



View From the Treetops

The situation with the export log markets seems to have changed almost as quickly as the lead changed in recent America's Cup races in Spain. Export log prices reached a high in January/February this year, despite the high kiwi \$, then the decline started in March and has continued monthly thereafter.

From a grower's viewpoint it was disappointing to see this decline, but it is even worse for some private harvesting crews who have been reduced to working only a few days per week and/or laying off staff, until the current backlog of export logs stockpiled has been reduced. Hopefully it will not be too long until all the harvesting and trucking contractors are back at work, as we will need to retain a pool of skilled labour in our industry for the future.

Rick Osborne, representing log exporter Zindia, provided an interesting insight to the current chaos in the Asian markets. Unfortunately there are always some in for the quick dollar, with no long term commitment or thoughts of the general good of the wider industry.

While the current export log situation sorts itself out over the coming months, I would like to remind forest owners to make sure they prepare well in advance to be harvest ready, in order to take advantage of any uplift in log prices. This involves preparing harvesting plans and also obtaining resource consent for any earthworks exceeding 1000m³ and for access onto public roads, especially state highways. One of the requirements of Transit is normally a minimum of 330 metres, depending on visibility of entry onto state highways and provision for sealed pull over areas. This can involve conditions that are expensive to comply with.

A number of forest owners are also obtaining resource consent 5 – 10 years in advance of harvesting, as they are concerned about further subdivision of rural land into lifestyle blocks. In some situations the forestry interests have purchased hill country that accessed through farmland to reach the public road. The farm changes ownership and is then subdivided into lifestyle blocks (sometimes more than once). Although the forest owners have legal right of way across the lifestyle blocks, not all the new owners appreciate forestry issues, especially when it comes to harvesting. If you are notified of such subdivision take particular note of what the long term implications are and what future hassles could occur if you do not make a written submission that your commercial forest is in the vicinity.

On behalf of our Association I extend condolences to Rick and Barbara Osborne following the recent death of Rick's Mother, Cora Osborne. I particularly recall Cora's hospitality welcoming foresters to various field days at Skiddaw, as well as her attendance at association functions in the early days with her husband Jim. Both Cora and Jim were both enthusiastic stalwarts of the forest industry and our Association in earlier years.

In conclusion, although we are experiencing wet, cold weather at the moment, it will help replenish the aquifers and keep our trees growing.

John MacKenzie

SO WHERE DID THE CHAOS START?

You probably know by now that the log export business has gone back in to chaos in the short space of three or four months. We have seen the price of the 'headline' KI log drop from about \$100/jas at Xmas to about \$60/jas today. This drop has been caused by a drying up of orders from Korea and China, causing grief downstream for loggers, cartage companies, and others, as the industry is forced to a halt with unsold 'walls of wood' collecting at wharves throughout NZ.

Fingers of blame are pointed at shipping and exchange rates, and certainly they do not help any forest owners in getting a fair return for their long term investment, but the real problem is oversupply from Russia combined with irresponsible marketing by some Kiwis in our export markets.

The increase in export taxes on logs out of Russia from 1st July has put both sellers and buyers from Russia into high gear to beat the increase. This extra wedge of wood from Russia has shouldered out a lot of NZ radiata pine in China and Korea, leaving some NZ log exporters over supplied with the wood and no orders from those markets. It takes no time at all for log buyers to pick up on those situations and start refusing to deal unless there are solid price cuts.

Regrettably two Kiwi log exporters, squeezed in China and Korea, have turned to the Middle East and Indian markets to dump their oversupply. At Zindia Ltd we have spent three years building a steady market at high levels where our sawmiller customers in turn were able to enjoy stable and profitable business. Thanks to those exporters we are now faced with angry customers asking why we are not selling to them at the \$US20 per jas less that our desperate and irresponsible countrymen are offering. In turn, those that have bought from them are discounting, causing chaos in the downstream timber markets.

These irresponsible exporters are unaligned, in that they are not forest owners and have little or no interest in the value achieved at stump. They take their volume related commission and pass back the small monetary remnants of their 'marketing', to the forest owner.

