

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Land Acquisition – Capitalization of the Value of garden lands under acquisition – Guidelines
for valuation of Orchards in the State – Orders – Issued.

REVENUE (LA) DEPARTMENT

G.O. Ms. No.357

Dated: 22-03-2006
Read the following:

1. G.O. Ms. No. 601, Revenue (LA) Department, dt. 19-6-1992
 2. G.O. Ms. No. 306, Revenue (LA) Department, dt. 02-05-2001
 3. G.O. Ms. No. 503, Revenue (LA) Department, dt. 20-7-2001
 4. G.O. Ms. No. 1807, Revenue (LA) Department, dt. 17-10-2005
- *****

ORDER:

Government have issued certain guidelines in G.O. 1st read above for computation and payment of compensation for Orchards. In the course of time, and in the light of orders of Supreme Court, dt. 18-1-1995 in C.A. No. 4974-76/85 with C.A. No. 2600/86, it is felt necessary to review these guide lines.

Government accordingly have issued orders in G.O. 2nd read above, read with G.O. 3rd read above, appointing an Expert Committee to go into valuation of all fruit bearing trees and other trees in the State and for reviewing the existing procedure for estimating the value of the lands with Horticulture Crops.

The Committee after examining the prevailing procedure and practices and the methods of valuation followed in various States has submitted its report in respect of fruit bearing trees and other trees.

The report has been examined and considered to refer the matter to the group of Ministers and accordingly the matter was referred to the group of Ministers constituted in G.O. Ms. No. 4724 G.A. (Cabinet) Department, dt. 16-8-2004 read with G.O. Ms. No. 6294, G.A. (Cabinet) Department, dt. 05-11-2004. A meeting of Group of Ministers was held on 17-

10-2005, and after going through the report of the Expert Committee it was decided to reconstitute the Expert Committee and to request to present their report in revised comprehensive format. Accordingly, orders were issued in G.O. 4th read above. The said committee has submitted its revised comprehensive report. The report was placed before the Group of Ministers in its Meeting held on 9-1-2006 which accepted the same and in addition, the Group of Ministers decided that apart from the 25 species mentioned in the Expert Committee report, if any, additional items are indicated by the Collectors in future, then these items shall also have to be examined by the Expert Committee and it may make its recommendations to the Group of Ministers for approval of Government. The list of these 25 species are at Annexure – V.

Government after careful examination of the report of the Expert Committee and recommendations of Group of Ministers have accepted the report. Accordingly, in supersession of all earlier orders issued on the subject, the following orders and guidelines are issued in regard to computation and payment of compensation for Orchards to be observed by the concerned officers as follows:-

1. The future revision of the valuation of Horticulture crops shall be done once in 10 years
2. No compensation need be paid for short duration crops as the farmer can harvest the standing crop and deliver the vacant position of the land.
3. The existing instructions contained in G.O. Ms. No. 601, Revenue (LA) Department, dt. 19-6-1992 shall be continued for fuel wood trees and wood value of fruit bearing trees.
4. In respect of valuation of other species, Horticulture crops, perennial vegetable crops etc. which are not included in this report, the valuation shall be decided by a committee to be constituted at the district level headed by the District Collector as shown below and the LAOs concerned may address the respective District Collectors in the matter.
 - i. District Collector .. Chairman
 - ii. Land Acquisition Officer .. Convenor

| | | | |
|-------|---|----|--------|
| iii. | Joint Director, Agriculture | .. | Member |
| iv. | Assistant Director, Horticulture | .. | Member |
| v. | Assistant Director, Sericulture | .. | Member |
| vi. | District Forest Officer | .. | Member |
| vii. | A representative from the Requisitioning Department | .. | Member |
| viii. | Scientist available at the Agriculture Research Station in the District, if any | .. | Member |
| ix. | Any other member felt necessary by the Chairman, can be co-opted | .. | Member |

I. GUIDELINES FOR VALUATION OF ORCHARDS:

- (1) The Land Acquisition Officers concerned shall determine the Market value of the land with Orchards with due regard to the comparable bonafide sale transactions of a similarly placed Orchards in that locality in recent year, if available, following the guidelines prescribed in the e L.A. Manual of Government of A.P.
- (2) If there have been no such sales, the capitalization method be adopted for valuation of land with Orchards, following the guidelines contained in the L.A. Manual of Government of A.P.

