



## The potential of Minor Timber Products as an income generator from forests in Suriname

**Over the last years Minor Timber Products (MTPs) contributed close to SRD 15,000 (≈ US\$ 5,350) annually to the direct state forest revenues in Suriname. According to the statistics of the Foundation for Forest Management and Production Control (SBB) this is about 0.5 % of the total timber taxation. The potential of MTPs as an income generator from forests is considered to be much higher. Apart from increased state revenues, all actors in the chain of MTPs production, both producers and sellers, may benefit from improved governance, policy and management. When integrated in forest management planning, MTPs may be an attractive option to increase the profitability of sustainable forestry, in addition to logs. Sustainable production of MTPs may thus benefit both forests and people.**

Looking into the potential of MTPs for increasing income from forests, first consensus among stakeholders should be reached on the definition of MTPs. In this effort, there appeared to be a difference between formal definitions and dimensions as described in legislation and the ones used in the (informal) market of these forest products. This information sheet reflects the outcomes of these discussions, thus providing an initial baseline for further research into the potentials of MTPs. Fieldwork and interviews with stakeholders may still provide new insights resulting in even more accurate descriptions of the various MTPs and its market potentials.

Furthermore, this information sheet summarizes the registered MTP production over the period 2000 - 2008. Actual production, however, is expected to be much higher. Scheduled field observations and interviews with both producers and sellers, aiming at collecting reliable data on the actual production, may support this assumption.



### What are MTPs?

Minor timber products (see box) are produced in rural and forest areas. Their harvest contributes directly to the livelihood of rural and forest based communities. Their production involves low capital investment and high labor input, which makes it highly suitable to the possibilities of these communities. MTPs are harvested both within and outside formal timber concessions but, regardless of their origin, MTPs are - generally spoken - not included in formal forest management planning.

The production of MTPs requires limited or no further processing at all. Minor processing is usually performed manually by the producers themselves

The most commonly known Minor Timber Products (in Dutch: Kleine Houtwaren) are:

In Dutch:

Bean sticks	Bonenstaken
Tomato sticks	Tomatenstokken
Crow legs	Kraaienpoten
Light construction timber	Sparrenhout
Fyke net fishery poles	Fuikstokken
Fencing poles	Draadpalen
Cremation poles	Crematiehout
Charcoal	Houtskool
Firewood	Brandhout
Shingles	Shingles

(e.g. rifting, sharpening, peeling). Part of the products are sold outside formal markets, directly to the users without intervention by middlemen, provided that there are means of transportation. Mostly, however, entrepreneurs form the link between producers and users by placing orders for the production of MTPs. Based on a governmental decree, which most recent version originates from 1998, the SBB levies fees on MTPs by specified quantity (piece, bunch, stacked meter or cubic meter) depending upon their type.

### **SBB timber registration and taxation**

The SBB national statistics on timber production differentiate between:

- Round wood: commercially harvested logs from licensed forests (formal concessions, community forests and conversion forests), according to SBB-approved annual cutting plans, with diameters at 1.30 m breast height (dbh) no less than 35 cm. This category also includes squared logs.
- Poles: medium sized logs that are commercially harvested from licensed forests only after prior approval from SBB, with dbh ranging from 15 up to 35 cm.
- Chainsaw lumber: at stump produced lumber (boards) by use of a chainsaw, both free hand (chainsaw lumbering) or with mounted attachments such as guiding frames (chainsaw milling).
- Minor timber products: this category covers a wide range of timber based products that are commercially collected from all types of forests and processed in-situ from saplings and trees with a dbh up to 15 cm.

The first two categories, logs and poles, are recorded and taxed on the basis of volume. This also applies for chain sawn lumber, based on a recovery rate of 50 %. MTPs are registered and taxed on the basis of quantity.

### **Most commonly traded MTPs**

In Suriname, producers, traders and users distinguish the following MTPs:

- Bean sticks: wooden sticks with an average length of 2.0 m (+/- 10 %) and an average diameter (measured halfway its length) of 2.5 cm (+/- 10 %) used in horticulture to support the growth of climbing plants, such as yard long beans.
- Tomato sticks: wooden poles with an average length of 1.75 m (+/- 10 %) and an average diameter of 4.5 cm (+/- 10 %) used in horticulture to support the growth of smaller climbing plants, such as tomatoes.
- Crow legs: medium sized poles with varying

length of 3.0 - 5.0 m and a diameter between 7.5 – 10.0 cm used to support formwork while pouring concrete top floor constructions.

- Light construction timber: medium sized debarked poles and sticks traditionally used as studs and beams for the construction of temporary shelter, traditional housing, huts and forest camps by forest dwelling communities. Depending on the construction, their size varies in length with diameters between 7.5 – 15.0 cm.
- Fyke net fishery poles: round wooden poles (most commonly Manbarklak (*Eschweilera coriacea*)) with a minimum length of 8.0 m and an average diameter of 15 cm halfway its length used to support fishing fykes and nets.
- Fencing poles: traditional split-timber debarked poles (mostly cleaved from Walaba (*Eperua falcata*)) with a preferred length between 2.0 and 4.5 m and a minimum 'middle-size' of 5 cm.
- Cremation poles: used for traditional 'open air' cremation from Walaba (*E. falcata*) with fixed dimensions 1.35 and 2.35 m length and a minimum 'middle-size' of 5 cm.
- Charcoal: Carbon coal derived from incomplete combustion of wood used for cooking, barbecuing and orchid growing.
- Firewood: free collected fuel wood used for cooking.
- Shingles: A thin oblong piece of wood (most commonly from Walaba (*E. falcata*)) used as roofing material.