So where to in the future? As forest owners we all must avoid selling logs to export organizations that are not forest owners, or are not financially aligned with forest owners. Those organizations simply use our trees as cannon fodder. If we can freeze their supply, the chaos should end.

It will take a long time to repair the damage done to the Indian market, but in Zindia Ltd. we are determined to do it. The advantages of steady business to both forest owners and our export customers are greater than I think any of us would believe.

Rick Osborne

Some facts on the industry

- Export logs accounted for \$573 million (16.37%) of the total forestry exports of \$3.5 billion in 2006, which was 40 per cent of the total volume of forestry production exported.
- Shipping rates have more than tripled in five years, eroding the benefit of near record log prices for our forest industry.
- Forestry is New Zealand's third largest export industry, with about 13 per cent of the total.
- Most exports go to Asia – primarily Korea, China and India.

Planted Indigenous Forests:

Members will be pleased to hear that on 26th February 2007 saw the promulgation of regulations which will enable the Indigenous Forestry Unit (IFU) to issue certificates that will verify that a forest is a Planted Indigenous Forest as defined in the Forest act 1949. A template for the certificate is currently being developed, and relevant information will be placed on the MAF website.

The effect of this is that upon harvest these plantings will not require authority from IFU prior to felling.

Rub 10% off your ACC work levy



The high injury rates currently affecting the farm forestry industry can hurt businesses and ruin lives.

That's why ACC has introduced Workplace Safety Discounts – a new way to help self-employment people and small businesses erase injuries at work



Te Kaporeihanga Awhina Hunga Whānā

You could be eligible to take a FarmSafe safety training workshop.
You'd then be able to apply to rub 10% off the component your Acc levy.

Check your eligibility and download and application form at [www,acc,co,nz/wsd](http://www.acc.co.nz/wsd)

ACC AND TREE GROWERS IN MARLBOROUGH AND NELSON

ACC and Marlborough Forest Industries Association are now working together locally to prevent injuries

ACC will be assisting at field days/seminars to support MFIA / NZFFA initiatives with a safety aspect such as safe use and maintenance of chainsaws or developing forest emergency procedures.

For a limited time, free high viz shirts will be given to tree growers entering the work place safety discounts programme.

For further details see overleaf and contact;

ACC on 0800 844 657 or
Graham Sharland on (03) 5716203.

Enhance your workplace safety

.... and enjoy lower ACC levies

Running a safe farm or forest can help save the lives of you and your workers. And now, it can help save you some money, too, if you're self-employed or a small business owner involved in the forestry industry as a tree grower or farm forester.

The forestry sector currently has one of the highest work-related injury rates in New Zealand. It would be great to get this down, and now there's a financial incentive to do exactly that. It's called 'Workplace Safety Discounts', and here's how it works.

ACC Workplace Discounts

Workplace safety Discounts offer you the opportunity to apply for discounted ACC levies if:

- You're self-employed, or you are a small business owner, and you have 10 or fewer full-time staff, or your annual payroll is less than \$380,000.00 and
- You're involved in forestry or agriculture.

A full list of who's eligible is available on the ACC website, at www.acc.co.nz/wsd

Qualifying for the discount

To qualify for the discount, you'll need to show you have relevant health and safety capability, which generally means taking a short safety-training-course. This will be free-of-charge, and will focus on safety requirements specific to the forestry industry.

You must also successfully complete a self-assessment booklet, aimed at identifying your work practices in things like:

- hazard management
- incident investigation
- staff training in safe work practices
- emergency readiness.

How the discount works

Once you've met the qualifying criteria, you'll receive a 10% discount on the work component of your ACC levies.

The discount will apply to the whole year's levy, no matter when during the year your application is accepted. And providing you complete a yearly declaration, confirming that you're maintained the required standards, the discount will be valid for three years.

So, depending on the level of your income – which determines the amount of your ACC levies – you could qualify for a significant annual saving.

Other benefits

Being part of Workplace Safety Discounts may deliver you other benefits, too. For instance, it could improve your chances of getting work from organisations that require a documented health and safety system. It may also help you meet your obligations under the Health and Safety in Employment Act.

Most importantly, though, it could help save a life – either yours, or one of your crew. And you can't put any price on that!

