

**MINISTRY OF AGRICULTURE
DEPARTMENT OF FORESTS**



ROYALTY ON FORESTS PRODUCE

Compiled by
Forest Information Management Section
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Royalty on Forestry Produce

1 Commercial purpose

1.1 Royalty tree class (standing basis)

1.1.i Special Class

Scientific Name	Dzongkha	Sharchop	Lhotsham	English
<i>Acacia Catechu</i>	Toeja	Toeja	Khair	Khair
<i>Aquilaria agalocha</i>	Agoor	Agoor	Aghoree	Agarwood
<i>Carpims Vimini</i>	Rotoshing	Loong shing	-	Horbeam
<i>Cupressus</i>	Tsendey	Tsenden shing	Dhupi	Cypress
<i>Dalbergia sissoo</i>	Jaseng	Jasengshing-	Sisoo	Sisso
<i>Dalbergia latifolia</i>	-	-	-	Rosewood
<i>Juglans regia</i>	Ta-shing	Kheshing	Okhar	Walnut
<i>Junipers Spp.</i>	Shoop	Shoopu shing	Dhupi	Juniper
<i>Morus laevigata</i>	Tshende	Phroom-Tekpa Shing	Kimbu	-
<i>Shorea robusta</i>	-	-	Sal	Sal
<i>Taxus baccata</i>	Ha-shing	Keerang shing	Dhengre salla	Yew
<i>Tectona grandis</i>	-	-	Sagoon	Teak

Note: allotment of standing tree belonging to special class is banned and will be supplied by FDCL. This is with reference to letter no M (1)/MoA/MISCE/2004/445, dated 16 April 2004.

1.1.ii "A" Class

Scientific Name	Dzongkha	Sharchop	Lhotsham	English
<i>Acer spp</i>	Pchalam	Sermaling shing	Kapasey	Maple
<i>Albizia lebbek</i>	Khrithangshing	-	Kalo seris	
<i>Betula alnoides</i>	Taab	Chhar shing	Saur	Birch
<i>Betula bhutanica</i>	Taab	Chhar shing	Bhoj Patra	Birch
<i>Dipterocarpus macrocarpas</i>	-	-	-	
<i>Duabanga grandiflora</i>	-	-	Lampatey	
<i>Gmelina arborea</i>	-	-	Gamari	
<i>Michelia champaca</i>	Khashing	Kar shing	Champ	Champ

<i>Michelia excelsa</i>	Khashing	Champay shing	Rani champ	Rani Champ
<i>Phoebe goalparensis</i>	-	Sechanglu shing	Bonsum	
<i>Pinus wallichiana</i>	Tongpu	Chang shing	Salla	Bluepine
<i>Pinus bhutanica</i>	Tongpu	Chang shing	Salla	Bhutan pine
<i>Terminalia myriocarpa</i>		-	Pani saj	Terminlia
<i>Terminalia tomentosa</i>			Pakha saj	Terminilia

1.1.iii “B” Class

All timber species, which are not covered under Special class and A class shall be classified and grouped under Class B.

2 Royalty of Timber

2.1 Girth Class and Rate

Royalty Class	Girth Class	Rate/tree
Special Class	3' to 3'11"	320
	4' to 4'11"	600
	5' to 5'11"	1200
	6' to 6' 11"	1800
	7' to 7' 11"	2600
	8' to 9' 11"	3400
A class	10' and over	4000
	3' to 3'11"	240
	4' to 4'11"	480
	5' to 5'11"	740
	6' to 6' 11"	1100
	7' to 7' 11"	1400
B Class	8' to 9' 11"	1840
	10' and over	2200
	3' to 3'11"	140
	4' to 4'11"	240
	5' to 5'11"	480
	6' to 6' 11"	680
	7' to 7' 11"	840
	8' to 9' 11"	1020
	10' and over	1220

2.2 Royalty for Timber in Log Form

Royalty class	Rate per CFT	
	4'11" & below	5' and above
Special class	18.00	24.00
A class	12.00	18.00
B class	8.60	11.00

