvement of Joint Forest Management Committees (JFMCs) /Bio-diversity Management Committee (BMC)/ Self Help Groups (SHGs)/Agar Growers companies/ Farmer Producer Organizations etc. in plantation of Agar trees and also in processing and marketing of Agar based products.
- VIII. To regularize and simplify the functioning and registration of existing and new Agarwood processing units within the provisions of the Tripura Wood Based Industries (Establishment and Regulation) Rules, 2006 as amended from time to time with the purpose to ensure forward and backward market linkages.
- IX. To plant additional about **2000 ha** of land with Agar species, and to increase the total Agar tree resources by **5 million** in next 5 years.
- X. To attempt to make Agar economy to the tune of Rs. 20 billion economy within next 5 years.

5.0 Agar: Present Status

5.1: Edaphic Factor:

Agar plantations are suitable and preferable for planting in warm and high humid sub-tropical climate. Agar tree grows appropriate at a temperature between 22° C to 43° C having about 70% sunlight and with rainfall ranging from 1800-3500mm per annum. It grows at an altitude up to 2000m above mean sea level. Agarwood plantation is suitable in the land types of soft and sandy clayey soil with a pH ranging between 4.0 to 6. Currently Agarwood trees are mostly confined to Kadamtala Block of North Tripura District, Khowai Subdivision of Khowai District and some pockets of South Tripura and Gomati districts. However it is seen that it can grow in all parts of Tripura as edaphic factors required for tree to grow uniformly exist in entire Tripura.

5.2: Importance of infection of Agar tree:

It is only when *Aquilaria* trees are bruised by external factors such as physical injury, chemical treatment insect attack or bacterial/fungal infection, that Agarwood start forming in the tree as defense mechanism. The resin is produced as an immune response to attack from fungi or injury by borer insect called *Neurozerra conferta* (*Zeuzera conferta*). In Tripura, it is noticed that Insect borers aids Agarwood formation more in north Tripura district naturally as compared to other areas of the state. This necessitates the policy prescription to plant tree across the state and on highways so that insects responsible for agar wood formation can propagate naturally throughout the state.

5.3 International Legal scenario:

The population of *Aquilaria* species, a critically endangered tree species of India, has markedly decreased in the forests due to illegal and unsustainable harvesting of mature trees for Agarwood trade, forcing the government to bring the international trade within sustainable limits. Hence, the species was included in Appendix II (potentially threatened species) of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1994). It is listed as Critically Endangered in the IUCN Red List. However over the years, its population increased substantially in private lands in many pockets of north eastern states and to some extent in southern states. Accordingly, efforts are continuing to allow official exports of products which are sourced from sustainable managed plantations.

5.4 World Market:

Agarwood processing and trade is secretive and restricted to only few groups/individuals. Three grades of oil are being extracted from the Agar namely Boya, Boha and Khara. These oils are being measured in units of Tola (12 ml). The Agarwood chips are also a high value product and are being classified as per

quality namely Jura, Muri, Challa, Sisor etc. Both oil and Agarwood chips are being sold in North East Market in Assam. However, its value in international market is many times more than what it is being sold for in North East Market. Through this policy it is attempted to get the right price to the growers of Agar for the Agar products originated from Tripura.

5.5 Export and Re-export process:

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. In the EXIM Policy (2009-2014) published by the Directorate General of Foreign Trade, Government of India, import of Agarwood has been restricted and is subjected 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 (Sl. No. 80 to 83) of ITC (HS) Classification of Export and Import items. As per this provision, the export of "Plants, plant portion of wild or cultivated origin, of species specified in Appendix II or III of CITES" is free but it is subjected to production of a certificate of Legal Possession in favor of the exporter, issued by the DFO having jurisdiction where the exporter is situated.

For DFO to issue such certificate, he/she need to verify its origin and to ascertain origin of Agar wood, self and voluntary registration of Agar tree is recommended in this policy.

6.0 Proposed policy Intervention for promotion of Agar wood in Tripura:

Following specific intervention will be taken up by Government of Tripura in a timebound manner for promotion for agarwood.