Taking a long-term view of the family forestry block has paid dividends for the Hughes family and their Conrass Forest near Pelorus.



Forester and forestry consultant **Bert Hughes**, along with his sister Justine, were the winners of the forestry category in the Marlborough Environment Awards this year, and a field day on Wednesday saw about 20 people inspect their Conrass Forest.

The idea that drove everything was "land tenure", Mr Hughes said. "You have to consider what's productive over generations, rather than annually," he added.

The main block of the 170ha forest is in hills above State Highway 6 between Canvas-town and Pelorus Bridge. It includes about 70ha of native forest.

There's also a small 1.2ha block tucked in between the Pelorus River and the highway, which Mr Hughes said was more a hobby block than anything else.

In the smaller block the idea was to develop a continuous canopy and eventually harvest the trees one at a time.

The small block included black walnut, redwoods, eucalypts, chestnuts, poplars, oaks, plane trees, copper beech and Tasmanian blackwood, while the main forestry block was generally *pinus radiata*.

Mr Hughes said his great-grandfather came to the area in the 1860s and eventually took up about 330ha.

The family did not have any expectation of capital gain or sale of the land, although they had sold the dairy unit.

The forest was first planted in 1964 by Mr Hughes' father and uncle. New roads and skid sites as the forest was developed kept making it easier and cheaper to harvest.



A lot of work also went into skid sites: culverts diverted water away from the sites. There was also dense planting around the sites to catch rotting debris.

One skid site, which cost about \$20,000 to establish, is shared with Weyerhaeuser. It serves up to 50ha of forest. A good skid site also meant more grades of logs could be separated, creating a "shop window" for log grades - and the forester could get better prices. "You spend the money up front and you get it back down the track." They had switched to more uphill retrieval of log, rather than dragging them downhill, which could damage the logs and the environment.

"Pulling downhill we ended up with a lot of slash in the streams, and every few years we would get a massive flood and the logs would be brought down, and you would get a dreadful mess."

Better water management also meant less money needed to be spent on maintaining the sites and roads.

PF Olsen's Rob Lawrence was one of the forestry category judges, along with Graham Sharland and Penny Wardell. He said there was little between the three forestry entries. It was difficult to pick the winner in the Marlborough Forest Industry Association-sponsored award.

While the other two forests have been established, Conrass Forest has already been through a harvest, and was 15 years into its second rotation.

Judging centred on the forest's impact on soil and water, waste management and biodiversity.

Mr Lawrence said clear felling areas were minimised so they were less affected by flash flooding. Riparian strips were left along waterways to filter runoff. Uphill logging was now the preferred method of harvest because it kept the logs out of waterways. Conrass Forest uses low rates of chemicals and no burning was carried out.

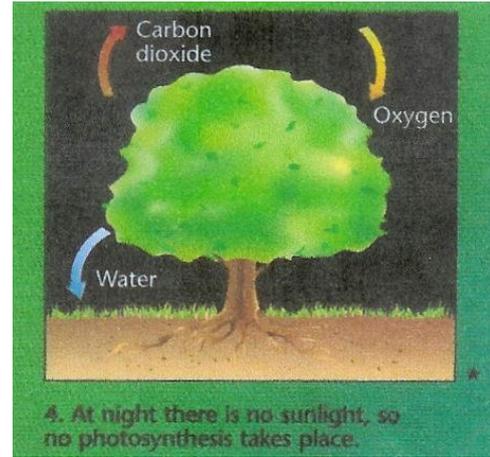
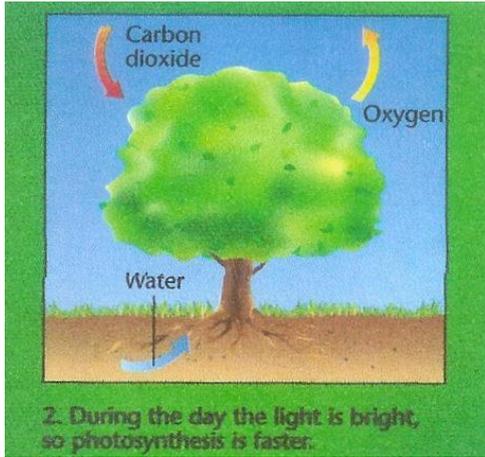
Mr Lawrence said the residents of three houses below the forest seemed happy with the way it was managed. There was ongoing and aggressive animal control. Access tracks were kept open and horse trekking encouraged. Native bush was left to soften the impact of harvesting. Mr Lawrence said in the 1980s it was common to see oil and oil filters discarded around skid sites, but not any longer.

