

March 2009 Newsletter

Treetop Views

Hi all,

February's weather has been a little unsettled, which has interrupted log removal from skid sites but has been great for enabling the fire risk to reduce back to Green on the Forestry Operation Fire Danger Codes.

The market for January and February has weakened from December prices. Pruned logs at \$130 - \$135 per ton, A grade is \$68 – \$76, K grade is \$63 – \$67, KI \$58 – \$66 and KIS is at \$43 – \$51 per Jas. Export pulp has no outlet, chip is not much better. Demand is fragile for saw logs. March log prices are looking no worse maybe better. For the last two months grower returns have been around \$9,000.00 to \$12,000.00 per hectare depending on tree age, tons per hectare and how well they grade out.

The Marlborough Environment Awards dinner will be held on Friday 8th May 2009 at Drylands Restaurant in Hammerichs Road.

On Friday the 13 February a group of your executive members, forest owners met with the Minister of Agriculture and Forestry David Carter and discussed the ETS being put on hold subject to a review. Some of the key dates have been pushed out; refer to the MAF February 2009 release of the Forestry in the NZ Emissions Trading Scheme included in this newsletter. The forestry offset for best land use proposal is back on the table. The ETS being put on hold while the review is taking place is part of the conditions of having Act as part of the Government. We had a good discussion on many ETS topics and a few other topics like our issues with the RMA and the new building code requirements that are making timber and the timber grades confusing and an unattractive option for building with. The hour-long

meeting with Hon. David Carter went very well; his knowledge of our industry was impressive. Nothing is final until the review details are released.

I was invited to the launch of the New Zealand Dryland Forests Initiative. Their strategy is to become a world leader in breeding and management of elite plantation eucalypts that produce high quality naturally durable wood. R&D investment in Marlborough and Canterbury is targeted at forest growers achieving profitability within 8 to 10 years with post and poles and to produce sawn timber by age 15-20. There are two trial blocks, one near the Ferry Bridge and the other near Ward. Members of NZDFI are Marlborough Research Centre Trust, Marlborough District Council, NZ School of Forestry Foundation, Marlborough Lines, Vineyards Timbers Ltd, Proseed NZ Ltd and three rural landowners.

It was very disappointing that Zindia went to the trouble and costs to get a larger ship to be able to have all the log cargo stored below the deck, saving the need to fumigate logs on the wharf under covers yet Port Marlborough and our Council went out of their way to make things impossible.

Port Marlborough and our council kept shifting the goal posts, enforcing the highest fumigation standards in the world by slashing the allowable emission of methyl bromide to one fifth of the legal requirement and a \$100,000.00 bond to make sure that the standards were met.

We as an industry are not happy using methyl bromide but alternatives are not available as yet. NZ quarantine people have been sitting on their hands and not talking to India's quarantine people to get alternatives approved. These matters were also discussed with the Hon. David Carter.

The impression is given that our Port Company and our Council do not want industry to grow and increase/maximize the use of the deepest port in New

Zealand for the benefit of Marlborough as a whole. I would like to applaud Rick and Zinda for persisting with this and making it happen.

Kevin Parkes

To Prune or Not to Prune? That is the Question

Field Trip - Saturday 4th April



Over recent years there has been a trend away from pruning radiata pine for clear wood. Large forestry corporates and private forest investors are moving away from intensively managed clear-wood silviculture regimes to framing regimes. *Why is this?* Come and join us for a field trip exploring the advantages and disadvantages of pruning for clear wood and alternative regimes.

Before we set to the hills Kaituna Sawmills Marketing Manager will present the *market outlook* for *pruned logs*. Also Tony Gouldson of FMR Risk Solutions will deliver a brief presentation on the topical subject of *Forest Insurance*.