6.1 Resource Mapping:

Preliminary resource survey of Agar Resources on sampling basis has already been completed by Forest Department. This was done for submission of information to Rain Forest Research Institute (RFRI), Jorhat which is listed as a Scientific Authorities of CITES and involved in preparation of Non- Detrimental Finding (NDF) study report as required by the CITES Management Authority of India to ascertain the availability and harvesting of Agarwood in wild and cultivable area for issuance of CITES Export permit.

Like Rubber and bamboo, plantation of Agar also has been encouraged by Forest Department in the state, which captured the inspiration of people of North district of the state, probably because of its protection by private growers and proximity to Assam and Hojai area where Agar processing mostly takes place besides encouragement by forest department of the state.

As per report, the total number of Agarwood trees estimated in the non-forest areas of Tripura is more than 5 million covering about 2000 ha of private plantation in the state. Almost 99% of these trees are concentrated in North District of Tripura. However, in recent years, private people of other districts have also shown interest in Agar Plantation and now a days, quite good number of growers are planting Agar trees in districts like Khowai, South, Gomati etc.

However, in order to have extent of Agar trees, both in Forest land and Private land and also to know the age-wise distribution of trees, extent of infection and possible availability of Agarwood for processing, there is a need of thorough resource mapping. Accordingly, Government will take up the detailed resource mapping by engaging a suitable consultant group, who will be given the task to identify the total Agar tree resources in each village of the state. Their task will also include finding the total number of growers, their identification, GPS locations of plot, girth class wise distribution of trees, level of natural or artificial

infection etc. With this information, Government will be in a position to plan in better way about sustainable utilization of Agarwood and prescribe the appropriate policy for its sustainable economic utilization and industrial processing. This resource mapping will be completed by the end of 2021.

If required advance remote sensing based technology like LiDAR survey will also be taken use of for completing this Resource Mapping for Agar Species.

6.2 Resource Augmentation:

Augmentation of Agar trees resources deserve attention Agar (*Aquilaria malaccensis*), the primary source, has been listed in Appendix II as potentially threatened species by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora. Although in Tripura it's available in good number as a whole but it is restricted to specific pockets in Kadamtala Block of North District that too in private lands, due to its protection by private growers.

In order to have it's wide distribution to the extent possible and also to make it a more suitable cash crop, that is competitive to income from Rubber, Bamboo, Pineapple etc, Augmentation of Agar Tree resources by way of promotion of its cultivation is also proposed.

For the promotion of cultivation of Agar tree amongst the private land holders, small growers and farmers, the following activities will be encouraged.

6.2.1 Availability of quality planting material in Nurseries:

Good quality Agar saplings will be raised in both departmental and private nurseries with support from Forest Department. Both departmental as well as private nurseries will be promoted. Agar species will be given prominence for raising seedlings through different schemes available with Forest and

Horticulture departments including Decentralized People's Nursery, School Nursery etc.. As per the existing policy, these seedlings will be available for the growers at the concessional rate to be specified by Forest Department from time to time.

6.2.2 Block Plantation on Private land:

All those growers who can identify at least 1 kani land (0.4 Acre), will be brought under Block Plantation Program for promotion of Agar Cultivation. Necessary awareness program will be conducted to encourage farmers to participate in Block Plantation Program.

Under Block Plantation Program, the growers will be incentivized, details of which will be formulated by Forest Department in consultation with JICA Project, Rural Development, Agriculture and Horticulture departments. Under these details as number of plants per hectare, cost of seedlings, contribution from Government, contribution from individual private owners will be given at length. All these plantations will be geo-referenced and will stand for automatic registration as 'New Plantation' under the relevant guidelines of the Forest Department in this regard.

6.2.3 Agar Plantation as fencing of agro-forestry plantation on private lands:

Growers that cannot spare the land for Agar Plantation can be encouraged to grow the species as fencing to their existing plantation, residential plot, working place etc.

One of the peculiarities of Agar is that it can grow at the spacing as less as one foot. Once tree become 2-3-year-old, barbed wire fencing can be constructed using this tree as poles. This will help in inducing the artificial infection in these trees. Although this may be against the silvicultural practice being followed for Agar, however in order to promote Agar as fencing need to be evaluated and research organizations will be asked to do so.