The 1992 Suriname Forest Management Act and its associated governmental decrees do not recognize the same categories of MTPs as producers and users. Some of the products, e.g. fencing- and cremation poles, are combined in these legislations. On the other hand, state decree no. 1971/98 of 1998 dealing with the taxation on MTPs, refers to products that are hardly or not traded anymore, e.g. pit timber used in bauxite mining operations or stirring poles formerly used in the aluminum production plant at Paranam. In the annual production statistics of the SBB however, these MTPs are still recorded and levied. As a result, the records on the production of MTPs are confused due to non-standardized allocation of products to taxable categories.

### **MTPs in the law**

Decree 1971/98 gives an overview of MTPs and the levels of fees to be collected by the SBB. Although the decree specifies that fees should be renewed at least once every 5 years, this has not been implemented. Tariffs on MTPs remained on the same level over the last 12 years (Table 1).

TABLE 1: MTPs definitions, mean production and revenues based on SBB statistics 2000-2008.

	MTP 'market' definition	MTP according decree no. 1971/98	Unit for taxation	Tariff per unit (in SRD) <sup>1</sup>	Mean annual production 2000-2008	Mean annual state revenue (in SRD)
1	Bean sticks	Bean sticks	piece	0.005	323,000	1,615.00
2	Tomato sticks	Bean sticks	piece	0.005	8,200	41.00
3	Crow legs	Light construction timber, pit timber and stirring poles	piece	0.050	24,300	1,215.00
4	Light construction timber	Light construction timber, pit timber and stirring poles	piece	0.050	6,100	305.00
5	Pit timber	Light construction timber, pit timber and stirring poles	piece	0.050	900	45.00
6	Stirring poles	Light construction timber, pit timber and stirring poles	piece	0.050	900	45.00
7	Fyke net fishery poles	Light construction timber, pit timber and stirring poles	piece	0.050	800	40.00
8	Fencing poles	Fencing poles > 2.4 m	piece	0.100	70,000 <sup>2</sup> (50 % of total)	7,000.00
9	Cremation poles	Fencing poles ≤ 2.4 m	piece	0.050	70,000 <sup>2</sup> (50 % of total)	3,500.00
10	Charcoal	Charcoal	bag of ≈ 25 kg	0.100	8,100	810.00
11	Firewood	Firewood	stacked meter	0.100	1,000	100.00
12	Shingles	Shingles	piece	0.005	0	0.00
13	Sleepers	Sleepers	piece	0.250	0	0.00
						<b>14,716.00</b>

<sup>1</sup> This table mentions the present currency of Surinamese Dollars (SRD). The currency used in the decree no.1971/98, Surinamese Guilders (SRG), was changed in 2003. SRG1000 = SRD 1.

<sup>2</sup> An estimated 50 %, as SBB statistics do not differentiate between 'fencing' and 'cremation' poles.

### The case for continued research on MTPs

Based on initial studies<sup>3</sup> it is expected that the SBB statistics represent a severe underestimation of the actual production of MTPs both for subsistence use and selling to the local markets. This reflects to some extent inadequate recording or illegal practices, but may also be due to a lack of awareness of formal legislation by those who are engaged in collecting MTPs. To gain better insight in the magnitude of harvesting, processing and marketing of MTPs, more research is needed.

At face value, from the documented revenues, it might appear unjustified to maintain the SBB law enforcement system, the collection and administration of levies and the annual reporting on MTPs. However, justification may be found in the following:

1. It should be kept in mind that the official figures only reflect the state revenues, based on insufficient production data and outdated tariffs. Considering all actors in the production and marketing chain of MTPs, the 'economics' of MTPs and its role in rural livelihoods can be considered much higher.
2. Minor timber products are produced from a limited number of tree species. Unlimited production of MTPs in an unevenly distributed manner may result in depletion of tree species and loss of associated plant and animal biodiversity. Some collectors already face local extinction of the required MTPs. Harvesting of MTPs should therefore be better managed, which requires further research.
3. Forest management planning only includes the harvesting of round wood of more than 35 cm dbh. During felling and skidding much of the undergrowth, from which most of the MTPs are produced, is destroyed. The production of MTPs should therefore be included in forest management and annual harvesting plans. MTP's might be harvested prior to tree felling.

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<sup>3</sup> Kersten, Edino O. 2009: Kleine Houtwaren; SBB / NATIN graduation research 18 may - 31 july 2009 (in Dutch)

#### For more information:

Tropenbos International Suriname, PO Box 4194 - Paramaribo Zuid, Suriname  
Leysweg - CELOS building Phone: +597-532001  
E-mail: tropenbossuriname@yahoo.com