

## Crown forest licences remain with CNI forest partnership

Government officials have decided against taking any action regarding the receivership of a partnership with control of the country's single largest plantation forest estates. The Central North Island Forestry Partnership is a joint venture between Fletcher Challenge Forests and the Chinese Government corporation, Citic. The partnership in the mid-1990s won the right to hold licences covering 165,000 hectares of some of New Zealand's major forest, including Kaing.

However, the partners in the deal have been in dispute for some time and it has been placed in receivership by its bankers.

A clause in the licence states that in the event of the partnership going into receivership, the Crown could take steps to terminate the Crown Forest Licences held by the CNIF Partnership. Land Information New Zealand, which administers the licences, has confirmed the provision exists, however it has decided against exercising its right (to terminate) as a result of the appointment of the receiver. This decision was taken to help ensure the partnership continues trading and to minimise the economic and social impacts [on the Central North Island region] of any withdrawal of the licences.

Maori are also watching the process closely as the Kaingaroa forest area has more than 10 competing land claims. The Volcanic Interior Plateau (VIP) claim is a joint claim put forward on behalf of several iwi, including Ngati Tuwharetoa and the Te Arawa Confederation of Tribes. It seeks the return to Maori ownership of 165,000 hectares, including most of the land underlying the Kaingaroa forest. Te Arawa and Ngati Tuwharetoa combined in a consortium with Carter Holt Harvey Ltd in what was then an historic bid for the forests in 1994-95.

Carter Holt Harvey subsequently applied to the Commerce Commission for clearance to acquire the CNIFP. The Commission has to determine what markets are relevant to the proposal, and then assess what impact the proposal would have on competition to those markets.

CHH has already purchased the kraft pulp manufacturing business of Norske Skog Australia in Kawerau. The former Tasman Pulp and Paper plant was sold to CHH for an initial payment of US\$130 million and an additional payment of US\$10 million, depending on world pulp prices.

### Fire report raises concerns

A major report on the Australian-New Zealand contingent that went to assist their United States' counterparts combat that country's worst wildfires in 90 years has sounded ominous warnings over fire management in both regions.

The warnings concern the future availability of sufficient experienced personnel to management combat wildfires and the potential for more intense and damaging bushfires.

The report, prepared by Department of Conservation and Land Management Western Australia senior fire says in the US as well as Australia and New Zealand, the number of qualified staff who can combat large fires has long been on the decline.

**For more, see Page 44 this edition.**

### WWF pinged for mangrove logging in PNG

The Papua New Guinea Forest Authority has revealed that an eco-forestry project run by the US-based World Wildlife Fund (WWF) as a model of well-managed forestry, is logging mangrove forests without permission. Mangrove forests are excluded from logging under the PNG Code of Logging Practice.

The issue has been highlighted in a report by the UK TV station, Channel 4, which received an internal WWF report detailing the dire financial situation of the WWF established logging company, Kikori Pacific Limited (KPL). The report noted that the company that supplied logs to the KPL sawmill "sources its logs from mangroves". It is illegal to log mangroves in PNG without permission from the PNG National Forest Authority.

### Barry Murphy joins CFK

Barry Murphy, formerly of Fletcher Challenge Forests, has joined interna-

tional forestry industry consultants Chandler Fraser Keating in its Rotorua office as a senior consultant. As a chartered accountant with experience in not only forestry but also auditing and finance, Barry Murphy will operate through the KFK Rotorua office but will participate in assignments throughout the country and overseas.

### Native timber black market concerns

The Department of Conservation has reported that black market native timber is in such demand that increased monitoring of forest blocks has been required. The Rotorua Daily Post reported illegal logging of native timber had become more sophisticated and there was a danger of thieves taking many protected trees.

DOC ranger Dave Paine said since restrictions on native logging were brought in, timber had become a lot harder to come by and was worth a lot more. There had been cases of people taking trees in the Whirinaki Forest that had already fallen, either cutting them up or loading them whole on to trucks. Three people had been prosecuted for the offence over the past three years, one of whom went to jail for nine months.

"There have been instances in the Pureora Forest (in the King Country) where trees have been cut down and taken away. It's only a matter of time before that happens in Whirinaki. Operations have been getting a little bit more sophisticated over time and that is a concern," said Dave Paine. Originally thieves took only windfall trees and logs, then they started to carry portable cutting equipment and were going into the forests at night so as to not be detected. Some even went to the trouble of using big trucks and loading equipment to take the wood away, he said.