For this, special Information and Communication programme will be taken up to promote the idea of planting Agar as fencing crop. Forest Department will provide seedling at concessional rates from its nurseries. All those, who will submit the proof of planting seedlings in fencing and also submit the geo-reference map will also qualify for automatic registration of plantation as new Plantation under the relevant guidelines of the Forest Department in this regard.

6.2.4 Plantation on tea garden and small tea grower's land:

The tea industry will be joined with Agarwood plantation, so as to open up new vista for the plantation-based economy of the state. The tea gardens will be encouraged to take up Agarwood plantation around the boundary of the Tea Gardens and along the roads inside the Tea gardens for bringing additional income.

6.3 Training and Capacity Building of stakeholders:

Although, Agar is easy to grow, making it commercially viable and economically valued, requires skill. Skill is important to infuse infection in growing trees, for identification of tree having infections, for separating infected wood from stem of the tree and also to know quality of wood, oil etc. Skill development and training are absolutely essential for extracting full economic potential from Agar sector.

As such, it is the responsibility of the government to provide all stakeholders involved in the Agar sector with training and capacity building. Training will be imparted for quality nursery raising, for raising plantation, for artificial inoculation, for extraction of infected wood from wood stem, for oil extraction and so on. Training will also be provided for various aspects like proper drilling, cutting, oil extraction process, making powder, chips cutting, etc.

Some interested individuals will also be sent outside the state under relevant skill development scheme to develop skills in testing of Agarwood and training on physical/chemical evaluation process techniques for the various Agarwood oils so that growers can get the right price. For those entrepreneurs who are interested in developing their own businesses in Agar sector like agar trading, digital marketing, engaging in future contract for standing Agar Trees and for establishment of Agar distillation unit, the Entrepreneurship Development Program (EDP) will be arranged for them.

Such, training can be imparted either by some recognized institute like Rain Forest Research Institute (RFRI) /IIMs/IITs or some private Agencies/Institutes/NGOs recognized by the Skill Development Council.

The State and District level workshops, seminars will be organized and participation of traders in national and international trade fairs and exhibitions will be promoted for the better development of Agarwood sector. Exposure visits of the stakeholders including farmers will be arranged for the study of best practices in plantation, harvesting, marketing and trading.

All this will require scientific manpower like persons graduated or those who had experience of working in the field of botany, forestry etc. In order to address the manpower shortage, a concept of Chartered Forester will be developed. Anyone who is interested to work in this sector will be trained and after passing out of certain exam will be registered as Chartered Forester. Such manpower can be deployed by private people to work in Agar sector to carry out work like scientific cultivation, inoculation and extraction.

6.4 Research and Development:

It is observed that Agar Tree has huge potential not only for its medicinal utility and for high quality perfume but also for other purposes as well. There is

documentary evidence that shows that young Agar leaves can also be used as beverages just like Tea because of its medicinal properties. Agar wood which is not infected can also be used for carving purpose. There is need to have proper research on utility of Agar as well. In addition, we need to have laboratories to test different quality of infected agarwood, agar oil etc. Furthermore, there is a need to know how fast infection can be induced in Agarwood and at the same time, there is also need to develop good quality planting stock.

All these activities can only be possible by way of systematic approach in Research and Development in Agar Sector. Accordingly, policy suggests that R&D in Agarwood will be promoted for identification of fast-growing genotypes, variability in infections, pests and diseases, nursery practices, silviculture, agroforestry, role of the insect in causing infection, micro propagation and also for the proper Agarwood Market (Demand & Supply) Research. R&D will also be taken to find alternative economic use of Agar wood and its parts like leaf, stem etc.

The National level research organizations like RFRI Jorhat, IIT Guwahati, and other similar agencies, which are working on Agarwood will be encouraged by funding Agar related projects. The private agencies which are doing research on Agarwood in collaboration with some Government Institutes will also be funded. A research fund will be created for supporting the research on Agar by both Government and private institutes. An International Agarwood Trade and Research Centre will also be established by the Government of Tripura at suitable location in Agartala.