Then we will travel by four wheel drive into the rugged forest land of Northern Marlborough where we will experience and discuss:

- *The importance of tree selection*
- *Recommended data to collect pre and post operation and how to collect this data*
- *Scheduling pruning – The methods used to know when its time to prune*
- *Site selection – Which areas should be pruned and which should be framing?*
- *Why are forest owners stopping or reducing pruning? - A presentation on the economics and other considerations for corporates and small growers*
- *The non-economic reasons for pruning*
- *Tree breeding /selecting planting stock – The impact for pruning*
- *Framing regimes – What are the benefits over clear wood regimes?*

Field Trip Details

Meet:

Nelson Forests Kaituna Sawmill,
Mahers Road Kaituna

When:

9 am, 4th April

Bring:

Warm clothes and something to eat

Expected finish time: 2 pm

RSVP: By 1st April to:

**PALMS,
phone (03) 578 1733,
email palmsltd@xtra.co.nz**

Brendon Whitley

Growing industry talent in the south

Ten years ago, Gary Ytsma, teacher and Head of Department, Land Science at Marlborough Boys College in Blenheim, had an inspiring idea for his senior students. What if he could develop a course that would keep them at school and retain their interest by teaching them something practical?



"So, I started a course based around my prior knowledge and forestry experience with the Forest Research Institute", says Gary. "I knew it also had the potential to benefit local industry as they were short on staff."

The course first ran in 1999 and Gary estimates he's since taken around 200 to 250, Year 12 and 13 boys through the Level 2 and 3 FITEC forestry units.

"The students learn the general requirements of forestry, personal hydration and nutrition, codes of practice, OSH standards and – always very popular with the boys – chainsaw operation."

Gary says that as part of the course the students participate in a lot of field trips, "and it's these experiences that really bring the industry alive for them."

He says they've been extremely fortunate to have full support from FITEC and the support of around 25 local businesses in Marlborough and Nelson.

"We visit Nelson Pine Industries, Nelson Forests Ltd, Carter Holt Harvey's sawmill in Eves Valley, Mike Fraser's operation and many others.

We ensure the students are exposed to the breadth of work the industry has to offer from silviculture and logging through to milling and wood processing – and safety requirements are a huge part of what they learn as well."

It seems to be paying off. Gary says that many of the students find work in the forestry and wood industries after they leave school, some straight away and others a few years later, after a bit of 'odd-jobbing'.

"It's fantastic to see boys getting jobs and becoming great operators rather than leaving school not knowing what to do. I bump into them several years later and they've found jobs in the industry and are starting families.

Two of the boys – Simon Hammond and Reindard Hoek – started up and are still running their own silviculture business. They have about six to eight staff working with them," says Gary, who keeps track of where some of his students end up.

"James McKenzie did a Bachelor of Forestry Science at the University of Canterbury and is graduating this year. And James Smith left school in June 2003

and is now working as a fully qualified saw doctor at Flight Timber's sawmill."

The local forest and wood industry have been particularly interested in the course and keen to employ the students after they leave school. Mark Forward, Forestry Manager for Nelson Forests Ltd says Gary's course is a great initiative and Nelson Forests Ltd really supports it. "We help Gary put some of the components of the course together and host forestry tours for the students when they come through on their Nelson regional field trips."

For Gary, knowing that he's teaching his students a course that leaves them well-prepared for employment is important. "I really believe in educating our students for real life. I think it's the way that education should go – especially for those who will not go on to tertiary education. It makes them useful and work ready."

FITEC has granted permission for this article to be published in the Marlborough Forest Industry Association Newsletter.



FORESTRY IN THE NEW ZEALAND EMISSIONS TRADING SCHEME



By now, you will have heard of the Emissions Trading Scheme (ETS). This is the mechanism chosen to reduce our national greenhouse gas footprint, encourage and support global action on climate change.

The comprehensive scheme is a key part of overall climate change policy and involves all significant greenhouse gases and all sectors including forestry, agriculture, industry, energy, waste and liquid fossil fuels.

Forestry's involvement in the ETS

The forest estate is already a significant store of carbon and there is potential for this to grow further with farm and larger-scale plantings of both exotic and indigenous forest species.

For this reason, it has now become the first sector to enter the ETS – effective 1 January 2008.

For forest landowners, the ETS offers significant opportunities for land development and economic returns.

Your forest under the ETS

Forest landowners will either automatically or voluntarily become participants in the ETS depending on:

- the date the forest was established;
- the type of forest owned (or leased, or held under a forestry right);
- whether any deforestation has occurred.