2.3 Royalty for Timber in Sawn Form

Royalty class	Rate per Cft
Special class	21.00
A class	18.00
B class	12.00

2.4 Royalty for Timbers with Cull

Cull %	Reduction in Royalty
Timber cull up to 25%	Nil (Full royalty)
Timber cull up to 26-50%	25% of the schedule rate
Timber cull up to 51-75%	50% of the schedule rate
Timber cull above 75%	75% of the schedule rate

2.5 Poles (2'11" and below in girth)

Length	Existing rate	
	Special class	Other class
Up to 6'	12.00	6.00
6'1" -12'	26.00	12.00
12'1" to 17'11"	60.00	20.00
18' and over	80.00	40.00

2.6 Royalty for Hakaries (Industrial wood) up to 6' length only

Type	Royalty Class	Rate per cft
Round	Special class	16.00
	Blue pine	12.00
	A class	-
Round	Mixed conifer	10.00
Round	Other	10.00
Round	B class	-
Spitted do	Special class	Firewood rate
	Other than special class	-

2.7 Royalty for Slab/Bakals/Offcuts

	Type	Rate
		Existing
	Bakals/Slabs	2.00/ps
	Mill off cuts Hardwood	
	Soft wood	

2.8 Shingle

	Type	Rate
		Existing
	Ready made	0.90/ps

2.9 Firewood

Type	Unit	Rate
Hardwood	M ³	22.50
	TL	180.00
Soft wood	M ³	10.00
	TL	80.00
Any type of but mostly twigs	HL	2.00

3 Royalty Rate of Noon wood Forest Product (NWFP)

Sl. No	Scientific Name	Trade Name	Local Name	Parts	Unit	Rate
1	<i>Aconitum</i>	Aconite	Tsendhoog	Roots	Kg	20.00
2	<i>Apis spp</i>	Bee wax	Rum(Sha)	-	Kg	16.00
3	<i>Apis spp</i>	Honey	Zhing (Sha)	-	Kg	20.00
4	<i>Aquilaria agallocha</i>	Agarwood	Agaroo	wood	Kg	4000.00
5	<i>Astilbe rivularis</i>	Soloo	Sooloo	roots	kg	4.00
6	<i>Azelia spp</i>	Soloo	Sooloo	Leaves with plants	Kg	4.00
7	<i>Bombax ceiba</i>	cotton pod	Pemageysershing	Flower	kg	2.00
8	<i>Calamus spp</i>	Rattan	Patsha	-Stem	T/L	800.00
					HL	4.00
9	<i>Cararaium skkimensis</i> -	Dhup	Oeo-kat	Resin	Kg	2.00
10	<i>Cinnamomum Tamala</i>	Tezpat		Bark	Kg	30.00
11	<i>Cinnamomun spp</i>	Dalchini		Leaf	Bdle	24.00
11	<i>Citronela</i>	Lemon grass	Sorbang	Grass	Ltrs	5.00