It shall be strictly borne in the mind that while adopting the capitalization method, compensation for the land as well as fruit bearing trees cannot be separately awarded. Further, when the market value is determined on the basis of yield from trees or plantation, 8 years multiplier shall be adopted as per the guidelines of Hon'ble Supreme Court of India.

- (3) If the above two methods are not applicable for any reasons, the Land Acquisition Officers may follow the guidelines indicated in the Annexures appended to this order

II. PROCEDURE FOR VALUATION OF ORCHARDS:

Category 'A':-

(i). Trees belonging to certain variety of a horticulture crop species recommended for that region.

(ii). Recommended Orchard management practices including timely inputs, cultural operations, prescribed spacing etc., should have been observed.

(iii). Trees with healthy growth, good productivity and free from pests and diseases.

Category 'B':-

(i) Trees belonging to commercial or good local variety recommended for the region.

(ii) Orchards with average management practices showing average growth and productivity which among other reasons could be due to prescribed spacing not being observed, etc.,

Category 'C':-

(i) Trees with non-descriptive varieties / seedlings.

(ii) Trees with poor management practices showing poor growth and productivity.

Pre-bearing or fruit bearing Orchard falling in "A" category depending on the age of Orchard, etc., may be awarded valuation upto a maximum of the values as indicated in Annexure – II or III respectively; Orchard in category 'B' awarded upto a maximum of 80% and Orchard categorized under 'C' upto a maximum of 60%.

The Assistant Director or concerned Officers should personally inspect the garden, count the number of trees and first categories the Orchard following guidelines enunciated above. Before assessing the amounts payable under the category, he should verify whether recommended management practices like training, pruning, manuring, irrigation, deplossoming, plant protection, inter cultivation, etc., are followed or not.

Having thus verified the management practices and categorized the Orchard into one of the above three categories, depending on whether the Orchard is at pre-bearing or fruit bearing stage, valuation may be arrived at as follows:

III. VALUATION OF PRE-BEARING ORCHARDS:

(1) The category under which the Orchards falls i.e., whether it is category A or B or C may be identified at the outset.

(2) The market value of the land alone may be arrived at, on the basis of bonafide and comparable sales of similarly placed lands, following the guidelines as may be prescribed from time to time.

(3) Apart from market value of land so arrived at, an amount upto the maximum of the total cost of cultivation (being the non-recurring and recurring cost), depending on the age, category of Orchard and the management practices observed may be awarded as compensation:-

(a) The Orchard which falls in category-A may be awarded compensation upto maximum of the cost of cultivation depending on the age of plants as per Annexure – II.

(b) The Orchard falling in category-B may be awarded a maximum upto 80% of the amounts as indicated in Annexure-II depending on the age of the Orchard.

(c) The Orchard falling in category-C may be awarded a maximum upto 60% of the amounts indicated in Annexure – II depending on the age of the Orchard.

(4) As seen from the foregoing paras, pre-bearing Orchard is therefore entitled for compensation as shown in Annexure-IV(i).

IV. PROCEDURE FOR VALUATION OF FRUIT BEARING ORCHARDS WHERE REMAINING BEARING PERIOD IS MORE THAN GESTATION PERIOD

(I) Depending on the growth and condition of the Orchard, the category under which the Orchard falls i.e., whether it is category A or B or C, may be identified at the outset on the basis of the guidelines indicated under para II above.

(ii) Just as envisaged for pre-bearing Orchard, the market value of the land may be arrived at, on the basis of bonafide and comparable sales of similarly placed lands following the guidelines that may be prescribed from time to time.

As seen from the foregoing paras the fruit bearing Orchard is therefore entitled for compensation as follows:

Market value of the land + compensation upto the maximum of the total cost of cultivation depending on category of Orchard and management practices observed + net returns from the Orchard for a period equivalent to pre-bearing period depending on category of Orchard + damages equivalent to net returns from the Orchard for a period of one year depending on the category of Orchard.

The compensation for a fruit bearing Orchard may therefore be awarded as per rates shown in Annexure-III as follows:-

Market value of land + cost of cultivation upto the maximum amounts indicated in col 6(i) or 6(iii) as the case may be + 7(i) or 7(ii) or 7(iii) as the case may be + 8(i) or 8(ii) or 8(iii) as the case may be of Annexure – III. As shown in Annexure – IV (ii).