Forest land is defined as being at least 1 hectare with forest species that have (or are likely to have at maturity):

- a crown cover of more than 30 percent on each hectare;
- a crown cover with an average width of at least 30 metres.

Forest species are trees capable of reaching five metres in height at maturity in the place they are growing.

There are two forest classifications: post-1989 forest and pre-1990 forest (see box below).

Other important points

Unit of trade: New Zealand Units

The ETS encourages afforestation and regeneration of new forest land. Landowners participating in the scheme will receive

CLASSIFICATION	DEFINITION	PARTICIPATION DETAILS
POST-1989 FOREST	Exotic and indigenous forests established after 31 December 1989	<ul style="list-style-type: none"> • owners of these forests can choose whether or not to join the ETS; • earn NZUs as forest grows (from 1 January 2008); • liabilities incurred when net carbon level of their forest falls, for example, from harvesting, (that is, surrender NZUs); • regular reporting required; • can choose to register all or part of the forest area in the ETS; • can bring more land into the ETS at any time; • can apply to cease participating in the ETS at any time but must repay units previously issued.
PRE-1990 FOREST	Exotic forests planted before 1 January 1990	<ul style="list-style-type: none"> • automatically become participants when more than two hectares is deforested between 1 January 2008 and 31 December 2012 (and the five year period after that); harvesting, followed by replanting or regeneration, can continue with no liabilities or reporting requirements; • allocated NZUs from the Government through the Forestry Allocation Plan (draft plan available at www.maf.govt.nz/sustainable-forestry): <ul style="list-style-type: none"> – estimated 60 NZUs per hectare for forests purchased before 31 October 2002; – 39 NZUs for pre-1990 forests bought thereafter; – 18 NZUs for per hectare for Crown Forestry Licence land transferred on or after 1 January 2008. • liabilities incurred for deforesting land (that is, surrender NZUs); • can apply for exemption from the ETS if: <ul style="list-style-type: none"> – the holding is less than 50 hectares; – there is clearance of weed trees.

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New Zealand Units equal to the amount of carbon dioxide sequestered by their forests (one NZU = one tonne of carbon dioxide/CO₂ equivalent).

Once NZUs have been distributed they may be traded within New Zealand. The ETS will also be linked to the international Kyoto Protocol market, in which NZUs will be generally interchangeable with Kyoto Protocol Assigned Amount Units (AAUs).

If landowners choose to deforest pre-1990 forests and change the land's use (for example, move into pastoral farming), then they will be liable to surrender emissions units (equal to the amount of carbon dioxide emitted from the deforestation). For post-1989 forests that have joined the ETS, any emissions liability is capped at refunding any NZUs previously issued for increases in carbon stocks.

Land status

The obligations under the ETS go with the land. When a forest covered by the scheme is bought or sold then the obligations pass to the new owner who automatically becomes a participant. A participant can exit at any time but an appropriate emissions return must be filed and any liabilities met.

Determining carbon stocks

There will be two methods of determining the amount of carbon stored in your forests (the "carbon stocks"):

- **Look-Up Table approach:** pre-determined values for carbon stocks using well-established growth modelling techniques (an appropriate method for smaller holdings – available from December 2008) for pre-1990 and post-1989 forests.
- **Field Measurement approach:** assessing carbon contained in forests based on standard forestry inventory techniques and converted to carbon using MAF's carbon calculator (available towards the end of 2009 for post-1989 forests only). This approach is mandatory every 5 years if you own more than 50 hectares.

Indigenous forest

Indigenous forests established before 1 January 1990 are not included in the ETS. Owners of these indigenous forests have no obligations under the ETS, even if they deforest. Equally, they do not have any entitlements under the present scheme.

Other sustainable forestry programmes

The ETS joins a suite of sustainable forestry programmes, designed to encourage landowners to plant more trees as an income stream and in the context of sustainable land management especially on marginal land. More information on these programmes, the options they offer and the relationship with the ETS is available at www.maf.govt.nz/sustainable-forestry.

Registering for the ETS (Forestry)

Registration will begin in December 2008. Registration information will be available on www.maf.govt.nz/sustainable-forestry closer to the time.