Much of it probably ended up in furniture or decorating people's homes, but DOC did not have any leads on those receiving the stolen wood at this stage.

## Markets showing winter weakness

Rotorua timber exporters are reporting business has dropped 45 per cent, the worst in 47 years. The local newspaper, *Rotorua Review*, reports that a hard winter has been predicted for sawmillers and owners of processing plants.

In Rotorua, timber sales to Australia had dropped substantially. The *Review* reported staff at some yards in the city had been laid off as the companies braced for another winter of discontent. Jack Butterworth, a retired CEO of Fletcher Challenge's Lumber Division, is quoted as saying the downturn is the most severe he had experienced in 47 years in the business.

The downturn was in wholesaling and in lumber exporting and there was a downturn locally. The big impact was the drop off in Australia and certainly in Asia. Export orders dropped back 45 per cent and although it had started to pick up, the winter was expected to be very difficult for winter.

Meanwhile, the NZ Pine Manufacturers Association reports that First-home buyers sent inquiries soaring at housing estates across the country recently, leading builders to predict a doubling in sales.

Armed with the Federal Government's \$14,000 rebate on new homes, announced on Friday 9 March, buyers were lined up at major display villages and housing estates.

A director of Devin Ltd, Mr Ken Woodley, said that there had been a ten-fold increase in enquiries in the weekend following the announcement.

### Unasylyva on CD-ROM

The entire collection of *Unasylyva*, the forestry and forest products journal of the United Nations Food and Agriculture Organisation, from 1947 to 2000 is now available on CD-ROM.

*Unasylyva* provides informative analysis on all aspects of forestry including policy and planning, conservation and management and forest-based plants and animals, rural socio-economic development, species improvement, industrial development and international trade.

It also considers environmental issues, including the role of forests and

trees in maintaining a sustainable base for agricultural production at the micro and macro levels as well as the effects of environmental change on forestry.

As a whole, the *Unasylyva* collec-

tion presents not only the evolution of FAO's Forestry Programme but also the evolution of international forestry practices, principles and issues. For more information, go to: [forestry-information@fao.org](mailto:forestry-information@fao.org)

## Indicative MAF Log Prices

The following log prices are reported by the Ministry of Agriculture and Forestry for the March Quarter 2001.

*MAF notes: Returns to small growers may be lower than those recorded here owing to scale and buyers' margins. These log prices are historical and indicative only, and may not correspond to actual prices paid, or grades used, in market transactions. The prices are subject to changes when further data becomes available. The sources for this information are Ministry of Agriculture and Forestry industry contacts.*

### MARCH QUARTER As at: April 2001

Generic Log Type & Pricing Point	March 2001 Quarter	April 2001 12-Quarter Median
<b>EXPORT (NZ\$ per JAS m<sup>3</sup> f.o.b.)</b>		
Pruned	189-220	206
Unpruned A Grade	117-133	115
Unpruned J Grade	89-105	89
Unpruned K Grade	70-97	83
Pulp	62-79	58
<b>DOMESTIC (NZ\$ per tonne delivered at mill)</b>		
P1	151-175	165
P2	103-165	135
S1	90-107	98
S2	80-102	88
L1 and L2	54-85	70
S3 and L3	57-69	62
Pulp	35-63	38

### Indicative New Zealand Radiata Pine Log Prices by Quarter

Generic Log Type & Pricing Point	Jun 2000 Quarter	Sept 2000 Quarter	Dec 2000 Quarter	Mar 2001 Quarter
<b>EXPORT (NZ\$ per JAS m<sup>3</sup> f.o.b.)</b>				
Pruned	190-219	190-229	192-237	189-220
Unpruned A Grade	106-130	109-142	122-141	117-133
Unpruned J Grade	94-106	94-117	89-122	89-105
Unpruned K Grade	84-106	72-105	65-105	70-97
Pulp	62-65	60-68	62-80	62-79
<b>DOMESTIC (NZ\$ per tonne delivered at mill)</b>				
P1	150-175	155-190	150-175	151-175
P2	107-150	111-170	105-160	103-165
S1	95-119	95-109	100-111	90-107
S2	80-107	80-107	83-103	80-102
L1 and L2	54-85	60-92	58-85	54-85
S3 and L3	56-71	56-86	52-65	57-69
Pulp	32-44	32-45	34-63	35-63