



Sustainability of exotic forest yield management practice in New Zealand

Sir,

The account of committee work and reports put together by Graeme Whyte and published in the May 1993 issue of NZ Forestry spells out the potential for breathing new life into New Zealand professional forestry after being battered for several years by conservationists, politicians, and the public at large. The final paragraph, "Conclusions", contains an excellent formula on which to base revitalisation.

"This working Group supports the recommendations made in the Grayburn Report on making pronouncements on possible overcutting and supports the view that the Institute Council continue to play a supportive role in critically reviewing statistical information about the plantation forest resource, its rate of harvest, the pattern of utilising its produce in the market place, and the analytical methodologies that are employed to derive relevant statistics. The Working Group further urges the Council to disseminate this information for the good of the country, while at the same time raising its own professional profile as an informed and independent body within the community."

In this conclusion, it is encouraging to read the words plantation forest resource, its rate of harvest, the pattern of utilising its produce in the market place – matters that seem to have been avoided by some foresters until comparatively recently. But their importance has been emphasised by the Rt Hon Sir Wallace Rowling in the same issue. We can no longer ignore the revolution that is going on under our noses.

World demand for wood, reflected in unexpectedly high prices, and the manner in which the cutting rights in State Forests were sold, have led this country into an ever-increasing log-export trade. From the growers' points of view, this trade is simplicity itself. They, understandably, show no desire to change.

The boom in log prices is encouraging a boom in new planting.

We have passed through the period of planting on pumice lands, then through the period of planting marginal farmland, and now we are entering the period of

planting better developed to good farmland.

But this brings us to a minefield in land use, and also to a period of still greater log trade. Land-use issues involving long-life plantations, and a huge log trade are national issues which politicians and many others are unlikely to keep their hands off.

In his review of "Tomorrow's Trees" by John Johns and myself, also in the same issue of NZ Forestry, John Purey-Cust detects a 'pessimistic note' with reference to the future. The pessimism was intended to convey the danger of minefields. But the great potential for planting and trade are still there, and the book analyses this position. Hopefully the Institute will now keep it analysed.

I have also been accused of being anti-Government in the same book.

Which Government?

In the 1950s and 60s, when the development of marginal farmland forests was being planned and planted, we had a succession of seven Ministers of Forests from both Labour and National Governments. Most of them were farmers.

All Governments, and the Ministers, strongly supported the planting for regional development purposes including employment, and for sustainable supplies of wood to New Zealand industries of the future. If there had been the slightest suggestion that it was being done for a log-export trade, no support or money would have been forthcoming. So, which Government?

As it was, planning was not easy. Cases had to be made to the Department of Lands and Survey for the purchase of land. That Department negotiated all land acquisitions once Ministerial approval had been obtained, and when the land had been acquired, it sometimes carved off the best of it to be retained for farming. Politicians, too, had the engaging habit of pointing out that "had they been Ministers of Forests, the Forest Service would not have got that piece of land for planting!" Neighbouring, irate farmers could also turn stock onto newly planted country!

When I saw a proudly displayed photograph of Port Chalmers depicting recently reclaimed land covered with logs and chips awaiting export, and recall the instruction (somehow forgotten!) from the Minister of Forests at the time (about 1960) to stop planting around Dunedin because of the opposition there, I regret the time and effort expended in trudging over the gorse-infested hills around Dunedin evaluating planting land. And this applies to some other ports as well.

Everybody should be told what the country is losing by exporting logs versus local industry and employment. We are

not throwing money away by the bucketful, we are throwing it away by the shipload.

The current rate of log exports (4.5 million m³) is the equivalent of seven times the quantity of the sale that started up Tasman Pulp and Paper barely 40 years ago! In ten years it will be double that again.

A.L. Poole

Croatian forestry engineers

NZ Forestry recently received a letter from two Croatian forest professionals who are in the process of applying for New Zealand residence.

Milan Ivkov and Jasenka Hatlak-Ivkov are a couple and are looking for employment in the forestry or forestry research industry. A short CV is available from the editor, or they can be contacted direct at: Ljudevita Gaja 8, 41211 Zap-resic (Zagreb), Croatia.

Cutting strategy concern

Sir,

The AGM of the Institute of Forestry held at Napier on May 12, 1993 was the scene of vocal debate regarding the issue of the cutting age of plantation forests in New Zealand. I was encouraged to see the consensus as a group on the need for improved and more timely information regarding the state of the nation's estate. Analysis of this information provides the basis for debate and discussion as to the direction that the industry and its components are at, and where it is heading. This internal and external debate can only improve the quality of the decisions being made for the operational and strategic management of the industry.

However, I was concerned by the content of Priestley Thomson's motion that was passed at the AGM, concerning the request to the Minister for an investigation into the cutting strategy of the Crown's forest asset of the Forestry Corporation of New Zealand.

The basis for my opposition is that there is in my opinion a fine line between the public's perception of a forest in State ownership as a public good and those forests in private ownership as a public good. I am more than ready to acknowledge that there are outputs of any forest

which benefit more than the commercial ambitions of an owner. However, maximum control of the commercial outputs must be maintained by the owner of the forest. Increasingly the control of the non-commercial outputs is being directed by non-owners of the forest. This process will continue (as evidenced in the USA) with increasing encroachment onto the control of the commercial outputs.

