

Harvesting Of Trees On Sacred Site Has Blessing Of Owners

Harvesting of 20ha of radiata pine is underway on land sacred to Tuwharetoa. One of the two forestry blocks involved is around the site of Te Wai U O Tuwharetoa - the spring whose waters nurtured Tuwharetoa himself.

Collectively known as the Kawerau A8D Block, they are administered by the Kawerau A8D Trust.

Trust chairman Tomairangi Fox says the planting of trees on and around Otukoiro, the mountain which overlooks the spring, saved the spring from extinction.

Fox thanks the foresight of his late father, Haki Peata (John Henry Fox), and others of his generation for planting the area in trees back in the sixties.

“As well as achieving top dollar, the process was totally transparent.”

“The spring site and surrounding land were earmarked under the old Tasman Enabling Act to become a sludge pond for one of the nearby Kawerau mills,” says Fox.

“Without utilisation of the land for forestry, its existence today would be confined to history.”

Speaking from Tohia O Te Rangī, the Ngai Tamarangi Tuwharetoa marae his father founded, Fox says many people

don’t realise the iwi of Tuwharetoa had its origins in the vicinity of the spring known traditionally as Waitahanui or Te Kete Poutama.

“Tuwharetoa himself was nurtured by the spring. Its warm waters were used to suckle the future rangatira. The literal translation of Te Wai U O Tuwharetoa is the breast milk of Tuwharetoa.”

Fox says the sale of the trees was not a decision that was taken lightly by the Trust, given the spiritual and cultural significance of the site.

“In the end, we went with Woodmetrics. They offered a competitive tendering process and under-took to achieve the best prices on our behalf.

“As well as achieving top dollar, the process was totally transparent. That’s what really appealed to us. All the bids were on the table and we could see who was offering what.

“However, what really clinched it was the rapport we struck up with Woodmetrics’ regional account manager, Peter Harington, from Rotorua. Peter provides tremendous service and is totally open in his dealings with us. And he respects our culture.”



Chairman of the Kawerau A8D Trust, Tomairangi Fox, explains the Trust’s recent forestry sale transaction in front of the Waitahi Ariki Kore meeting house at the Tohia O Te Rangī Marae, Kawerau. In the background is Woodmetrics regional account manager Peter Harington.

Harington says the big variance in the prices offered demonstrated the benefit of the competitive tendering process.

“The successful bidder was Fletcher Challenge Supply and

Trading Group and the price was above the reserve.”

Otukoiro will not be replanted after harvesting. The land will be allowed to regenerate until it eventually returns to native bush.

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The **Redwoods** Are Coming...

The imminent planting of redwood on a commercially sustainable scale by a Californian forestry company, Soper Wheeler, has heightened recent interest in redwood plantations. To show the potential and problems with establishing redwoods in New Zealand, a seminar series is planned to begin in August.

Focus will be on the best environments for redwoods, site limitations and how they can vary, what to plant: pure stands, nurse tree plantings, shelter, and whether to plant seedlings or clones.

Marketing information that realistically assesses potential returns from exported logs, models for growth and silviculture, potential problems with pest and disease, and limitations to export will be covered.

Speakers will include Professor Bill Libby; Janet Webb, a professional miller/marketer from California; Rob Webster; and

other local experts.

Bill Libby is a Professor Emeritus from the University of California at Berkeley who has worked extensively on the genetic improvement of radiata and is known internationally as an expert in Sequoia species. Bill is intimately familiar with New Zealand and many of the existing stands here.

Janet Webb is a third generation redwood miller from California. Her company, Big Creek Mill near Santa Cruz California, owns forestry land as well as running a sophisticated mill capable of processing over

100,000 board feet of redwood daily. Big Creek sells retail, and wholesale, and has imported redwood from New Zealand.

Rob Webster is a senior consultant for Arbor Management and Independent Forestry Management (Soper-Wheeler's Consultant) for North Island redwood plantations. Rob is doing intensive study of growth models and investigating insect problems in redwood.

Local representatives of the NZFFA Sequoia Group will present information pertinent to each venue.

A New Zealand Redwood Growers Handbook will be distributed at the seminars.

Seminars begin August 19

Contact: ana.adlam@forestgenetics.chh.com ph 07 350 1720

Competition is **good** for you

Carter Holt Harvey businesses around the country have been visited electronically by Stumpy – a small pig with a big idea.



