MARKETING — AND THE SAWMILLING INDUSTRY

R. E. Parrott*

As a sawmiller, I see the most important single piece of information in Mr Levack's paper contained in two lines at the bottom of Table 10. The two lines quantify the volumes available to industry in the so-called big log/small log segregation. In the 1976-80 period the ratio of big logs to small logs is $2.4:1$; in the 2001 to 2005 period the ratio will change to $7.6:1$. Probably more significant is the very modest growth in small logs ($2.8\%$), yet the huge increase in big logs ($249\%$) during the same period.

I believe that the forest grower, in his desire to capitalise on historic sawlog stumpages, has devised a forest tending schedule which will maximise production of sawable logs. I also believe that (provided the residues can be sold) sawmills and plywood mills will be put in to use that resource. However, the following points need making:

(1) Much of the big log resource will need to be put into higher value products than sawn timber if the forest industry is to remain the force it has been in recent decades.

(2) While the tending regime currently in vogue in many parts of New Zealand may have theoretical financial advantages to the forest grower, it certainly imposes on the sawmiller a disadvantage in that it completely changes piece size and quality.

This last point is the main one I wish to make in relation to the expanded programme and its effect on sawmilling. We have had, in most areas, an old crop which produced good yields of framing. Markets have been developed for this locally, in Australia and in the Pacific. Framing forms the basis of our search for new markets in Japan and has been associated with the thrust for technical acceptance and duty removal in that country. The present framing is produced from high density trees and is well suited to structural use and machine stress grading. Where knot-free timber has been required, the industry has developed finger-jointing to the stage where it is a sophisticated and highly acceptable process. (I might add also that it is a cost borne at the end of the rotation.)

---

*Tasman Pulp and Paper Co. Ltd., Kawerau.
Certainly the old crop has some disadvantages, principally large knots where the stands were too open owing to early mortality and non-replacement. However, the new crop is likely to produce very low framing yields because (i) tree age will be lowered significantly, and (ii) the emphasis on butt log pruning and thinning, while improving the recovery of clear cuts, will on many sites cause the second and third logs to develop branches that will almost equal the poorer old crop stands — that is, good box grade logs. Therefore, if I am to give an opinion on the effect of the expanded programme on sawmilling, it must be that the associated tending programme rather than the size of the planting programme itself is the main cause for concern. The forest grower is imposing upon the sawmilling industry the need to market a completely new product range, a product mix which has not been tried on international markets and yet a mix which is already in the pipeline. It is too late now to alter significantly the sawn wood quality which will come from the 66% of forest area shown in Mr Levack's Table 1 as being under 15 years of age in March 1976.

In putting these thoughts together I hope I have been able to stimulate you to re-examine the practices that have developed in New Zealand forestry. By all means grow logs which yield a good return to the forest, but please remember that there is a sawmiller at the end of the line who must convert those logs into a salable product and compete on international markets in a situation where New Zealand has, and will continue to have, a very small share (2%) of world softwood lumber trade.