

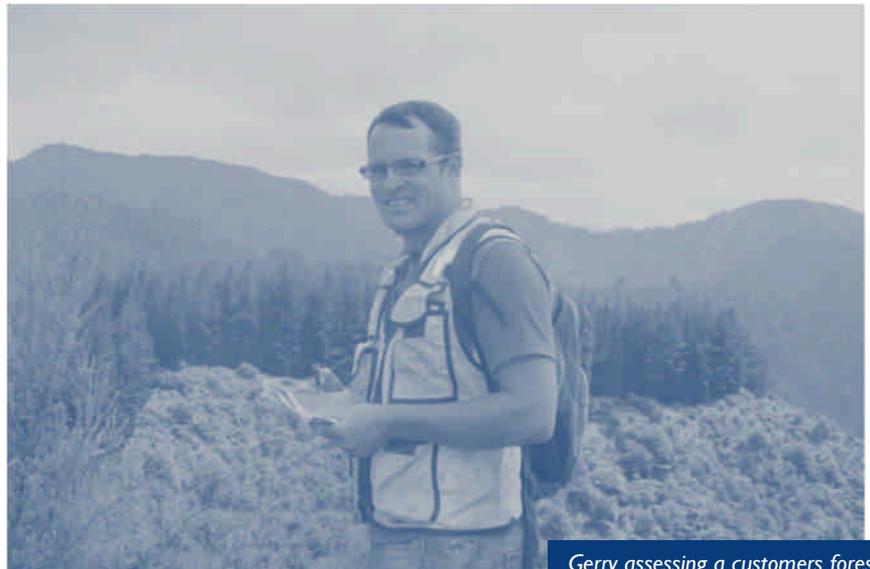
Woodmetrics changes hands

Woodmetrics will continue to best represent the best interests of forest owners under its new owner Gerry Mortimer.

Gerry will operate the Woodmetrics business alongside his Mortimer Forestry business which offers forest management and ETS services. Woodmetrics was started in 2001 by CHH to offer a unique stumpage selling service to private forest owners. Woodmetrics has managed hundreds of stumpage sales in the North Island of New Zealand.

The previous owners said they're delighted to be able to sell the company to someone who is going to continue to operate at the high level of integrity which has been the hallmark of the Woodmetrics service. Gerry Mortimer says that he is grateful for the opportunity to purchase the company with an established position in the market and a set of values which matches his own. He will continue with the same business approach model as the previous owners, providing independent wood sale management advice to forest owners.

Woodmetrics offers a unique service to small and medium size forest owners for maximising returns.



Gerry assessing a customer's forest

Woodmetrics sells most of his client's trees through a competitive tender process known as stumpage selling. This system ensures that maximum value is returned to the forest owner. Stumpage selling requires preparing blocks for market so that the buyers have faith the data that they are being presented with to bid without risk. Risk leads to price discounting.

The benefits of marketing to more than one buyer are the same for trees as for any other product. The more buyers that are interested the higher the prices achieved. With more buyers we can also maximise that product match and therefore the price. Every forest has slightly different log grade out turns and every buyer has different log customers.

Woodmetrics' website has had a facelift. Please visit to view current sales, success stories and enter your own forest details

EMISSIONS TRADING SCHEME UPDATE

For pre-1990 deforestation rules have been relaxed:

- Minor clearing of forests as part of best practice forest management, such as building a road, will not be considered deforestation.
- Forest land that cannot be replanted due to natural disturbances will not be considered deforested.

Also for pre-1990:

- Cleared land left to naturally regenerate to native now has 10 years to meet the forest definition.
- Stocking for areas with moderate erosion risk has been reduced.
- Forests harvested before 2013, but not yet deforested are eligible for offsetting.

And eligible units for surrender:

- Late last year the government put in new restrictions on the surrender of certain international units, mostly from China. The effected units, Certified Emission Reduction units (CERs) and Emission reduction units (EUR's) will no longer be eligible for surrender or repayments to meet an obligation with the NZ ETS.

Carbon price

- The current price of units trading in New Zealand is at about \$2.00 for NZU's and \$0.15 for ERU's. Those that are very happy are those deforesting their pre-1990 forest and those that had sold credits at higher prices.
- It is not currently bright for those in the post-1989 scheme or those pre-1990 owners that do not want to deforest.
- The stance the government has made in not influencing the price as it has fallen and should dictate they will also not interfere if the prices go the other way. We have made a submission to the latest ETS review on this opinion.



Woodmetrics can now offer you a seamless forest management service with Mortimer Forestry.

Mortimer Forestry is a forest consultancy business based in Rotorua.