To spread the word about its pre-sale management and sales process for tree owners, Woodmetrics sent Stumpy into the ether to make an offer that was hard to resist.

The offer to share in the wins of any referrals which become sales generated an enthusiastic response from a number of CHH staff members.

Back to the **future**

Woodmetrics presence at the NZFFA Conference in April was extremely worthwhile according to Woodmetrics chief executive Adrian Barker.

Along with account managers Rob Watson and Phil Melhopt, Adrian attended the four day event sponsored by Wrightsons Forestry Services and opened by the Hon Jim Sutton, Minister of Agriculture.

“While most of our customers own blocks that are larger than the average farm forester’s, the pre-sale preparation and sale process needed to maximise value from their investment is no less.”

Adrian describes the FFA field days as a welcome annual reality check from daily Auckland life. “It’s a chance to gain feedback first hand regarding the issues

and views of a diverse yet highly astute group of foresters - a group that collectively cannot and must not be ignored by major industry players.

“With approximately 50% of the national harvest set to come from non-corporate growers by 2020, and nearly half of that from woodlot owners, this is a group where a long term and mutually beneficial relationship is essential.”

After leaving the Forest Service in the early eighties, Adrian became a wool buyer. “The day spent on Balmoral and Mt Cook Stations was a real bonus. Japanese clients of ours



Ken Stephens, left, new NZFFA president and predecessor Michael Halliday

used to pay top price for Don’s superfine Merino. Plus while growing up our family spent a lot of time in the Mackenzie making great friendships with a number of the station owners. It was a blast to be back in my favourite neck of the woods.”

Woodmetrics sponsored the dinner and dance at Fairlie following the day in the Mackenzie.

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Genetics: Key To Forest Economics

Deciding which trees to plant is a complex but extremely important factor which can make or break the economics of a 25-30 year forest investment. CHH Forest Genetics marketing manager David Whitburn says genetic selection is the first part of that decision.



Volume growth and wood properties vary significantly between low technology open-pollinated (OP) or improved control-pollinated (CP) genetics. The selection of the specific wood properties must also be matched to a forester's site, climate and silviculture regime.

Whitburn says the second part of the decision is stock type – seedlings or cuttings. “Essentially, foresters need to ensure maximum genetic value and the right propagation system to meet the market or end use,” he says.

Seedlings are grown directly from seeds, and can be good choice if enough seeds are available from a specific seedlot. Sufficient seeds are generally available in low-technology open-pollinated GF17 and GF19, but improved elite genetics in seed form can be very limited. They will need scaling up through a stool-plant-and-cuttings regime to provide enough trees to satisfy the market.

Cuttings come from a stool (mother) plant that is usually grown at the nursery from elite control-pollinated seed. It is

kept as a low hedge to prevent it maturing, and used to produce many cuttings over four or five years, making cuttings the easiest way to access scarce elite genetic stock.

Cuttings also have the advantage of incorporating the physiological age of the mother plant.

This is important because physiologically aged cuttings grow into better formed trees with a lighter branching index, reduced leader malformation, straighter and less tapering stems, and less ‘speed wobble’.

. . . specific wood properties must be matched to the site.

All of these form improvements lead to an increased number of acceptable stems, reducing silviculture costs and

lowering the selection rate without diminishing the volume of the crop. The lighter branching index provides less ‘sail’ area to catch the wind, with added stability from ‘woodier’ and thus more solid root systems that are less prone to distortion during planting.

Physiologically aged cuttings are therefore the recommended propagation system to deliver maximum genetic value, and include improved volume, height and wood properties.

Forest Genetics has developed a range of tree stocks under the Maxel brand to ensure genetic qualities are the right match and to give foresters confidence in their choice.

Whitburn says Maxel’s indexing system is beneficial to ensuring the right genetics are purchased. “We put a lot of effort into coming up with a system that works for customers.”



Straight Up

Welcome to another edition of The Bottom Line – a newsletter specifically for the private NZ forest owner.

Not always appreciated is the importance of private growers to New Zealand. In terms of the national harvest private growers currently represent 30% of the cut, increasing to almost 50% within 20 years!

It’s a group best described as being highly independent and geographically fragmented – with over 10,000 private forests and woodlots nationally. And at sale time each grower has varying objectives, reasons and conditions around selling.

A common thread however, is the sharing of three key concerns at sale time: maximising sale price, minimising risk, and wanting to deal with someone credible and trustworthy.