Attempt will be made that these research activities will be taken in collaboration with existing research laboratories/ Research organizations of different departments and by engaging already researchers/Research officers/ Scientist in different organizations and will be monitored centrally by the authority constituted under the policy to look after Agar sector development issues.

6.5 Ease of Doing Business:

Government of Tripura is committed to simplifying the processes for every growers/farmer, every trader to trade Agar wood and its product, every entrepreneur who want to develop himself/herself as entrepreneur and start Agar wood processing units in Tripura. Government recognizes the complexities in current tree registration process, the registration of processing units and also the difficulties they face due to lack of trading platform, laboratories and absence of Agar related business operating guidelines as well the requirement of CITES and other laws; to create an atmosphere congenial to all concerned in the state.

Accordingly, Government will take necessary steps, in a timebound manner, to simplify the existing process of registration of trees, the process of obtaining license under relevant wood-based industries rules and other license as required to set up an industry from the relevant authorities etc. Under revised norms, government will develop online registration process for voluntary registration of the trees by the growers.

In order to issue Certificate of Origin of raw material, such units may be required to keep records of Agar wood/ products procured, used, converted, sold etc as per guidelines to be issued by Forest Department separately.

With these interventions, it is anticipated that all those who are involved in Agar related business will find it easier to do the business.

6.6 Artificial inoculation of Agar trees:

Agarwood is a highly valued NTFP species utilized for production of Agar oil & chips from its infected wood which is used in pharmaceutical & perfumery industry. The Agar tree is value based on its infection level. This infection can be classified into two categories-Natural infection & Artificial infection. Natural

infection happens through the fungal infection and it takes years' time. It is observed that only 10-15% Agar trees get affected due to natural infection. Artificial infection has various methods and this artificial infection becomes important because unless and until the Agar tree is infected it is not valued highly. The various methods of artificial infection of Agar trees are like artificial injury, microbial infection, chemical treatment and so on. Most common among these is artificial inoculation of some fungal inoculant in the tree. Research on this is going on and will also be promoted under this policy.

Government will encourage and even promote different growers to go for artificial inoculation of trees so that Agar tree can become a valuable resource.

6.7 Processing:

The processed Agarwood is available in the following forms:-

a. Agarwood chips

The Agar wood chips are very costly and valuable incense in the international market. It is a rare and precious aromatic natural resource which can be used for high quality incense especially in Gulf countries.

The extraction of Agarwood chips from the respective tree trunk is highly professional activity and requires special toolkits and skill.

b. Semi solid gel-Boya

Boya Oil Gel (semi solid) is extracted from non-infected Agar wood trees which is totally creamish in colour and aged above 5 years. The end product Boya (Gel) is used in cosmetics, perfumery, ayurvedic medicines and it is also a great culinary ingredient.

c. Agarwood oil

The essential oil from agarwood is valued as fixative in high class perfumery and is highly priced by European perfumer who blend their best grade scents. Agarwood oil also known as the "King of Incense". Moreover, it has been used in treatment of many medical conditions like lung and stomach tumors, nervous disorders, digestive, bronchial complaints, smallpox, rheumatism etc.

The Government will promote the small Distillation units (25 to 50 kg per year) as well as bigger units (500 to 1000 kg per year). Cluster based approach will be encouraged. If required, a special industrial estate will be established with support from Government of India in Dharmanagar-Kadamtala area, where Agarwood oil-based Industries will be promoted through incentives on plant and machinery as per available schemes of Industries and Commerce Department.

6.9 Marketing:

Depending upon the resource survey and extent of industrialization of Agarwood trade and volume involved in Agar Trade, Government will start the work of establishment of Agarwood Research and Trade Centre (ARTC) at Agartala. This center will be used for the research, for establishment of testing laboratory, for promotion and expansion of Agarwood trade. It will mainly facilitate the national and international trade. It will have facilities like buyers and sellers meeting place, video conferencing space, trade information and education services, oil testing lab, research space, exhibit space and many other similar facilities. Agarwood farmers and traders will be largely benefited from this centre.