KEY DATES

1 January 2008	Forestry sector enters the Emissions Trading Scheme – post-1989 forest land starts earning NZUs for net increases in carbon stocks, pre-1990 land liable to pay emissions from deforestation
October 2008	<i>Draft Forestry Allocation Plan</i> released for review
December 2008	Registration open and technical manuals progressively available online
2009	
1 January 2009	Registered post-1989 forest landowners can voluntarily file an emissions return for the 2008 calendar year (using the Look-Up Table approach)
31 January 2009	Notify any pre-1990 forest deforestation undertaken during 2008.
31 March 2009	Deadline for registered post-1989 forest landowners to voluntarily file an emissions return for the 2008 calendar year
June 2009	Expected date for Forestry Allocation Plan to be issued (if so: applications for allocation of units to pre-1990 exotic forest landowners and applications for exemptions under the "less than 50 hectares" rule commence)
30 June 2009	Applications for exemptions under the "less than 50 hectares" rule close
31 July 2009	Applications for allocation of units to pre-1990 exotic forest landowners close
September 2009	Expected date for draft Determination under Forestry Allocation Plan
31 December 2009	End of initial (two year) compliance period for pre-1990 forest landowners' entry into the ETS
2010	
January–April 2010	Transfer of NZUs to pre-1990 forest landowners under Forestry Allocation Plan
1 January 2010	Registered post-1989 forest landowners can voluntarily file an emissions return
31 March 2010	Deadline for pre-1990 forest landowners who deforested during 2008 or 2009 to file an emissions return for the 2008 and 2009 calendar years (detailing their deforestation liabilities)
30 April 2010	Deadline for surrendering NZUs
2013	
31 March 2013	Deadline for post-1989 forestry participants to file a mandatory emissions return for five-year period (1 January 2008–31 December 2012). This return will take account of any emissions returns filed earlier during the five-year period, and any NZUs credited/surrendered as a result of those returns

For more information

This factsheet is intended to provide a summary only. We recommend referring to *A Guide to Forestry in the Emissions Trading Scheme* for more detailed information – available at www.maf.govt.nz/sustainable-forestry or call 0800 CLIMATE (254 628). The legislation is available from www.maf.govt.nz/climatechange/legislation/.

For all enquiries on the ETS (Forestry) or to subscribe to the regular *Sustainable Forestry Bulletin* for updates please visit: www.maf.govt.nz/sustainable-forestry.

For all other enquiries on climate change, sustainable forestry programmes or to order hard copies of *A Guide to Forestry in the Emissions Trading Scheme* please contact: 0800 CLIMATE (254 628).

For regional programme adviser details please visit: www.maf.govt.nz/sustainable-forestry.

Brendon Whitley

External Resources – Nelson Forests

Hello all

I'm one of the new members on your committee and have been given the opportunity to briefly introduce myself. I work for Nelson Forests Ltd in External Resources and alongside Leo Jelinek are responsible for the purchase and marketing of non NFL wood throughout the Nelson and Marlborough region. My background is predominantly forest management, previous to ER I was Technical Forester responsible for regime analysis, forest health and nutrition, trials and research, and operational quality throughout the estate.

I joined the company (then Weyerhaeuser) in early 2005 from CHH Forests in the Central North Island where I spent 5 yrs, and before that had 6yrs for Rayonier NZ in the Southland estate. I'm ChCh born and bred (but support the Highlanders), are married with two young children aged 1 and 3yrs, and are passionate (when allowed) in squash, mountain biking, and golf.

MDC Decision on Proposed Subdivision in Wakamarina Valley

There have been occurrences nationally and locally where lifestylers have moved in beside established production forests, and then proceeded to restrict legitimate forest activity to the detriment of the forest owner. All MFIA members should be aware that more and more pressure is likely to come onto forest activities as lifestylers continue to push up various valleys in the district.

