
Philippines Forestry – Bukidnon Forests Inc.

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Abstract

Bukidnon Forests Incorporated manages a reforestation project of the Government of Philippines, assisted by New Zealand. The project has been allocated 25,000 hectares of denuded grasslands, of which 2500 hectares has been planted to date. Early opposition to the project has been replaced by widespread public support as success in reforestation becomes evident. Natural forest resources in the Philippines have disappeared at an alarming rate over the last 40 years, with little plantation forest established to meet the basic needs of the population for wood products. This project represents a serious attempt to address the need for regional nuclei forest estates, using large areas of degraded lands which have low agricultural value and low occupancy.

Bukidnon Forests Incorporated (BFI) is one of New Zealand’s largest foreign aid forestry sector programmes. Initiated by President Cory Aquino and Prime Minister David Lange in 1986, the project commenced on the ground in February 1989. New Zealand has been contributing around $1.1 million per annum in a mix of cash and technical assistance.

The project covers 25,000 ha of denuded grasslands in Bukidnon Province located in the southern Philippines island of Mindanao. This will be sufficient, when combined with private sector plantings, to support an integrated forest industry of sawmilling and either Medium Density Fibreboard or CTMP pulp production.

The land was allocated for reforestation because of its low occupancy and low agricultural value. Steep topography and compact, sometimes shallow, soils make reforestation technically difficult and commercial forestry marginal at best. However, the site typifies many hundreds of thousands of hectares of similarly denuded lands throughout the Philippines and other parts of S.E. Asia. Rising populations are putting increasing pressure on good land for agriculture. Small private woodlots and village scale forestry can do much to supply fuelwood and local timber requirements. However, it is the view expressed in the Philippines Master Plan for Forestry Development that any serious attempt to substitute natural forest hardwood timber with plantation grown timber, on a national scale, should include the setting up of large nuclei forest estates. These can support modern nurseries, attention to correct species and provenances, as well as training, research and extension programmes that are so essential for small-scale social forestry to work. Large nuclei estates will also give the private sector confidence to invest in modern processing.

In its early stages the project was treated with scepticism and caution by local politicians and religious leaders, and outright opposition by some land and human rights activists. Such opposition all but disappeared after the first year of field operations when it became clear that BFI was serious about reforesting otherwise totally unproductive land. The project now enjoys widespread support at national government, local government and local community levels, except in a few instances of localised tension.

The Philippines Government, through the Department of Environment and Natural Resources (DENR), has addressed early organisational problems. The project has become a government-owned corporation with its own Board of Directors and decentralised management.

It is envisioned that once a sizeable plantation forest has been established, and is approaching maturity, the Government will dispose of some or all of its shareholding in BFI to the private sector.

The Philippines Government has recognised the serious state of the national forest resource and is determined to promote plantation forestry. From a forest cover of 17 million hectares in 1934, when the population was 15 million, only 6.1 million hectares of forest cover remains. Of this less than 1.0 million hectares is old growth dipterocarp forest.

The forest industry has traditionally been based on harvesting old growth dipterocarp forest, with virtually no plantation forest harvesting. A recent decision to restrict logging to second-growth forest will, if enforced, reduce the size of the forest processing industry in the Philippines, as most second-growth forests are carrying little merchantable timber that could be eco-
nominally extracted. The logging and timber processing industries presently employ 100,000 people.

The total population in the Philippines is now 63 million. Of this, around 30% or 18 million people live in the uplands, broadly defined as land in excess of 18% slope. In 1960 the upland population density was about 55 persons/km². By 1988 that had risen to 180 persons/km². Many of the upland population have annual incomes well below the threshold poverty line of P36,000/annum ($NZ2400) and are engaged in shifting cultivation for their meagre existence. With the fastest population growth in S.E. Asia, upland population in the Philippines will soon exceed sustainable limits for agriculture and there will be further incursions into remaining steepland forests, if no other means of livelihood is offered.

Soil erosion in the Philippines, unless checked, will very quickly be the cause of major economic impact. Already lowland food production and coastal fisheries have been adversely affected. Hydro-electric and irrigation dams are being silted to the point of being rendered useless in a few years, rather than their design life of decades.

Total soil erosion is estimated at 2.1 billion tonnes annually. A major cause is burning and overgrazing on steep hillsides, such as the land being reforested by BFI. Soil erosion on these lands at present is estimated at 440 tonnes/ha/annum. This compares with 4 tonnes/ha/annum if the land is protected from overgrazing and burning and returned to forest cover.

Given the state of the forestry sector in the Philippines, New Zealand’s past involvement in forestry training at the ASEAN New Zealand Afforestation Project (ANZAP) and the expertise of New Zealand in plantation forest management, it seemed quite rational for New Zealand to assist in the Philippines forestry sector. So far the results for the project itself and for New Zealand have been encouraging.

BFI has now established over 2500 hectares of fast-growing hardwood plantation (Acacia mangium, Gmelina arborea, Eucalyptus deglupta and Swietenia macrophylla). We have set up an operational nursery capable of producing three million high-quality seedlings per annum. The project has also put in over 36 km of forest roading.

During the peak season from February to September BFI employs around 700 plantation workers from the local community. This alone puts about P500,000 ($NZ41,000) in direct salary and wage payments into the community every two weeks. Other than Government Departments, BFI is the largest single employer in the municipality of Malaybalay, a town of 96,000 people.