Further, the following initiatives will also be taken through this policy for the promotion of this sector:-

- 1) Regional & State Level Exhibitions on Agarwood products.
- 2) Participation of Agarwood based units in different National and International exhibitions and also in Trade fairs.

- 3) Marketing tie up with Amazon, Flipkart and other similar kind of platforms.
- 4) Training on documentation & procedure and on e-commerce for international marketing.

Support from MSME schemes of Govt. of India can be sought for marketing promotion and trade facilitation.

The Digital Marketing which has changed the way brands and businesses use marketing technology for marketing will be fully explored for Agarwood product marketing. It will be extended to non-internet channels that provide digital media, such as television, mobile phones (SMS and MMS), and callback and on hold mobile ring tones.

6.10 Offering Agarwood sector the Status of 'Industry':

Considering the potential of Agarwood sector in states Economy in near future, Government will offer the Agarwood sector the status of 'Industry'.

With this, any stakeholder working in the filed of Agarwood sector can avail the government facilities which any other industry is entitled to get. This includes inclusion of Agarwood related small business under self-employment scheme, concessional rate of interest from Banks, inclusion of Agarwood sector under priority sector lending programme of financial institutions, getting shades/plots within the industrial estates of Tripura Industrial development corporations etc.

7.0 General Fiscal Incentives:

Government of Tripura is committed for development of Agarwood sector above par due to its huge potential with Rubber and Bamboo sector. For this

Government has already initiated the enactment of required policy prescription. However in order to have a specific thrust, sector require some fiscal incentives.

Accordingly following fiscal incentives are proposed to be considered subject to availability of funding from different schemes of Government of India and North-Eastern Council.

7.1 Incentives for cultivation- Growers of the Agar plantation will be provided incentives for Agar cultivation, as per following broad policy guidelines: -

a) Distribution of Agarwood saplings at concessional rates (up to 100 saplings per family) to the small growers who usually grow Agarwood in their homestead gardens both in villages as well as in cities. Small tea growers interested in growing Agar tree in their home tea gardens will also be covered.

b) Growers who are willing to opt for commercial cultivation of Agar: Forest Department in consultation with industries and Finance department will come up with a special scheme to incentivized growers who wish to take up the Agar plantation on commercial scale. This will include small tea farmers who wish to grow Agar on their Tea garden, PSUs for plantation on its non-core land etc.

Such incentives will be extending capital for planation of Agar tree from financial institutions on concessional interest basis, linking Agar planation as activity under employment generation scheme of Government and linking the same with existing such schemes like PMEGP etc.

Detail incentive guidelines will be issued within 3 months of notification of this policy.

About 2000 ha additional plantation are proposed to be incentivized for promotion of Agar plantation under Atma Nirbhar Bharat initiatives of the Government.

7.2 Incentives for the artificial induction of Agarwood- Since the natural infection of Agarwood is time taking, artificial infection seems to be a better option. For increasing rate of infection, government proposes following measures in this policy: -

7.2.1 For the artificial inoculation of Agar tree of 8-10 years of age, a special drive will be taken to identify different inoculum providers, to test its efficacy and encouraging grower to go for artificial infection of un-infected trees.

7.2.2 Inoculum Production units will be set up in collaboration with the institutes that are already doing research on the microbes viz RFRI (Rain Forest Research Institute), Jorhat or IIT Guwahati or any other agency having microbiology lab. For the setting up of Inoculum Production units, the Government Agencies will be 100% funded and private agencies will be given financial assistance of 50% of total cost up to a maximum limit of 20 lakh.

c. It is expected that Government will incentivize 2 million trees for artificial infection under this initiative and create about 5 (Five) inoculum production units.

7.3 Incentives for processing of Agarwood

All eligible new industrial units for the distillation of Agar oil, perfumery and packaging will be provided Capital Investment Incentives as applicable by relevant provisions under Tripura Industrial Promotion Scheme and NEIPP scheme of GOI as amended from time to time. If required Government may also devise special scheme for promotion of processing of Agarwood in the state.

7.4 Incentives for Research-

Research related to novel technique of induction of Agarwood, new distillation method and finding superior varieties or any other development related to

Agarwood will be encouraged by extending special incentives as and when required.