12	<i>Cordyceps sinensis</i>	Chinese caterpillar	Yartsaquenbo ob	whole	kg	22500.00
					Pc	5.00
13	<i>Daphne spp</i>	Daphne		Bark	Kg	0.60
14	<i>Dendro calamus spp</i>	Large Bamboo	Baa/Soo	Stem	Pc	2.00
					TL	160
15	<i>Edgeworthia</i>	-	-	Bark	kg	0.60
16	<i>Embllica officinalis</i>	Amala	Chooru	fruit	kg	5.00
17	<i>Fargesia spp</i>	small bamboo	-	-	Pc	1.00
					TL	120
18	<i>Gymnadenia spp(Orchid)</i>	-	Wangpo Lakpa	-	kg	2.00
19	<i>Gynocordia odorata</i>	-	Gantay	-	kg	4.00
20	<i>Illicium spp</i>	Star anis	Dhomleeshee	fruit	kg	2.00
21	<i>Lacifera lacca</i>	Lac	Tatsho		kg	8.00
22	<i>Lycopodium</i>	Lycopodium	Zalagadang (sha)	Fruit power	kg	57.00
23	<i>Nardostachys</i>	-	Pamg-peo	Plant	Kg	2.00
24	<i>Pouzolzia sanguinea</i>	-	Kawla	Plants	Kg	2.00
25	<i>Picorrhiza</i>	Kutki	Putashing	Plant	Kg	12.00
26	<i>Pinus roxburghii</i>	Resin	Thangchuu	resin	Kg	4.00
27	<i>Piper longum</i>	Pipla long	Piipling	fruit	Kg	30.00
28	<i>Pier nigra</i>	Pipla round	Piipling	Fruit	kg	20.00
29	<i>Piper</i>	-	Pani	leaves	Kg	4.00
30	<i>Rawwaulfia serpentina</i>	Rawwaulfia	Nagbeli	Plant	Kg	20.00
31	<i>Rhododendron anthopogon</i>		Baloo	Leave	kg	2.00
32	<i>Rubia cordifolia</i>	Rubia	Tsoy	Plant	kg	16.00
33	<i>Saccharum spp</i>		Thatch		HL	0.10
34	<i>Sapindus spp</i>	Ritha	Nakupani	Fruit	kg	16.00
35	<i>Shilajit</i>	Shilajit	Dragzhuen	-	Kg	8.00
36	<i>Swertia</i>	Chireta	Latij	Plant	kg	24.00
37	<i>Tanacetum spp</i>		Kheng kaar	Plant	kg	2.00
38	<i>Taxus baccata</i>	Yew	Ha shing	leaves& bark	Kg	10.00
39	<i>Terminalia ballercia</i>	Baroo	Baroo	fruit	Kg	5.00
40	<i>Terminalia chebula</i>	Arroo	Arroo	fruit	Kg	5.00
41	<i>Thysanolaena</i>	Broom	Tsakusha	Inflorescence	HL	3.00
42	<i>Viscum articulatum</i>		Ngenshee-	Whole	Kg	5.00

			thip			
43	<i>Yushania maling</i>	Bamboo	Maling bamboo	-	Bundl e	8.00
44	<i>Zanthoxylum spp</i>	-	Thing-Ngay	fruit	Kg	4.00
45		Reed	Ringshoo	-	H/L	0.10
46		Leaves Plantin, cocha and other	-	-	HL	4.00
47	<i>Abies densa, Pinus wallichii, Pecia spinulosa, Tsuga domosa</i>	Fir, BP, Spruce, Hemlock	-	Leaf needle	TL	26.00
					HL	3.00
48	<i>Juniper spp</i>	Juniper	Shoop	Leaf needle	TL	40.00
					HL	4.00
49		Orchid	Olatshay	-	Clump	40.00
50			Sand, clay, gravel and boulders		TL	40.00
51		Fodder			Bundl e	4.00
52		Plough wood	Khami	wood	Pc	10.00
53	Wangri and Khejum (drup)				Kg	0.40
54	Hard decorative fruit				Kg	4.00
55		Mushroom	Matsutake		Kg	20.00
			Other		Kg	4.00
56		Decorative flowers	Metog	Stem and flower	cluster	4.00
57	Burr	Burrs	Zaa/Baa	wood	Pc	10.00
58	Forest top soil	Forest Top soil	Saa		TL	100.00
59	Lead mould	Leaf mould	Luei		TL	60.00
60	Color soil	Colour soil	Saa		Kg	2.00
61	Charcoal	Charcoal	Semo		kg	0.20
62	Cones of pines	Cones			TL	20.00
					GB	2.00
63	Wildling		shing		Pc	1.00
64	Khair stump				Pc	30.00
65	Mushroom billet	Billet			Pc	1.00
	Leave of BP/Fir	Incense	Sang		TL	20.00
					HL	2.00
	Leaves of Juniper	Incense	sang		TL	40.00
					HL	4.00

4 Royalty Rate for Rural Timber and NWFP for Rural Use

The Royalty and quantity of rural timber and NWFP shall be as prescribed in the Revised Forest and Nature Conservation Rules of Bhutan as prescribed below:-