Mr Hughes told the field day there was an urban myth that forestry depleted the soil after three generations, but that was not backed up by science.

Some work had to be done with boron and some trace elements, but the trees extracted carbon from the atmosphere. Most trace elements were in the needles, which stayed in the forest.

The pine needles leached acid and tannin into the soil, which made a microclimate that favoured pine trees, but that could be treated with lime if other species were to be planted.

WHAT MAKES A TREE GROW?



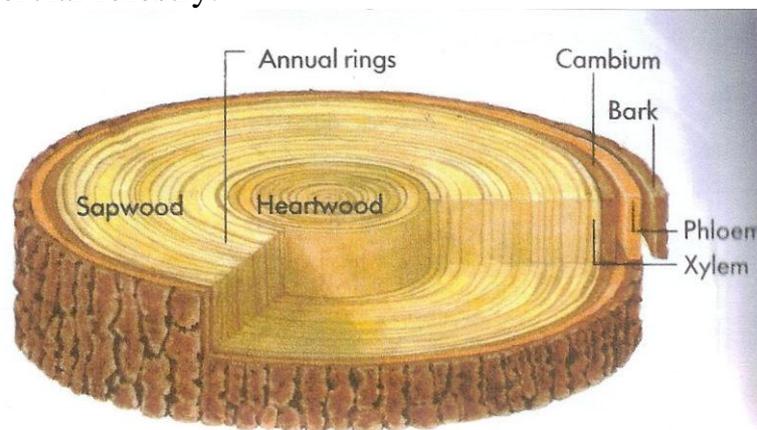
Gary Ytsma who teaches forestry at Marlborough Boy's college is keen to tutor a small group of our members in forest botony.

You can attend just to enjoy finding out more about trees and not bother with an assessment if you like.

Alternatively, you may wish to gain unit standard 1126 "Demonstrate knowledge of botony for commercial forestry" (level 3, 8 credits).

Gary's timing (still flexible at this stage) envisages four evening sessions (7.00 to 9.30) at a total cost of \$40.00. The purpose of the unit is described as

- People credited with this unit standard are able to:
- Identify the physiology of plants;
 - Describe the growth requirements of plants, and the reproduction system of angiosperms and gymnosperms;
 - Outline the process of plant propagation in commercial forestry;
 - Use the taxonomy system for the classification of plants;
 - Outline plant species important to New Zealand commercial forestry;
 - And explain the beneficial symbiotic relationships utilised in commercial forestry.



Interested? Please phone Graham Sharland on (03) 5716203.

Source: 1993 Liro "N.Z. Forest Code of Practice"

ESTABLISHMENT

6.3.1 Planting

Key Factors: **Topography**
 Access to labour

Techniques Available

A **MANUAL**



Machinery

Hand tools (spade, mattock)

Potential Adverse Impacts

- May reduce summer flows in the long term
- Risk of spreading wildings onto adjoining land
- Visual impact (may be positive or negative)

Methods of Reducing Adverse Impacts

- Plan planting near watercourses and roads to avoid damage at harvest
- Use natural or topographic boundaries where possible
- In high country, selection of species location of boundaries and management of adjoining land must be carefully planned.

Planting Quality

The main factors affecting the quality of tree planting are:

Planter skills

- Tree stock quality
- Soil conditions
- Slash cover
- Vegetation cover
- Terrain (slope)
- Quality monitoring
- Poor tree handling
- Weather conditions

Planting skill is the most important factor affecting quality. If incorrect techniques are used, survival, stability, tree growth, and form may be of low quality. Planters need to be aware of how handling and planting technique affect the tree.

Quality control is critical to ensure planters meet the planting specifications detailed in the job prescription.

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TREE PLANTING BASICS
Source: 2000 FIT "BPG Tree Planting"