



Autumn 2019

NEWSLETTER

IN THIS ISSUE:

Introduction

Forestry Careers & Training Web Portal

ETS Update and Agriculture

NZTIF Conference 2019

Future Foresters

From the Backpage



**Forest
Management**
GROUP

Introduction

FROM THE DIRECTORS

Welcome to the Autumn edition of our newsletter.

Talk about one extreme to the other, this time last year we were recovering from the effects of two ex-tropical cyclones, while this year we are just coming out of one of the worst fire seasons in memory for parts of the country. The Pigeon Valley fire near Nelson which started on February 5 affected an area of 2,300 hectares, predominantly plantation forest. The impact of this fire will be felt for many years ahead in the Nelson region, including a reduction of available supply for processing plants.

As part of the state of emergency, a lot of tasks couldn't be undertaken due to the risk of starting another fire. For our industry this meant 23 logging and 4 silviculture crews were unable to return to work for a period of 2 weeks. It has had a major financial impact.

Most parts of the country have now had some reasonable rainfall and we are hoping we don't get it all at once. As an industry we need to try and improve our resilience to more extreme weather events as a result of climate change.

FMG is a strong supporter of the Safetree Contractor Certification scheme. We currently have 16 contractors who have achieved certification with many a long way down the path of achieving this. Our target is to have all our logging contractors certified by the end of the year. We are encouraging our other contractors such as cartage, earthworks and silviculture to become certified.

With domestic and export log prices at the highest levels since the 1993 price spike, returns to forest owners have been at very healthy levels which is really pleasing, long may it continue.

Craig McMiken
Director



Forestry Careers & Training Web Portal

A new web forestry careers portal was launched in mid-March by the Forest Growers Levy Trust (FGLT). Forest Management Limited staff member Adrian Loo (accompanied by Sheridan Ashford) launched the careers portal on behalf of the Future Foresters at a parliamentary function celebrating the New Zealand forest industry and its future.



The web portal contains information about the career opportunities in forestry.

It covers options from practical roles in silviculture and harvesting to forest management, engineering, surveying, research, administration, human resource management, IT and others. Information is provided on some 30 types of jobs, with an outline of the work involved, salary range, and what training or education might be needed to match the particular job.

Check it out
www.forestrycareers.nz

ETS Update and Agriculture

Announcements are slowly being made on the ETS review.

It has been confirmed that all new production forest planting from this year, if registered into the ETS, will be subject to averaging rules.

How does averaging work?

If *Pinus radiata* is planted, credits will be issued for the first 18 to 20 years (TBC). No further credits will be earned by the forest after age 18 to 20. A rotation age band will have to be nominated at registration. At harvest time, no credits will need to be repaid that have been received in the first 18 to 20 years. All timber income will stay with the forest owner.

The key obligation is that the land **must be replanted into forest again after harvest**. No further carbon credits will be earned in the 2nd and subsequent rotations unless the forest rotation is extended or the 2nd crop is then changed to a permanent forest. If the land is not returned to forest after harvest all credits issued **will have to be repaid**.

Longer rotation species such as Douglas fir and Cypress will likely have longer periods of carbon payments.

Actual details of how this will work are expected to be announced in the next month or so.

It is expected that announcements on



allowing existing registered forests to move to averaging will be made in the next few months.

What is the Carbon Liability for Farming?

One question we are regularly asked is what the carbon liability is for farming, if included in the ETS.

The following table shows average emissions from different animal types

Total CH₄ and N₂O emissions in 2016 attributable to dairy cattle, beef cattle, sheep and deer

	Total emissions (million tonnes CO ₂ -e)	2016 Population (millions)	Emissions per animal (tonnes CO ₂ -3)
Sheep	10.47	27.58	0.38
Deer	0.58	0.83	0.69
Beef	6.43	3.53	1.82
Dairy	18.02	6.62	2.72

(Based on figures from the Agricultural Inventory Model, used in New Zealand's Greenhouse Gas Inventory 1990-2015 report published by MfE)

Example how it works:

A farm with 3,000 sheep and 500 beef cattle:

100% liability is

- 3,000 sheep x 0.38t = 1,140 tonnes of CO₂ equivalent per annum
- 500 Cattle x 1.82t = 910 tonnes of CO₂ equivalent per annum

Total emissions = 2,050 tonnes of CO₂ equivalent per annum

The following table shows the cost at different levels of obligation at \$25 per tonne of carbon.