Satisfying the first two requirements is not enough, without also satisfying the credibility and trust issue. This sort of reputation can’t be bought. Earning it means always doing what you say you’ll do, having complete transparency in the process for both the buyer and seller, and sustaining your performance over time. I hope you enjoy this issue.

Adrian Baker

Chief Executive

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Adrian Barker

Chief Executive
Tel: 09 356 4762
Mob: 025 357 748
email: adrian.barker@chh.co.nz

Bruce Chadderton

Operations Manager
Tel: 09 356 4765
Mob: 025 273 3323
email: bruce.chadderton@chh.co.nz

Brendan Muller

Account Manager
Northern North Island
Tel: 09 432 8811
Mob: 025 414 928
email: brendan.muller@chh.co.nz

Peter Harington

Account Manager
Central North Island
Tel: 07 349 1727
Mob: 025 417 094
email: peter.harington@chh.co.nz

Geoff Keall

Account Manager
Southern North Island
Tel: 06 326 9955
Mob: 025 310 274
email: geoff.keall@chh.co.nz

Ian Bell

Account Manager
Eastern North Island
Tel: 06 870 9616
Mob: 025 953 371
email: ian.bell@chh.co.nz

Robert Watson

Account Manager
South Island
Tel: 03 248 8940
Mob: 025 971 981
email: Robert.Watson@chh.co.nz

0800 966363
www.woodmetrics.com

Market Outlook

Radiata lumber into the US is in tight supply, and prices continue to rise with both 5/4 and 6/4 Moulding & Better grades selling at US\$1200, up from US\$1150 in early May. Prices on shop grades are also increasing.

The perceived permanence of tightening supply in Ponderosa pine lumber is credited with being the main reason for the price increases. With Ponderosa M&B grades at around US\$1675 there is still a lot of catching up to do.

Housing starts in Japan for March were down 6.3% from the previous year, continuing the trend of the last fifteen months. This is likely to continue with the Government Housing Loan Corporation reducing its loans. The 2002 plan is to fund only 500,000 homes, down by 50,000 on 2001.

Prices in Japan rose US\$2 per JAS m³ in last month's price negotiations – not enough to offset the recent improvement in NZ\$:US\$ exchange rate and increasing shipping costs.

Currently Japan A grade 4m is selling only US\$1-2 per JAS m³ above Korea KI 4m.

The Chinese market appears to be coming out of a two month slumber with demand again exceeding supply, and prices rising accordingly. This is likely to affect prices in key competing markets, Korea and Japan. With China being the second largest consumer of wood (after the USA) the impact could be significant and immediate.

Industry Profile

Darrin Collett, northern regional manager of Fletcher Challenge Forests, is confident and optimistic about the future of New Zealand forestry – despite the challenges facing the industry from a lack of skilled workers and other issues around its infrastructure.

“There are certainly problems,” he says, “but there’s a lot of forest out there. This equates to opportunity.”

Collett bases his optimistic outlook on current trends and his own experience in forestry.

His industry experience is not limited to the corporate arena. He spent several years working with logging crews in North Island forests before moving into a procurement and operational role with Rayonier.

Five years with Rayonier was followed by a three-year stint in Papua New Guinea as national operations manager for SGS – running an export-marketing programme for the PNG Government. This entailed assessing the volume and checking for species identification of the trees before shipping.

Collett took up his present position 18 months ago. The division, which has four regional offices covering all New Zealand, is on target to handle 1.2 million tonnes of timber this year (about 2,500 hectares). It expects to double this within five years.

The Supply and Trading Division had first hand experience of Woodmetrics’ wood sale operation recently when it was the successful tenderer for a forestry block owned by Helensville identity Ernie Smith (refer last issue of Bottom Line).

“I enjoyed the experience of working in with the Woodmetrics



guys,” says Collett. “They’re a good bunch and they operate with a fair degree of openness.

“There’s a lot of transparency in their programme. They publish results after the fact – something not everyone does.”

Collett points out the competitive tendering system was introduced by Rayonier some 10 years ago.

“However,” he says, “the openness of Woodmetrics’ approach and the detail of its information is very professional. Their inventory, mapping and pre-sale information are of the highest quality.”

Collett’s interest in trees does not stop with FCF. He lists the native timbers of New Zealand among his interests. He builds furniture and has done house renovations using native timber. When he’s not working with wood, he enjoys rugby, cricket and fishing – including the odd spot of game fishing.

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info@woodmetrics.co.nz**