

THE HINDU BusinessLine

TUESDAY • MARCH 4, 2014
BANGALORE

₹6 • Pages 20 • Volume 21 • Number 56

Scent of sandalwood, oil no more fragrant

Inconsistent supply, rising demand push up prices

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Bangalore, March 3

Prices of sandalwood and oil have increased sharply in the domestic market due to inconsistent supply and high demand.

Prices of sandalwood as well as its oil have increased 30 per cent between 2007 and 2012, according to industry experts.

"This spurt in prices is due to sharp decline in production in the country. From a production level of 3,000 tonnes in 1960 and 70s, it has declined to 400 tonnes currently," said HS Anantha Padmanabha, forestry consultant and former scientist at the Indian Wood Science and Technology (IWST).

As for the sandal oil output, it is

around 20 tonnes currently compared with 150 tonnes during the 1970s. The entire production is consumed by State-owned enterprises, leaving the private trade and industry to look for import to meet their requirements.

This spurt in prices has resulted in loss of business for small traders in Tamil Nadu, Karnataka and Kerala and some have even shut shop.

V Soundara Rajan, scientist at IWST, said: "There is has been a sudden increase in import of sandalwood oil. Current imports (2012-13) are averaging at around 30,000 kg which are about 10 times more than what it was five years ago. Most of the imports are for internal consumption or re-exports."

The price of sandalwood at various Government auctions is around ₹75 lakh (\$125,000) a tonne and the price for sandalwood oil is quoting ₹1.35 lakh (\$2,200) a kg.

"Price may continue to rise by 6 per



SWAPAN PHOTOGRAPHY/SHUTTERSTOCK

cent," he said. Echoing a similar sentiment, RK Upadhyay, chief conservator of forests, Tamil Nadu, said urgent legislation is required to allow private individuals and farmers to take up sandalwood cultivation.

Need for laws

Southern States, where agro-climatic conditions are favourable to grow sandalwood, have stringent forest acts/rules in place to protect sandalwood.

But the laws have not been implemented properly and stocks have dwindled to mere saplings of less than 10-15 centimetre girth.

"Since sandalwood trees are illegally cut and removed from forest areas, these regulations are of limited purpose.

Now, one of the best options is to analyse these regulations and amend them to help the farmers to cultivate sandalwood in their land, harvest and trade," he said.

cent annually. A few plantations, both in the government and private sectors, are keen to take up sandalwood cultivation using new technology," said Anantha Padmanabha.

"This new cultivation pattern is sustainable and may not lead to fluctuations in prices in the year to