Farm Liability	Liable Emissions	Carbon Price \$25
100%	2,050	\$51,250
75%	1,537	\$38,425
50%	1,025	\$25,625
30%	615	\$15,375
20%	410	\$10,250
10%	205	\$5,125
5%	102	\$2,550

Keep an eye on

<https://www.beehive.govt.nz/portfolio/labour-led-government-2017-2020/forestry>

NZTIF Conference 2019

I was extended an invitation from New Zealand Timber Industry Federation to speak at their conference in Queenstown on 28-29th March on supply issues. The speakers at this event included the Minister of Forests, various timber processors, architects and other stakeholders from the wider industry.



The federation is made up of processors from throughout the country who represent the sector, from both small and large scale enterprise.

Points of note to come from the conference included;

- Change to averaging in the ETS. This effectively de-risks the scheme for production forestry. The announcement was expected after the ETS roadshow last year and is considered critical for the industry.
- Introduction of Harvested Wood Products (HWP) into the ETS. This recognises that carbon is still stored in the various products our industry manufactures. The benefit of this embedded carbon will go back to the industry by way of a sector R & D fund.

- Negotiation of a Free Trade Agreement with China. Lumber exported to this market currently attracts a tariff of 17%. The removal of this tariff will allow processors to be more competitive.
- Our industry is sitting on a “Golden Goose” with carbon sequestration, environmental benefits and the expected growth of new products from cellulose, we sit in an era that will see some major land use change. First we must learn to work together and improve our social licence. There must be an emphasis on integrated land management.

I would like to thank the Federation for the invite, I found the conference to be both informative and challenging.

Glenn Moir

Future Foresters

What are the Future Foresters?

Recently you may have noticed younger foresters sporting a Future Foresters branded shirt. Or perhaps have seen the name being promoted in other industry newsletters, on social media and at local career focused events... But what are the Future Foresters?



The Future Foresters were conceived between a group of savvy young foresters during a well-lubricated conversation

at an NZIF conference – aptly themed: “The Future of the New Zealand Forestry Sector”.

Very simply, a number of young New Zealand foresters have taken it upon themselves, after little or no action from others, to promote the forestry industry to their peers and to the wider community. Future Foresters was born. It came out of a realisation by younger foresters that forestry’s perception really does need to change. Rightly so, they were arguing that the issue of public perception is currently hindering the awareness of forestry as a viable career pathway for young New Zealanders.

To achieve a change in perspective the Future Foresters have formed a community of young foresters. A place where Foresters can engage with the industry and be part of a larger collective group. Providing professional development, industry representation and indispensable “networking” events have been part of their activities to date.

To give it their best shot at promoting forestry they have created 30-second-long bio videos that showcase young foresters diverse and rewarding careers. So far three of these bio videos have been released and have been played over 1.3 million times in total!



Visit their website to learn more
www.futureforesters.com

FROM THE BACKPAGE

Welcome on board boys!

Brad Stebbings



Brad joined TFM in Blenheim for the position of Forest Manager in January. Brad grew up in Wakefield and has been in the forestry industry since he finished

school, apart from a few years working on heavy earthwork machinery in Queensland. He went into partnership in his own logging crew 5 years ago, where he stayed until he took a position with TFM. Brad plays rugby for Pelorus, annoys the fish life in the Sounds and supports his two young girls in their dancing career.

Thomas Forbes



Thomas has replaced Andrew Luff in the position of Harvest Manager in South Canterbury/Otago (Andrew has gone back to the forest as the

proud owner of Waitaki Logging. We might have lost a valuable staff member but we have gained a great logging contractor). Thomas was born and raised on a farm in North Otago. He completed his Bachelor of Forestry Science at UC in 2014. After that he lived and worked for 4 years on various farms in the UK and Canada. Thomas has recently returned to his home land and the forestry sector. He is a keen golfer, also enjoys hunting and photography.

Simon Callaghan



Simon joined FML in the position of Southland & Otago Area Manager in April. Simon has been in the forestry industry for more than 25 years. He has worked for Rayonier in various positions,

Dongwha and the last 5 years for Craiggpine as a production and forest manager. He was born in Wellington, and currently lives with his partner Miranda and their two sons in Gore. Simon maintains a healthy and active lifestyle, enjoys cycling and outdoor activities.



**Forest
Management**
GROUP

**FOREST MANAGEMENT
LTD**

PO Box 3718, Christchurch 8140

Head Office
Ph: (03) 343 4101

**TASMAN FOREST
MANAGEMENT**

Marlborough
Ph: (03) 577 6815

Nelson
Ph: (03) 540 3177

**FOREST MANAGEMENT
(NI) LTD**

Napier
Ph: (06) 833 7529