Mortimer Forestry Consultancy cover the following services: Forest Management, Forest Establishment, Forest Silviculture and Health (Pruning, Thinning, Spaying (releasing)), Forest Roding and Transport, Harvesting Planning, Wood Marketing for small woodlots, Harvest Management, Forest Valuation, Forest Mapping, Due Diligence investigations for sale and purchase, Stand Records, Contractor Selection & Overseeing Operations, Resource Consent Requirements, Forestry Project Management, Emissions Trading Scheme and Carbon Forestry.

Martin's Northern Report

Martin is Woodmetrics' new Northern regional manager and has been straight on the job offering a seamless transfer. Over to Martin:

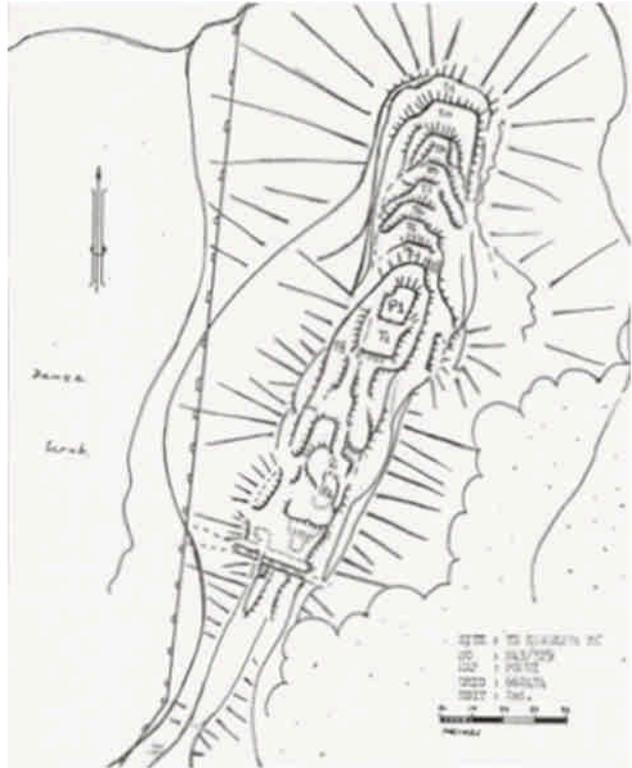
The drought up here in the Far North was a boon for loggers, and hence forest owners, as no real environmental problems are occurring, and production proceeds apace. Whilst we have had interesting projects e.g. the felling of trees on an historic and culturally important Paa south of Auckland, it has not been all logs a trucks.

Fishing up here is about a month behind as it took a little longer for the water to warm up. But when they came the snapper were in good condition, and fed the family and neighbours.



Martin – 18lber at the Secret Spot in Doubtless Bay – go out of Pehipe Beach and head for the middle!

The Paa project was an interesting project and of course subject to Authority from the Historic Places Trust. Whilst it may be argued that gaining the authority was a protracted affair, site plans, liaison with Iwi, pre – during – post inspections, everyone was helpful, and the owner's archaeologist was very thorough in preparing the plan(s) and relevant descriptions of the site and controls required to attain a good result.



So – at the end of the day, it was worthwhile, and the people involved helpful and instructive. A good lesson in co-operation – rules are rules – follow them and all will be well, with no angst or fall out as may have occurred if “we” fought the system.



View up to Paa – pre felling and Pristine location of Paa in client's forest



Please visit us at the Farm Forestry Conference and at the Fieldays

Woodmetrics will be at the Fieldays at Mystery Creek, 12 to 15 June.

If you are at the Fieldays, drop in for a catch up. We will have the latest market news available. We will also have a cup of coffee and a chair if you want to take a load off your feet.

We are at site G106, which is in the forestry and portable sawmilling area just inside Gate 1, at the North end of the grounds.



Look out for this stand at the Fieldays

MARKET REPORT

Log prices are high and stable and exports are at record levels.

China inventories at a manageable level, and the USA housing market lifting, together with reports of Russia having problems, our market should remain stable, if not increasing more on last year's very high levels – over a million cubic metres a month having been exported. March was a record log export of over 1.5 million m³ from New Zealand.

The export log market and pricing following domestic markets are going well. Demand for New Zealand pine is high and prices are good. Brake bulk shipping prices, which is the common method for shipping logs is also well priced. If only the dollar wasn't so high then all the stars would be aligned! With the log market going so well we are now seeing a harvesting crew shortage starting. If your trees are ready for harvest in the next three years or you aren't sure then they should be harvested **please give us a call to ensure you can get more money for your trees.**

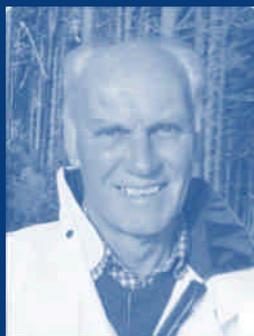


Have we got your latest email address? Woodmetrics sends out a regular free email datasheet with a market update and useful information for forest owners.

To subscribe or to update you email address email, info@woodmetrics.co.nz



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