Should the project continue and the trees reach maturity, the potential benefits for the Province are:

- Log production – 300,000 m³/annum.
- Fuelwood production – 80,000 m³/annum.
- Employment – 1500 permanent jobs excluding multiplier effect which could increase that to 4000 permanent jobs.
- Local Wages and Salaries – P14 million/annum ($NZ20.9 million) during establishment phase and increasing once harvesting commences.
- Stumpage revenue – P360 million/annum ($NZ23.2 million).
- Economic Activity – Added value produce (sawn timber and MDF) valued at P1.2 billion/annum. The multiplier effect could expand total economic activity to P2 billion to P3 billion.
INSTITUTE NEWS

President’s comments

Proseed
The ability of the forest industry to respond to the Minister’s desire to increase the planting rate has to be based, at present, on secure sources of seed. The demand from radiata seed of high GF ratings has outstripped the supply, particularly as the 1993 availability reflected difficult pollination conditions and partial failure of 1989 pollens. The reaction of the nurserymen to a sudden introduction of a tender system for the small volume of GF25+ available is examined by Rob van Rossen in his letter to the Editor. There is still adequate GF14, 16 and 17 supplies for those prepared to place orders well ahead of the secure order for treestock. This is small comfort for nurserymen previously burnt by last-minute cancellations and no monetary guarantee from would-be forest planters.

In this context the interest in the future of Proseed and the continued intention of the NZ Forestry Corporation to offer it for sale is understandable. The NZ Forest Owners’ Association has, in the event of sale, supported in principle the purchase by a group of forest owners who together with FRI make up the Radiata Pine Breeding Cooperative. Such a group could provide for most interested parties to participate (if they could provide their capital share) and avoid some monopoly position, invidious in the eyes of smaller owners and nurserymen. A steering committee recently met in Rotorua to prepare a proposal for participation in a bid to Government along these lines and this will be given more publicity as details are clarified.

Forest Accord
With the recent passage of the Forests Amendment Bill into law, the protection of indigenous forest from pressure to convert it to exotic plantation has taken a new perspective. The voluntary commitment by the signatories to the Forest Accord to retain the present area of indigenous forest was a move, by those forest companies with land which could be converted to exotic forest, to stabilise the indigenous area in their land holdings at its present extent. This suits the major forest owners who secured support overseas for plantation forests from the conservation groups. They are anxious to protect rain forest from further cutting and wished to restrict trade in forest produce, particularly that derived from tropical rain forest. It did not include landowners of Maori or General land who were considering de novo exotic forest establishment and were not included in the negotiations leading up to the Accord.

Much of the hill country in farms is reverting to scrub and secondary forest as pastoral farming goes through another cyclical downturn. The option of planting to exotic forest could be removed from landowners if the reversion process includes kanuka and tree species covered by the Accord. Forest companies offered such land for sale or joint venture, may refuse and choose to honour the Accord in strict conformity with the conservation groups’ views on Accord definitions. The propriety of the Institute being bound by such constraints has to be questioned when alternative land rent or compensation is not offered.

Independent landowners not party to the Accord should have an unfettered opportunity to express a responsible attitude on matters addressed in the Accord when preparing to start a new forest. They should not suffer from removal of their right to an investment return without compensation. If it is a public benefit to retain reverting farmland in indigenous species, then this should be recognised. The thrust of the new Forests Amendment Act complicates the issue and encourages the owner of reverted land to fell scrub and convert it to exotic forest.

I consider that the benefits of the Accord are being jeopardised by the implementation of definitions in an overly legal and academic manner. If the new forest owner’s heart is in the right place, moral encouragement to conserve indigenous forest should be the driving force.

BFI has gained a high national profile in the forestry and land management sector in the Philippines. This is especially pleasing given that the project commenced only in 1989. BFI gets regular visits from politicians, DENR officials, technicians, school groups, religious and community groups, foresters and other government agencies. We are dealing with 20 to 100 visitors per month.

Project success to date can be largely attributed to the high level of community education and involvement, community support programmes, excellent support from the senior management of the Department of Environment and Natural Resources (Manila) and consistent teamwork and mutual support between MERT (Wellington), the NZ Embassy (Manila), Forenco (Rotorua) and the New Zealand staff in Bukidnon.

The high profile of BFI has raised awareness of New Zealand and New Zealand’s forestry expertise in the Philippines. Given the enormous funding now being earmarked for environmentally sound land development, and tropical reforestation in particular, this exposure is likely to open further opportunities for New Zealand foresters to apply their NZ experience in the tropical countries of S.E. Asia.

-billion/annum ($NZ130 to $193 million).

• Direct financial benefits to local community through stumpage share and/or local taxation.

• Soil erosion in the important Tugaloan catchment will be dramatically reduced.

Two major risks threaten this and any other industrial tree plantations in the Philippines. The first is ancestral land claims or uncontrolled occupancy of the land by landless people who are seeking a place to reside or a place to till land for subsistence cropping.

The other major risk is fire. Farmers inside and bordering the project land and itinerant travellers constantly light grass fires that threaten any reforestation effort. The project is addressing this through information dissemination, education programmes, early fire detection and quick response and by proposing legislation dealing with rural fires. After four years of operation many hundreds of fires have been extinguished, but less than 2% of the new plantings have been lost.

The Philippine authorities are aware of these constraints and are seeking to address them to encourage private sector investment in plantation forestry in the Philippines.

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