PROCEDURE FOR VALUATION OF FRUIT BEARING ORCHARDS WHERE REMAINING BEARING PERIOD IS LESS THAN GESTATION PERIOD

Wherever the remaining fruit bearing period is less than the pre-bearing period, the net returns, depending on the category of crop will be restricted to the remaining number of years of bearing period i.e., the compensation payable for such Orchard will be the market value of the land alone + net returns for the remaining fruit bearing period depending on the category of Orchard as shown in Annexure – IV(iii).

GUIDELINES FOR VALUATION OF ORCHARDS WHERE MIXED CROP IS RAISED

A) Pre-bearing Stage:

(1) For pre-bearing Orchard where two or more perennial horticulture species are raised in the same garden as intercrop, depending on the condition and the growth, the main crop shall be categorized either under B or C.

(2) The inter crop shall be categorized as (C).

(3) Apart from market value of land, damages equivalent to a maximum of the total cost of cultivation shall be payable for the main crop depending on whether the category is B or C and depending on the age of the plants.

(4) Where the prescribed spacing is observed for both main and inter-crop, the proportionate cost of cultivation restricting to the number of trees subject to optimum number for the inter-crop duly classifying it under (C) may be paid as damages.

(5) In case where prescribed spacing is not observed, cost of cultivation will not be payable for inter-crop.

(6) If the number of trees are less than the optimum number as prescribed in col. 3 of Annexure – II damages payable towards cost of cultivation, shall be fixed proportionately subject to spacing being observed.

B) Bearing Stage:

(1) In a bearing Orchard when two or more perennial horticulture crops are raised as inter-crop depending on the condition, the growth of the crop and management practices observed, the main crop shall be categorized under B or C.

(2) Inter-crop shall be categorized as (C).

(3) Compensation upto a maximum of the total cost of cultivation shall be payable for the main crop depending on the category (B or C) and depending on the category (B or C) and depending on the management practices observed.

(4) Depending on the category (B) or (C) under which the main crop is classified and on the management practices observed, compensation equivalent to the net returns for the gestation period of that crop may be awarded. If the number of trees are less than the optimum number proportionate compensation is payable.

(5) Where the prescribed spacing is observed for both main and inter-crop the proportionate net returns (restricting the number of trees subject to optimum number) for the gestation period may be awarded for the inter-crop duly classifying it under (C).

(6) Where prescribed spacing for either main crop or inter crop are not observed, the net returns for gestation period for the inter-crop shall not be paid.

(7) Damages equivalent to net returns for one year shall be payable for the main crop depending on its category (B or C), management practices observed and the proportionate number of trees subject to optimum number.

(8) If the number of trees is less than the optimum number as prescribed in Annexure – II, compensation payable towards cost of cultivation, net returns as indicted above shall be fixed proportionately.

(9) **Note:** If the number of trees in a Orchard is more than the optimum number prescribed for either the main crop or the intercrop the total amount payable either towards cost of cultivation or for net returns, etc., shall be restricted to the optimum number indicated in Annexure – II depending on the category of the crop.

VALUATION OF SCATTERED OR ISOLATED TREES

(1) Isolated and scattered trees will not normally be given the recommended package of practices as prescribed, and they will therefore be treated as under category C and proportionate amounts towards damages be paid on tree basis.

(2) The entire amount so payable by following the guidelines given under II A or IIB or IIC as the case may be shall be treated as damages. Therefore the 12% additional market value and solatium shall not be awarded on such damages.

(3) Unlike Orchards no additional amount towards damages may be paid.

Model Example as show in Annexure – IV (iv).

NARROW STRIPS OF ORCHARDS:

(I) Pre-Bearing: If a part of an Orhard is acquired the proportionate amount towards damages depending on the number of trees, the age, category and the management

practices observed, as indicated under item II-A shall be paid towards the pre-bearing Orchard.

(ii) For a strip of Orchard at bearing stage depending on number of trees; category and the management practices observed, the compensation shall be proportionately fixed as indicated in the item II-B or II-C as the case may be.

Wood value: In case of crops like Pomegranate, Guava, Grapes, etc., the wood does not have significant economic value and therefore separate compensation for wood does not arise. Even in case of crops like Mango, Coconut, etc, the crop is not grown for wood, which is only incidental or secondary product. However, since the wood from Mango, Coconut, Jack, Jamun, have some value, the ryots may be allowed to cut and take the wood if the Orchards are going to be removed / submerged. In the alternative if trees are to be conserved, wood value at site as determined by the D.F.O., concerned as per prevailing rates may be granted towards damages. Such amount shall carry solatium or additional market value.