The motion passed, if actioned, may give the public an incorrect message as to their level of control over the plantation forests of New Zealand. For the public, the delineation between public and private forest will blur, and their desire to control an increasing range of outputs from the forest can only be fuelled by professional support (NZIF). This jump from State to private forest if (or, when) made will diminish the maximisation of the commercial benefits of the forest, potentially returning the industry back to the era of unclear signals of the past, instead of the emerging message of today, that planting trees and processing them in New Zealand is a commercially astute decision.

Peter Casey

NZIF's investigation of Forestry Corporation

Sir,

It was with great concern that I learnt firstly from colleagues, and then from the minutes of the Napier AGM, that a motion reading "that the NZIF recommend to the Forestry Corporation of New Zealand that it undertakes a complete analysis of how harvesting and marketing policies affect the supply of wood in the future, both by species and quality", was passed. The wording of this motion is clearly a toned down accusation that the Forestry Corporation in particular, but presumably other owners as well, are overcutting.

It continues to amaze me how foresters perceive that the plantations they manage have some intrinsic value that requires them to be managed on a sustained yield basis. We all know that there never was and never will be a normal forest. The concept was always, in my mind anyway, of academic interest only. Given changing wood processing technology, changing markets, genetic improvements, climate change, ownership changes etc., the concepts of normal forests and sustainable yields make even less sense now than they did when we were taught them.

The Resource Management Act requires all owners and managers of land to manage the soil on a sustainable basis. It does not require foresters to maintain a

sustained flow of wood, in total or by species or quality, any more than it requires a strawberry farmer to grow a sustained yield of strawberries. Provided the land owner manages the soil on a sustained basis, he is free to change crops, land use or rotation lengths as frequently as he or she wishes.

While I am no expert on cattle farming, it is clear to me that the owners/managers of a cattle herd have the option to sell surplus stock as calves, one-two-three-year-olds etc... or they could keep them as breeding stock. While they no doubt intend to stay in business in perpetuity there is no obligation to sell the same number of animals of a given age each year. The decision as to what number of animals in each age class is sold will be based on market outlook, current prices for each age of animal, the condition of the breeding herd, the farm's ability to maintain the stock longer, the financial needs of the owner, etc. Nobody would suggest that Federated Farmers investigate whether a farmer was growing the right crops or had the correct marketing strategy. Such matters are the prerogative of the farm manager to get right or wrong. So how is a plantation forest any different? What right has the NZIF to suggest that a forestry company has the wrong cutting strategy?

The cutting strategy of Forestry Corporation has presumably been set by their Board. The decisions of the Board are clearly based on an understanding of their resource and their perceptions of the market (both now and in the future) which will no doubt be different from, but no less right than the NZIF's. It may well be that the Forestry Corporation are overcutting their resource. However, if their strategy, resource and understanding of the market indicate that that is the best thing to do, then they have every right to do so. At some time in the future their perception of the market and their resource may result in an undercut. Would that be any more or less right than overcutting?

It was pleasing to note that new membership of the NZIF is increasing with three times more people joining than resigning. This is a clear reversal of what has been happening since the demise of the NZ Forest Service. The majority of members are carrying out their work while they, and the companies they work for, follow the Institute's Code of Ethics and its Forest Policy. The NZIF should promote camaraderie and increasing scientific knowledge. It has no need and no right to promote the investigation of the management practices of the organisations that employ many of us.

Paul Smale

Rising log prices

Sir,

It is difficult to grasp the basic premises of modern Economics. In the article 'Rising log prices' in the May issue it is stated that "... independent sawmillers ... being prepared to pay fair prices ..." for logs. If independent sawmillers are unable to offer log owners prices that are competitive with those offered for the same logs by buyers in the log export market, surely one is bound to ask "why is this occurring"?

If the records of prices paid by Japanese buyers since 1966 are studied it will be seen that whenever there have been difficult economic times in Japan the last timber commodity to be cut in volume or price has generally been imports of logs. This is not hard to understand when one realises that the Japanese are merely protecting their own timber - using industries, which have suffered many bankruptcies.

There appears to be some misunderstanding of the terms 'conversion factor', and 'utilisation factor'! Any sawmill or plywood factory is most efficient if it gets a 'conversion factor' in excess of 60%, in contrast to a paper mill which may have a 'utilisation factor' in excess of 95% on delivered raw material.

As a 'rule of thumb', if any producer of processed timber sells more than 40% on the export market, he will not be able to get lower grade material absorbed on the domestic market, and very likely will face difficulties!

Only two countries now produce all their domestic requirements, with a surplus to export, from planted trees - Chile and New Zealand. In New Zealand all additional logs coming on the market over the next decade or so will have to be exported. Will there be buyers for logs or processed timber?

Elsewhere in the magazine average export figures of \$402 per cubic metre for 1988, as against \$246 per cubic metre for 1992, were quoted. No volume figures or total value were quoted. I would expect that exports in 1988 were dominated by sawn timber and paper to Australia, whereas in 1992 raw log exports to Japan were dominant!

K. D. Marten