

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



BILL & JENNY CRUM AND LOCAL WOODMETRICS ACCOUNT MANAGER, BRENDAN MULLER. BILL AND JENNY ARE OFF ON HOLIDAY WHILE WOODMETRICS TAKES CARE OF THEIR SALE.

Case Study No. 1:

The following is a real life example. It deliberately represents a typical Woodmetrics result and meant that this customer ended up being close to **\$40,000 better off**.

In Feb 2002, Woodmetrics achieved four qualifying bids for forest owner Bill Crum of Northland. Bill's 40 hectare block contained around 20,000 tonnes of wood. The stand was pruned and of fair quality.

Bill was initially offered in the low **\$30/tonne** range for the block before Woodmetrics became involved. Not knowing if it was a good price Bill decided to use the Woodmetrics service to find the best that the market had to offer.

Competitive Tender Results:

Company A	\$45.00 per tonne
Company B	\$40.05 per tonne
Company C	\$37.70 per tonne
Company D	\$37.11 per tonne

Woodmetrics Reserve Price **\$42.73 per tonne**

- Total Volume 20,524 tonnes (40 hectares)
- Prices are net composite price over all log grades
- Above price range was 20%. This is very normal

Bid Range Resulting From Competitive Tender

Highest Bid (Feb 2002)	\$856,877 net stumpage
Lowest Bid (Feb 2002)	\$694,943 net stumpage
Initial Offer (Mid 2001)	\$615,720 net stumpage

Difference: **\$241,157**

'Net Stumpage' is the net return to the grower after all costs

Woodmetrics Cost	\$2.60/t
Direct Costs	\$0.65/t

Note: This is a typical result from a competitive tender run by people who understand the industry. Even after deducting Woodmetrics fees plus taking into account changes in market prices between the time of the initial offer & the competitive tender, Bill is around **\$40,000 better off. That's a new ute!**

So what does Woodmetrics charge?

Our fees are charged in three parts for complete transparency:

- A percentage commission of the **net** (not gross) stumpage* revenue you receive - typically **2.0% to 4.5%** depending on forest or woodlot size;
- A per tonne fee which reflects the Woodmetrics overhead - typically **\$0.75/tonne to \$1.25/tonne** depending on forest or woodlot size;
- Any direct costs, as quoted in your Woodsale Management Agreement. These include costs associated with mapping, inventory, resource consent application and harvest management. Woodmetrics adds **no margin** onto direct costs.

*Stumpage is the sale of standing trees. Stumpage price is the net return to the forest owner.



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