Option	Type of timber	Quantity	Royalty
A.	Sawn timber form	2,500 cft	Nu. 1/- per cft
B.	Log form	4,000 cft	Nu. 0.80 per cft
C.	On standing tree basis		
i.	Trees (Girth 4'1" & above) for Drashing	8 Nos or 10 Nos	Nu. 40/- per tree
ii.	Trees (Girth 4'1" & above) for shingles	5 Nos	Nu.40/-per tree
iii.	Cham sized trees (Girth 3' to 3'11")	40 Nos	Nu. 30/- per tree
iv.	Tsim (Girth 1' to 2')	80 Nos	Nu. 12/- per tsim
v.	Dangchung (Girth below 1')	100 Nos	Nu. 4/- per Dangchung

Subsidized timber shall be supplied up to the maximum limits specified below for repair/renovation/extension of rural houses, in either of the following forms:

Option	Type of timber	Quantity	Royalty
A.	Sawn timber form	650 cft	Nu. 1/- per cft
B.	Log form	1000 cft	Nu. 0.80 per cft
C.	On standing tree basis		
i.	Trees (Girth 4'1" & above) for Drashing	3 Nos	Nu. 40/- per tree
ii.	Cham sized trees (Girth 3' to 3'11")	10 Nos	Nu. 30/- per tree
iii.	Tsim (Girth 1' to 2')	15 Nos	Nu. 12/- per tsim
iv.	Dangchung (Girth below 1')	20 Nos	Nu. 4/- per Dangchung
v.	Trees (Girth 4'1" and above) for shingles	5 Nos	Nu.40 per tree

5 Royalty Rate for Construction/Renovation/Repair of Dzong and Monastery

The Royalty rate for the Construction/Renovation/Repair of Dzong and Monastery shall be prescribed as prescribed in the Revised Forest and Nature Conservation Rule of Bhutan, Volume II, 2003.

6 Royalty free timber

Supply of timber on free of royalty shall be subject to provision of Circular No. COM/03/01/984 dated 15.02.2001 issued by the Cabinet secretariat.

7 Conditions

7.1. The Inhabitants of Mongar and Zhemgang Dzongkhags are permitted take Bangchung, Palang, and other products made from Bamboo and Cane anywhere they like as presentation or gifts as per Government order No. TIF/FOR/IV-3/79/813 dated 7 May 1979.

7.2. The native of Laya, Lingshi and Lanana are permitted to collect incense from Laya, Lingzhi and Lunana areas free of royalty and to sell the same at Punakha, Wangdue and Thimphu Dzongkhags. No royalty/taxes will be charged against the sale as per Government Order No. TIF/FOR/IV-3/79/5038 dated 2nd November 1979. The native of Merak and Sakten are permitted to collect incense from the Merak and Sakten and sell the same at Trashigang, Yangtse and Mongar as per Government Order No. F-IV/5/94/5893 dated 25.5.1994 and F-IV/5/94/8930 dated 26.5.1994.

7.3. In order to promote the dying art of cultivation of Lac and its associated works in the Kingdom, the royalty and sales tax or collection and sale of Lac and its waste products, is waived as per Government Order No. TIF/FOR/IV-3/79 dated 4th January 1979. The villagers are also given complete freedom in marketing the lac and its waste products and no monopoly right of dealership in these products to any individual should be granted.

7.4. The member of the Phrumjur (Mempa) community of Trongsa shall be permitted to extract bamboo and Cane from the forest free of royalty and other government levies for bonafide purpose of making finished bamboo and cane products as per TIF/FOR/IV-3/84 dated 7th September 1984 and DF/Ga-7-1/95/581 dated 3rd February 1995.

7.5. As per the Royal Command 25th of 9th Month of Water Bird Year of the Bhutanese calendar, the people of Zhemgang, Monagr, Pemagatshel and Samdrupjonkhra are allowed to collect pipla free of royalty with the conditions that they will sell the pipla only to FCB and they will not fell any tree or they will not enter into protected areas or they will not disturb wild animals in the protected areas.

