

MARKETING WINDTHROWN LOGS (APRIL 1982 WINDTHROW)

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1. Marketing of windthrown logs is not simply finding a home for logs after your logging organisation has produced them. It is important that production teams are aware of the customers, specifications and rates of production required, just as it is important that the marketing people are aware of production capability and constraints. Thus - in the initial stages - marketing is a planning exercise.

2. The first step was to define the magnitude of the problem. To assess the volume damaged and the volume recoverable and to look at consumption/capacity of industry and determine outlets.

3. Constraints must then be defined and considered in relation to the volume damaged. Constraints such as the finite capacity of the industry; the productive capacity of logging; and of course - time.

4. With 70% of the volume damaged in radiata old crop, the finite capacity for pulp logs and the relative value of sawlogs, it was readily deduced that the "critical path" of the salvage would revolve around radiata sawlogs. With the magnitude and constraints defined, we were able to do some sums to see where we stood.

e.g. (A simplified example of a calculation done just after the windthrow occurred.)

*WINDTHROW - RADIATA SAWLOG VOLUMES AVAILABILITY AND DISTRIBUTION*

	<i>m3 x 000</i>
1. <i>Volume Recoverable</i>	
<i>Radiata S/L - State Forest</i>	<i>960</i>
<i>Tauhara</i>	<i>200</i>
<i>Total</i>	<u><i>1160</i></u>
2. <i>Industry Consumption (Annual)</i>	
<i>(Includes Fletcher Challenge companies, Waipa, Panpac, Other Forest Service Customers and FS/Fletcher Challenge export levels.)</i>	<i>1760</i>
3. <i>Time to Complete</i>	<i>= 32 weeks</i>
<i>= Early December 1982 (Starting May).</i>	

5. Having done these sorts of sums, we were then in a better position to consider some of the options open to us. In broad terms, there were two essential options. To complete the salvage of sawlogs as soon as possible by concentrating on sawlogs, making additional sales, log exports, etc. The second alternative was one based on resource conservation whereby all salvaged material would be supplied to current customers within current sale agreements.

6. The option chosen by the Forest Service was that - in the interests of industry - the resource would need to be conserved - even at the expense of revenue. Volume recovery should be maximised. Having adopted this philosophy, the recovery period would be reduced where possible by exchanges where windthrown wood was supplied in lieu of standing forest.

7. Implementation of the chosen policy is then a matter of negotiation - where contractual changes occur - or communication to ensure the support of industry for the adopted course of action.