

Does Woodmetrics get you more money for your trees? You decide!

Case Study No. 2:

This case study relates to an 80 hectare block marketed by Woodmetrics within the Central North Island in 2001.

This sale involved a wide range of ownership and variety of commercial interests. To respect the wishes of some of the parties involved, no names or commercially sensitive information is disclosed.

What can be disclosed however, demonstrates the power of the Woodmetrics competitive tender process - a process that collates superior pre-sale information to reduce both seller and buyer risk by people who specialise in nothing else but stumpage – the sale of standing trees.

Number of bidders	8
Difference between highest & lowest bids	\$19.61/tonne
Difference in dollars	\$872,645 or \$10,908 per hectare!

Important Note:

This example demonstrates an unusually wide bid range in terms of dollars per tonne. Bid ranges of this magnitude are not common. However this example is included because it highlights the extent to which different factors cause such wide ranging bids. These factors include:

- **Different buyers have different market mixes** or different log specifications going into the same markets.
- **No two buyers have the same cost structure.** Harvesting, land transport and port rates all vary, often by 5 – 10% each.
- **For export, different buyers have locked in different foreign exchange rates** at different times. A 2c difference = 5% in what one buyer can pay over another.
- **For export, some buyers are locked in to a shipping rate**, others will be able to use the spot rate. This can mean a difference of at least \$5 / tonne.
- **Different buyers have varying levels of urgency for wood** at any given time.

The above points explain why it is so difficult to know who has the best price on any one day – **it's a moving target.**

The Woodmetrics service simply identifies and secures for the grower the buyer who has the best price on the day.

We see some of New Zealand's best known forestry companies paying top dollar one day (and bottom dollar the next). Competitive tendering managed by someone who has no vested interest in harvesting or marketing logs is proven to consistently return the most dollars.

Over the last year, Woodmetrics has returned over \$2 per tonne more for its customers. This is the net gain after the Woodmetrics fee has been deducted (typically \$2-3/tonne).



To contact us, call **0800 966 363** to be put through to your local representative.