Nelson Forests Limited (NFL) has been taking a hard-line approach to applications for subdivision where our activities could be affected. NFL recently objected to an application to subdivide part of the Wakamarina Valley into allotments for lifestyle blocks. NFL objected to the application on the basis that there was a large area of forestry further up the valley and that if the proposed rural lifestyle sub-division were to go ahead the permitted forestry land use could be economically adversely affected. The resource hearing was held in October 2008 and the MDC decision has recently been released. MDC granted the subdivision, but subject to:

- A reverse sensitivity covenant on each property which specifically refers to forestry, and
- A road upgrade contribution of \$100,969.40 from the subdivision developer.

This is a significant and excellent result for all forest owners in the area. A covenant means that each property purchaser is fully aware of the forestry activities in the valley and cannot object to permitted forestry activities (vehicle movements, spraying, noise, dust, vibration, pollen, logging trucks). Forest owners in the valley will also benefit by not being singled out to fund road upgrades resulting from the extra residential traffic.

MDC have told NFL that they appreciate input from the forestry industry so that the conflicting use issues between the permitted uses such as forestry and the discretionary uses such as rural lifestyle subdivisions can be alleviated.

It is recommended that Marlborough forestry owners be more proactive and assertive when it comes to protecting their permitted activities. The MFIA is an organisation that can notify members of applications and activities that could adversely affect forestry, and help to coordinate a response. NFL is also very willing to assist forest owners on how to put a submission together, and likewise coordinate responses where NFL activities may be affected.

If any members are made aware of proposed rural subdivisions in the area that may affect forestry please advise the MFIA Executive Committee.

Brendon Whitley

External Resources
Nelson Forests Limited

http://www.forestenterprises.co.nz/fgen/nzforestrybulletin/nzfb_latest.htm

A treasure-trove in the pines

New Zealanders tend to have a love-hate relationship with *Pinus radiata*. This exotic pine provides jobs and wealth, is a home-grown source of construction timber, stabilises eroding hillsides, protects our water supplies, and is a highly productive crop for land which is of marginal value for farming. That's all well understood.

But on the other side of the coin, pine forestry is often seen by the public as a drab monoculture – something of an ecological desert. Those who work in forests know this is not true. They see things the driving-public does not see from the road: the profusion of hardwood shrubs in the understory and flocks of native and introduced birds. But even forest managers did not know the extent to which their exotic plantations are havens of biodiversity. Only in

the last decade, as researchers have begun looking for indigenous species has the true picture started to emerge.

It's a picture which is really quite extraordinary.

"Even in the clear-fells, which we have often had to defend, we are finding that invertebrates have recolonised within a matter of weeks," says Timberlands environmental manager Colin Maunder. "My theory is that clear-felling replicates what happens in nature – the sort of catastrophic destruction which occurs as result of severe winds, volcanic activity or fire. These events provide opportunities for colonising species, as well as for species which like feeding along the margins of forests, like bats and falcons. "The more we look at exotic forestry, the better it gets."

The search for biodiversity in exotic forests is a result of a drive among forest owners to get their forests certified by the international Forest Stewardship Council (FSC) – a process which requires biodiversity to be identified and given protective management. Some of the most important biodiversity research has been carried out by Ecki Brockerhoff, a scientist with Scion/Ensis, who found a total of 202 native and 70 introduced plant species in 60 small study plots in Rotoehu and Kaingaroa Forests (near Rotorua), Hochstetter Forest (on the West Coast) and Eyrewell Forest (in Canterbury). The canopies of these forests may have been made up of only one species – but the small plots were also home to 10 per cent of New Zealand's native plant species. Graham West, Ensis, says 65 indigenous plant species were found by Chris Ecroyd, herbarium curator at Scion/Ensis, and Ecki Brockerhoff in six plots in the Puruki catchment in the central North Island, seven years after clearfelling a stand originally planted into pasture containing few native plants.

While this level of indigenous species richness is not as high as native forest, which boasts epiphytes and longer-lived climax species, it is much higher than pasture where native plants are normally found at very low levels, if at all. Plantations as young as six years may have healthy fern populations and these often reach levels of diversity similar to adjacent native forest. John Ogden, Auckland University, found tree ferns reached densities of up to 2500/ha in mature central North Island pine plantations. In a report last year, Ecroyd said pine forests are also home to a number of endangered or threatened plant species. "The native woodrose, *Dactylanthus taylorii*, grows in a pine forest in north Taranaki. *Pomaderris*, a genus of indigenous shrub uncommon in the South Island, is found in relative abundance in Canterbury's Eyrewell Forest," he says. "Iwitahi Orchid Reserve, a few hectare corner of the Kaingaroa Forest, is a paradise for orchid lovers. This old-growth *Pinus nigra* forest supports 36 species of native orchid,

including the only known North Island population of *Chiloglottis valida*. A larch and Corsican and Austrian pine forest near Hanmer Springs is also rich in native orchids."