Fuel Wood value: The fuel wood for the fuel wood trees may be determined by the Joint Collector and D.F.O. concerned as per the existing procedures, if the total is below Rs. 50,000/- and by the District Collector where the value exceeds Rs. 50,000/-

GENERAL:

1. Wherever valuation of an orchard under acquisition exceeds Rs. 10,000/- it may be got approved by the District Level Committee under the chairmanship of the District Collector with Joint Collector as convenor and the Joint Director of Agriculture and Deputy Director of Horticulture / Assistant Director of Horticulture as members.
2. The Collectors / LAOs concerned shall directly address the Commissioner of Horticulture for any clarification if needed.

3. The details of cost of cultivation, details of trees per acre and stage of the crop (pre-bearing or bearing) and compensation for each Horticulture species and details for the total compensation to be paid for each Horticulture species as per the guidelines above are given in Annexure-I, II and III respectively. Annexure – IV gives model examples of calculation by third method.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. V.P. JAUHARI
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Special Chief Secretary &
Chief Commissioner of Land Administration, Hyderabad.

All the District Collectors (10 copies each)
For distribution among Revenue Divisional Officers / Sub-Collector/Spl.
Collectors (LA) etc.,

The Commissioner of Horticulture, Hyderabad (10 copies)

The Commissioner of Sericulture, Hyderabad

The Principal Chief Conservator of Forests, Hyderabad

The Spl. Collector, Srisailam Project.

The Spl. Collector, Nagarjuna Sagar Project

The Spl. Collector, Telugu Ganga Project, Nellore

All the Departments of Secretariat.

SF/SCs.

// FORWARDED :: BY ORDER//

SECTION OFFICER

Durgam: 888 201 2277

G.O. MS No: 357 dt 22.3.2006 of Rev (LA) Dept
A.P. Secretariat, Hyderabad

ANNEXURE - I

STATEMENT SHOWING THE CATEGORY WISE TOTAL COMPENSATION VALUE PER TREE PAYABLE IN CASE OF BEARING TREES.

| Sl No | Crop | No. of trees per Acre | Prebearing or Gestation period | Economic bearing period | Total Compensation Value per Tree | | |
|-------|-----------------------|-----------------------|--------------------------------|-------------------------|-----------------------------------|------------|------------|
| | | | | | Category A | Category B | Category C |
| | | | | | 6 | 7 | 8 |
| 1 | Mango | 40 | 4 | 5 | 2675.40 | 2140.35 | 1605.25 |
| 2 | Coconut (ECT) 1-67 | 60 | 7 | 60 | 2119.70 | 1695.75 | 1271.80 |
| 3 | Coconut (TxD) | 80 | 4 | 50 | 1361.05 | 1080.85 | 810.82 |
| 4 | Acid lime (Seedlings) | 100 | 5 | 12 | 1444.86 | 1155.73 | 869.79 |
| 5 | Acid lime (Budded) | 100 | 4 | 12 | 1221.37 | 977.09 | 732.61 |
| 6 | Sweet Orange | 100 | 4 | 12 | 1544.58 | 1235.67 | 926.76 |
| 7 | Guava | 100 | 2 | 15 | 200.78 | 160.61 | 120.45 |
| 8 | Pomegranate | 220 | 2 | 12 | 351.09 | 280.87 | 210.69 |
| 9 | Ber | 60 | 2 | 12 | 532.10 | 425.68 | 319.24 |
| 10 | Cashew (Grafts) | 60 | 4 | 25 | 1468.33 | 1174.65 | 891.20 |
| 11 | Cashew (Seedlings) | 60 | 5 | 25 | 893.31 | 666.63 | 500.00 |
| 12 | Sapota | 60 | 5 | 40 | 1311.45 | 1049.18 | 766.87 |
| 13 | Tamarind | 40 | 5 | 30 | 2005.80 | 1604.46 | 1203.36 |
| 14 | Jack | 40 | 6 | 60 | 908.60 | 725.25 | 543.95 |
| 15 | Jamun (Neerba) | 40 | 6 | 40 | 1797.00 | 1437.60 | 1078.20 |
| 16 | Custard Apple | 250 | 3 | 20 | 187.32 | 149.86 | 112.36 |
| 17 | Amla | 80 | 4 | 35 | 2218.33 | 1773.07 | 1329.42 |
| 18 | Fig | 250 | 2 | 15 | 226.71 | 181.34 | 136.30 |
| 19 | Oilpalm | 57 | 4 | 30 | 1802.29 | 1281.81 | 961.36 |
| 20 | Cocoa | 200 | 3 | 25 | 203.21 | 162.57 | 121.97 |
| 21 | Drumstick | 650 | 1 | 3 | 12.52 | 10.34 | 7.75 |
| 22 | Rose | 2700 | 1 | 6 | 25.93 | 20.74 | 15.56 |
| 23 | Jasmine | 1750 | 1 | 3 | 12.52 | 10.34 | 7.75 |