7.6. As per the Royal command conveyed through Circular No. CHA(19)-10/85/7534 dated 30th December 1985 of the Home Ministry, the allotment of house building timber to the people of Linzhi Dungkhang will be done free of royalty.

8 Reference

Circular on Measurement of timber, vide letter No. F-IV/6/2000/4000 dated 17 July 2000.

Government Notification and Circular on Revision of Royalty on Forest

Produce vide letter No F-IV/5/388 dated 20th January 1993 and F-IV/5/396 dated 21st January 1993.

Government Notification, allotment of standing tree of special class banned and to be supplied by FDCL Management vide letter No.

M(1)MoA/MISCE/2004/455 dated 16th April 2004.

Government Notification, Inclusion of Royalty for Khair stump, retention of royalty on agar wood tree and inclusion of condition for people of Merak and Saktan to permit for collection and sale of Incense vide letter Mo. F-IV/5/5893 dated 26th May 1994.

Government Notification, Reduction of Royalty on Cull timber, vide letter No. F-IV/2002/1081 dated 29th August 2002.

Government Notification, Revised Timber Species Classification and Royalty Rates on Forestry Produce 2003, vide No. F-IV/6/2003/1000 dated 19th August 2003 and DK/Kha-2-1/2003/633 dated 8th August 2003.

Note sheet No, regarding inconsistent royalty on firewood vide No. FD/Ga-2-7/2006/2843 dated 18th April 2006.

Note sheet regarding rate and fine of *Cordyceps sinensis* vide No. NCS/1-2/96/74 dated 19th August 1996

RGOB, 2003, Revised Forest and Nature Conservation Rules of Bhutan 2003, Volume II, Department of Forests.

9 BASIC UNIT OF MEASUREMENT

British System Unit		Metric system Unit	
Length		Length	
12 inches	= 1 foot	10 mm	= 1 centimeter
3 feet	= 1 Yard	10 centimeters (cm)	= 1 Decimeter
66 feet	= 1 chain	10 decimeters	= 1 meter
660 feet	= 1 furlon	10 meter	= 1 decameter
4280 feet	= 8 furlong	10 hectometer	= 1 kilometer
8 furlong	= 1 mile	1000 meters	= 1 kilometer
Area			
144 sq. inches	= 1 sq.foot	100 sq. millimeters	= 1 sq. centimeter
9 sq feet	= 1 sq. yard	100 sq. centimeters	= 1 sq. decimeters
43560 sq.ft	= 1 acre	100 sq. decimeters	= 1 sq. meter
640 acres	= 1 sq. mile		
	259 hectares	100 sq. meter	= 1 sq. decameter or Are
10 chains x1 chain	= 1 acres	100 are	= 1000 sq.m = 1 hectare
660 ft x 66 ft	= 1 acres	100 hectares	= 1 sq. kilometer

1 acre = 0.405 hectare

British Unit into metric Units

1 inches = 25.4 mm

1 foot = 30.48 cm

1 meter = 39.37 inches = 3.28 ft

1 sq foot = 0.09 sq. meter

1 hectare = 2.471 says 2 1/2 acres

Log Volume Calculation

Formula: $\frac{g^2}{4\pi} \times L$

Where girth in inches

Length in feet

Conversion factor into m³ log volume and into m³ in standing volume

Product	Measurement Unit	Conversion factor in m ³
Trees	Nos	1.3
Shinglap	Nos	2.0
Sawn wood	Cft	0.028
Log	Cft	0.028
Chams	Nos	1.1
Offcut	M3	1
Hakaries	Cft	0.028
Bakal	TI	6
Firewood	HL	0.09
Firewood	TL	8
Firewood	M ³	1
Poles	Nos	0.067
Flag post	Nos	0.047
Fence post	Nos	0.035
Tsim	Nos	0.067
Dangchung	Nos	0.067
Firewood	HL	0.09

Source: FRDD, 2004.