

Forestry exports increase more than 6%

Forest product exports earned \$NZ2.5 billion in the June 1994 year, Minister of Forestry John Falloon announced recently.

"This is an increase of more than 6 per cent over the same period in 1993," said Mr Falloon.

"Prices for forest product exports stabilised during the year. We are seeing an end to the effects of the 1992 wood crisis, and I expect international prices will now return to a realistic level," he said.

"Forestry is well on the way to its target of earning an estimated \$5 billion by 2000, with earnings increasing 78 per cent in the past four years.

"Most encouraging is the growth in further processing, and although there are market difficulties, New Zealand exporters are continuing to improve their performance in the quality and delivery of products."

Exports to the United States earned \$NZ148 million – more than double the value for the June 1993 year. Australia was our most valuable market at \$NZ744 million, followed by Japan (\$NZ686 million) and Korea (\$NZ342 million). Sales to each of these major markets were up on the previous year.

World forest product markets were in a period of stabilisation after a period of high prices triggered by environmental restrictions to logging in the United States

and Malaysia. Markets are now returning to a lower level of demand, said Mr Falloon.

Log and pole exports decreased in volume by 8.9 per cent but increased in value by 11.5 per cent, compared to the June 1993 year. Their total value was \$NZ781 million.

Sawn timber exports also decreased in volume, by 5.4 per cent. However, the value of sawn timber exports was up by

19.4 per cent on the June 1993 year, and totalled \$NZ512 million.

Woodchip exports and wood pulp exports both decreased in volume and value. Woodchip exports totalled \$NZ35 million, down 22.8 per cent on the previous year.

Wood pulp exports earned \$NZ327 million, a decrease of 7.3 per cent on the year to June 1993.

New code for chemicals

A single code of practice for the use of pesticides in forestry and agriculture is scheduled for completion shortly.

The New Zealand Agrichemicals Education Trust is revising its own code of practice for the use of pesticides in agriculture, and for the first time it will include comprehensive guidelines for the forestry industry.

These will replace the code, developed by the New Zealand Forest Owners' Association (NZFOA), which caters specifically for plantation forestry.

NZFOA's representative on the Agrichemicals Education Trust, Rob van Rossen, says it will be more effective and

efficient to have a single users' code.

It will cover all areas of forestry, providing standards for the qualifications of all people involved in spraying operations, equipment, the conditions under which spraying may be undertaken, human and environmental protection, and notification of people who may be affected by the spraying.

The code will have an accompanying training programme which specifies how training will be done and who the training agencies will be. Considerable progress has already been made by the forestry industry over the past 18 months in agrichemical training and certification.

Greenpeace New Zealand – on the offensive

Greenpeace released a report titled "The Plantation Effect" in August. In it, claims are made that plantation forestry is in danger of self-destructing as a result of climate change and future liability and clean-up costs from "toxic legacy of chemical processing, timber treatment and spraying".

Greenpeace appear to perceive New Zealand's plantation forests as "ecologically sick", sterile, polluting monocultures that "strip nutrients", create boring landscapes and reduce jobs.

The Royal New Zealand Forest and Bird Society and Maruia Society have publicly disagreed with the report. Most forestry industry players have chosen to ignore the report to avoid Greenpeace feeding on the publicity.

Chris Perley

Russian supply problems

Russian log imports by Japan have a significant impact on the supply-demand situation for wood fibre throughout the Pacific region. At the time of the price spike last year, the entrance of Russian log suppliers to the international market was a major factor in dampening wood prices. Stockpiles ensued as a result of Russian efforts to pump maximum volume into the market and secure better than usual prices in return. Now the stock situation in Japan is returning to a more normal state, just as the Russian supply environment worsens, for a number of reasons, including adverse weather and inflation. As a result, Russian log harvesting and exports are expected to decline substantially in the August-November period. Spiralling costs are a real impediment to the smooth and competitive flow of product, for both export and domestic sawmill use. For example, internal rail freight costs are said in some areas to have risen more than 1200 per cent over the last two years. The Japanese

press has recently published some indicative figures for Russian export log costs, as follows:

Item	Cost (US\$m' CIF)
Harvesting	26-27.00
Rail Loading	7-8.00
Rail Freight	40.00
Export Tax	8.45
General Export Fees	5.00
Vessel Loading	11.00
Sea Freight (Japan)	21.00

Total **\$118.45-120.45**

The loss of international competitiveness becoming apparent due to rising costs will particularly impact on larch. Larch, it is said, is one of the key species competing with New Zealand radiata pine in the packaging and plywood markets in Japan.

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