Steve Pawson, a University of Canterbury PhD student working with Scion/Ensis, who has been investigating invertebrate biodiversity, has found more than 350 species of native beetle alone, a number that keeps climbing, with the greatest species richness found in clear-fell areas.

Lorna Douglas, Northern Polytechnic, says the good shelter and high water quality in gullies in plantation forest are ideal habitat for Hochstetter's frogs. Monitoring in Carter Holt Harvey forests has shown that some frogs survive both wind throw and harvesting and have been found in regenerating stands after logging. Good pest control in plantations, as well as in the native forest remnants within the forest, is highly beneficial to native and introduced birds. Researchers working in Kaingaroa Forest in the 1960s found the highest densities of birds ever recorded on the New Zealand mainland, with 1203 pairs per 100 ha, of which 652 were native.

The North Island kiwi is common in some plantations, with 800-1000 estimated to live in Waitangi Forest, near Kerikeri, despite normal forestry activities.

Streams running through plantation forests make good habitat for many native fish. Trees can improve bank stability, help to absorb nutrients from runoff before they reach the stream, and provide shade that controls stream temperature and the growth of nuisance plants – all of which helps improve stream health. Several endangered species such as giant kokopu and short-jawed kokopu have been found in streams running through plantation forest. Aquatic invertebrates, upon which native fish feed, also benefit from forestry. S. M. Parkyn and M. J. Winterbourn of the Canterbury University School of Zoology found in 1997 that invertebrates did not show any pattern of preference for leaf litter of native trees over exotic trees.

Discovering that such a treasure trove exists in pine plantations raises a number of issues for forest managers – not the least of them being how to manage the forests to protect and enhance this biodiversity. So far, research has shown that invertebrates and most bird species are not threatened by most forest management practices. Care, however, does need to be taken when ground-nesting birds are incubating eggs. Forest managers in kiwi country now routinely use kiwi-sniffing dogs to detect birds before raking, windrowing or burning clearfell areas.

Bats are now known to be present in many old-growth pine and Douglas-fir forests, despite their

declining populations elsewhere. More research will tell managers what practices they should adopt to maximise bat survival when they are most vulnerable – at harvest. In *Planted Forests and Biodiversity*, a paper delivered by Ecky Brockerhoff and co-authors at a UNFF Experts Meeting on the Role of Planted Forests in Sustainable Forest Management in 2003, the authors said plantations play particularly important roles in buffering native forest remnants and enhancing connectivity between areas of native ecosystems. “In doing so, these plantation forests may help foster the overall sustainability of agriculture and other land uses across these landscapes.” However, to sustain health and productivity of the forests themselves, the authors said managers needed use of a greater variety of planted species (exotic and native). The use of alternative forest management regimes, such as the extension of rotation lengths in some stands, and adoption of a variety of harvesting approaches was also advised. This approach may well prove to be the next step in the evolution of the New Zealand forest industry.

While there are economic advantages in growing trees of a single species in forests grown for wood fibre production, this may no longer be the case in forests grown to provide other services such as carbon sequestration. Diverse forests also tend to be healthier than monocultures and much less vulnerable to damage from species-specific exotic pests. Fruiting species, like some eucalypts, also provide a valuable food source for native birds like kereru.

In the meantime the forest industry can feel proud that its *Pinus radiata* and other forests protect such a wealth of native species. Protecting and enhancing habitats for these plants and animals is an important part of managing an FSC-certified forest. It also makes the lives of those who work in our plantation forests that much more rewarding.

Rare species in plantation forests: looking for more information on the management of native wildlife in your forest? Go to rarespecies.nzfoa.org.nz for a detailed on-line management guide.