7.5 Support to Training and Capacity Building:

Government will arrange or provide up to 100% sponsorship on training in different Training Institutes & Skill Development Centers for providing training to different stakeholders as and when required.

7.6 Marketing support:

For facilitating the marketing of Agarwood and its products, the different activities may be funded by the Government. Some of such activities are;

- a. For the participation in National and international trade fairs/exhibitions;
- b. For development of online portal for marketing of Agarwood products;
- c. For arranging buyers and sellers meet from time to time.

8.0 Fund requirement and sources of funding:

About Rs. 100 Crore of fund as proposed to be earmarked from different sources for promotion of Agar Sector as per road map prescribed in this policy.

An attempt will be made to submit the projects to different organizations of Government of India like NEC, DONER, MS ME Medicinal Plant board, Atmanirbhar Bharat etc besides Govt. of Tripura, XVth Finance Commission for special funding for implementation of this policy.

9.0 The Implementing Mechanism:

Since Agarwood sector economy is expected to be RS. 2000 crore economy in near future and requires quite concerted effort mainly on policy and fiscal front,

Government of Tripura will form a special purpose vehicle to take up this sector in large scale.

Accordingly, Government of Tripura will form a dedicate body called 'Tripura Agar Mission' (TAM) under Forest Department on the lines of Tripura Bamboo Mission.

Main role of Mission will ensure time bound policy implementation as prescribed under this document and also arrange funding from different funding agency. In addition, role of mission will be of inter departmental coordination for growth of Agar sector holistically. Details of Tripura Agar Mission will be notified separately.

Industries and Commerce Department, will continue to look after the promotion of Agar based industries and opening of a separate industrial estate in Kadamtala, North District for processing of Agar wood and Extraction of Agar oil.

For regular monitoring of the action taken as per the prescription provided in this scheme, a high level monitoring committee will be set up under the chairmanship of Chief Secretary, PCCF and HOFF as Vice President and Secretaries of other department as Members. Mission Director TAM will be the Member Secretary of this committee.

10.0 Right of the State Government to amend the Policy

The Government of Tripura reserves the right to amend any provision(s) of this policy as and when required.

11.0 Period of validity of the Policy:

The policy will be effective from date of Notification and will be valid for a period of 5 years.

12.0 Expectation from this policy intervention:

Through this policy, the Government of Tripura intend to promote

- a. Value addition of imported Agarwood and its export.
- b. To cover additional about 2000 ha of Agar plantation and increase number of Agar tree count by another 5 million trees.
- c. Export of locally cultivated Agarwood, subject to the fulfillment of requirements under the CITES and EXIM Policy of Government of India; besides large-scale cultivation of Agar trees and its inoculation for Agarwood production.
- d. The Government will also take necessary steps to bring Agartala Airport in the lists of ports specified in EXIM Policy for foreign trade in respect of species listed in Appendix II and III of CITES.

13.0 Conclusion

Tripura Agarwood Policy 2021 has sought to cover various aspects of Agarwood sector for the benefit of all the stakeholders. With the combined efforts from various stakeholders, and through inter-departmental coordination, Tripura will soon become the main hub for the Agarwood trade.

Detailed operational guidelines for the implementation of the policy shall be issued separately by the Forest Department, Government of Tripura in due consultation with the other stakeholder's/departments.

For the purpose of effective implementation of the policy, Forests Department has already initiated steps to modify the existing guidelines and initiating the creation of Agar Nursery in all its subdivisions. It is iterated that the extant provisions of all existing Acts, Rules, Regulations, etc. of the Forests Department, Government of Tripura and M/o Environment, Forest and Climate Change, Govt of India shall be complied with.

Detail of funding requirement and sources of fund will be worked out separately and proposal for funding of same will be submitted in due course.

The targeted area to be covered under Agar Block Plantation on Farmer's field is about 2000 Ha in 5 years. The targeted number of saplings to be distributed freely each year is about 10 Lakh leading to 50 Lakh free sapling distribution for planting within the policy validity period of 5 years.

End