

RECENT EVENTS

Ministry of Forestry to change focus and downsize

The Forestry Ministry will lay off 35 staff by July 1 as it moves its focus from forest growing to the processing and marketing side of the industry.

Forestry Secretary John Valentine said that in restructuring the Ministry he had looked at where it would go over the next five years.

"The development in forestry is going to be in the investment, processing and marketing area," Dr Valentine said.

The restructuring would occur at the same time as the Forest Research Institute, presently the largest part of the Ministry, became a separate Crown Research Institute.

Dr Valentine said the parts of the Ministry unrelated to science employed 170 people, but the restructured organisation would employ only 135 people.

He said the number of administrative positions in the Ministry's six regional offices would be reduced, but there

would be some movement within the Ministry, so it was not clear which people would be laid off.

Analysts and advisers in regional offices would report directly to general managers in the Ministry's head office.

The Ministry in the past had an emphasis on forest growing but the restructured organisation would shift its focus to forest investment, processing and marketing.

People with those skills, or the ability to develop them, would be employed by the Ministry.

He was confident most positions in the restructured organisation would be filled by people presently working for the Ministry.

Dr Valentine said the Ministry would be divided into an operations group, a policy group and a development group. The forestry development group was the most important change in the structure, as it would play a key role in facilitating industry cooperation and growth.

It would build on work already done by the Forest Industries Council in developing an industry plan.

Go global for growth

The forest industry must adopt a global market oriented vision instead of the "fortress New Zealand" production approach that has prevailed so far.

That's the view of New Zealand Forest Owners' Association Executive Director, Ken Shirley, commenting in the March Forestry Bulletin, official magazine of the NZFOA.

Mr Shirley said the whole structure of the New Zealand economy had historically focused on production – be it producing the fattest, heaviest lambs or the fastest-growing, healthiest trees.

"While commendable, in producing a resource-based focus, it is not sufficient in itself. To get the best return on investment forest growers need to be assured that their wood fibre will be marketed in a way that maximises profit."

He said that while New Zealand industry people knew of the versatility and technical excellence of radiata pine, overseas it still tended to be confined to a narrow relatively low value corner of the wood fibre market, particularly in packaging.

"We must think globally, think marketing and cooperate for mutual benefit."

The forest industry was at an exciting stage with many new participants, he said. However, it would be extremely damaging to have a plethora of relatively small growers attempting to market overseas independent of one another. To maximise returns to growers a market-led strategy was needed for the

whole industry to give discipline, cohesion and strength.

"There is a certain scale that is required to successfully penetrate and sustain effort in international markets and that can often be best achieved through cooperation," he said.

The structure of the forest industry precluded it from adopting the single-desk approach of the Dairy and Apple and Pear Marketing Boards, but more cooperative and disciplined marketing was needed to ensure the best returns for the grower and the New Zealand economy.

Regarding some of the findings of a recent forest industry strategy study, Mr Shirley said that while the country needed and should welcome foreign investment, greater control of New Zealand wood was needed further down the distribution chain.

"We should be looking at the world as a whole economy where we have as much control down to the end user as possible. It is of lesser significance if we export logs for processing in another country if New Zealand interests control that processing and the distribution networks. Just as the New Zealand Dairy Board exports milk products for processing into a myriad of high-value end-uses off-shore it would not matter if we had to do sawmilling in Thailand if we controlled the sawmill," he said.

"We must think globally and reject the outdated and largely illusory fortress New Zealand concepts of the past."

Canadian and USA problems with Asian Gypsy Moth

Canada and the USA have imposed a four-month ban on 50 ships from entering North American waters, because they are known to have called at Siberia's Pacific ports during the moth's last egg-laying cycle.

The Canadians have budgeted \$C5.5m to aerially spray 19,000 hectares in a 4-kilometre-wide swath around parts of Vancouver to eradicate infestations detected last summer. The infestations originated from Siberia's Pacific ports and were carried to North America on grain and coal ships.

The Asian Gypsy Moth is considered by the Canadian authorities to be the most serious threat to agriculture since foot and mouth disease appeared in 1952. The caterpillar of the moth can also damage trees.

Gypsy moth caterpillars are voracious eaters and could apparently strip foliage in forests and gardens.

Gypsy moth is another threat to New Zealand that our border inspection people need to be alert to.