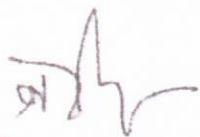
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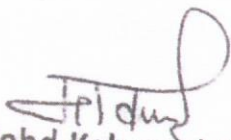
Annexure - 3

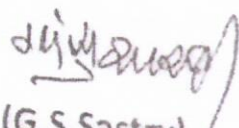
**STATEMENT OF TOTAL COMPENSATION PAYABLE UNDER COST OF CULTIVATION, NET RETURNS
& DAMAGES FOR EACH HORTICULTURE SPECIES-ORCHARDS**

(AS PER G.O.Ms.No.357, DATED:23-03-2006 OF REVENUE(LA) DEPT., GOVT.OF A.P.)

| S.NO | CATEGORY | ORCHARDS | | SCATTER | |
|------|---------------------------|---------------------------------|----------|---------------------------------|---------|
| | | RATE PER TREE as per G O 357 | | RATE PER TREE as per G O 357 | |
| 1 | MANGO | 2675.40 | 10701.60 | 1391.25 | 5565 |
| 2 | COCONUT (EAST COAST TALL) | 2119.70 | 8478.80 | 1153.32 | 4613.28 |
| 3 | COCONUT (HYBRID) | 1351.05 | 5404.20 | 683.98 | 2735.92 |
| 4 | ACID LIME (SEEDLINGS) | 1444.66 | 5778.64 | 759.32 | 3037.28 |
| 5 | ACID LIME (BUDDED) | 1221.37 | 4885.48 | 621.56 | 2486.24 |
| 6 | SWEET ORANGE | 1544.58 | 6178.32 | 773.07 | 3092.28 |
| 7 | GUAVA | 200.76 | 803.04 | 120.45 | 481. |
| 8 | POMEGRANATE | 351.09 | 1404.36 | 210.65 | 842.6 |
| 9 | BER | 532.10 | 2128.40 | 319.25 | 1277 |
| 10 | CASHEW | 1468.33 | 5873.32 | 735.22 | 2940.88 |
| 11 | SAPOTA | 1311.45 | 5245.80 | 682.92 | 2731.68 |
| 12 | GRAPE (SEEDED) | 1188.28 | 4753.12 | 713 | 2852 |
| 13 | GRAPE (SEEDLESS) | 245.78 | 983.12 | 147.47 | 589.88 |
| 14 | COCOA | 203.21 | 812.84 | 121.93 | 487.72 |
| 15 | DRUMSTICK | 12.92 | 51.68 | 7.75 | 31 |
| 16 | ROSE | 25.93 | 103.72 | 15.56 | 62.24 |
| 17 | JASMINE | 36.53 | 146.12 | 21.92 | 87.68 |
| 18 | TAMARIND | 2005.60 | 8022.40 | 1203.38 | 4813.52 |
| 19 | JACK | 906.60 | 3626.40 | 543.95 | 2175.8 |
| 20 | JAMUN | 1797.00 | 7188.00 | 1078.2 | 4312.0 |
| 21 | CUSTARD APPLE | 187.32 | 749.30 | 112.39 | 449.56 |
| 22 | AMLA | 2216.33 | 8865.32 | 1098.15 | 4392.6 |
| 23 | FIG | 226.71 | 906.84 | 136.03 | 544.12 |
| 24 | OIL PALM | 1602.23 | 6408.92 | 805.28 | 3221.12 |


(B. Satyavardhan)
Manager/Sitanagaram


(Mohd. Kalamuddin)
Manager/Nuzvid


(G.S. Sastry)
Ch. Manager / Nandigama