

HARVEST SCHEDULING

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By this third day of the seminar most aspects of limited scale logging have been thoroughly covered. Recognising this, the organisers suggested that my most useful contribution could be in the area of describing a case study of resource aggregation. As you may be aware, the N.Z. Farm Forestry Association has set out to improve cash returns to private timber growers, and regards this as an important area of its promotional work.

This work commenced four years ago and has involved the identification of the resource and where possible, its aggregation, as a first step toward developing a steady flow of timber to the industry. It has also involved an increasing dialogue with the timber industry in an endeavour to learn how the requirements of both grower and processor can best be met.

We are being well received by the industry in these endeavours. It should be noted that we are also working closely with N.Z. Forest Service marketing people, so as to avoid any clashes which might result from badly timed large sales.

As a consequence of our efforts to bring private timber sellers together we were recently able to offer a substantial parcel of timber in Southland. Timber prices in that province had, in the opinion of ourselves and Forest Service, been unacceptably low. This was due in part to a situation of over supply and partly due also to the availability, it is said, of cheap rimu framing from South Westland. We considered that a substantial offering of logs should be of interest to Canterbury sawmillers and preliminary discussions with N.Z. Railways led to agreement on very competitive rail freight rates. N.Z.R. have numbers of flat top wagons returning empty on a regular basis from Southland and were anxious to take advantage of possible backloading. As a result of these discussions we received an acceptable tender from Canterbury and logs began moving north during early March.

Our production target is 150 m<sup>3</sup> - 180 m<sup>3</sup> per day for 1985-86 although we have the volumes available to increase this. At the moment, we are using the entire available surplus of railway wagons but it is becoming evident that we will find markets in Southland and probably West Otago for extra production. In this sale, the successful tenderer was a logging and transport company. They are also acting at the distribution end where they operate a log sort yard.

The emergence of a new market for Southland has provided the

opportunity to reduce the log surpluses which have been steadily building up in the province. The tendered prices were generally around 50% - 80% higher than ruling rates for the area and already there are further signs of a firming of sawlog prices in the province.

The four main supply areas from which the logs are being drawn are in western Southland, northern Southland, Waikaia and along the south coast. In each region, there is a substantial nucleus of large woodlots ranging from 5,000 - 25,000 m<sup>3</sup> in volume which are providing us with a district base for our operations. While working these areas, we are being advised of other lots which can be reached by making a minor shift of plant within the district.

The purchasers are providing the plant which includes log skidder, wheeled loader and boom loader and are using the services of local contractors as required.

If the operation develops as expected, it seems likely that there will be a requirement for a permanent back up logging crew or crews to deal with smaller lots, probably serviced by a self loading truck. Deliveries to the railhead are made by the contractor's two trucks, working on the basis of three loads each per day.

At the geographical extremity of the operation, the operators have been stretched to meet this schedule. To avoid double handling, loads are transferred straight from truck to rail wagon.

This sale probably represents one of the first substantial moves toward the selling of aggregated timber lots. It has certainly created a very much improved selling climate for the region. We were warned by G.M. O'Neill (former Director General of the Forest Service) at the outset of our drive to improve log prices that we faced a considerable task but it does now appear that we may have strengthened the selling position of both State and private grower in Southland.

We anticipate that there may be a periodic opportunity export market available but the preferred option is to supply the local market.

At the end of June, I am convening a meeting of Southland's major private growers at which we will discuss future selling policies for this group. I believe that this meeting will lead to some grower investment in two newly developing grower processing ventures, as a first move toward developing grower participation in timber processing and marketing in the Southland region.

The development of regional grower groups, such as this, should be seen as a highly constructive aim in providing a forum for discussion with processors, contractors, local authorities, planners etc.

So what are the problems involved in the setting up of a collective forest marketing operation?

While there seems to be a substantial accord among the small timber growers regarding the need for an orderly approach to timber marketing, it can be difficult to harmonize the requirements of perhaps 20 or 30 individuals. The differing cash requirements, resource volumes and seasonal access problems all combine to render the attainments of sustained yield forestry a rather difficult goal.

The task is not impossible and is one with which the Farm Forestry Association will persevere. We are well aware of the stress placed on many sectors of the timber industry as a result of uncertain wood supplies. It should be noted that the Farm Forestry Association is now regularly invited to participate in all major timber industry seminars, such as your own.

We regard these invitations as important moves toward the integration of an industry which has been most notable for its fragmented origins. You will be aware of the history of our native timber industry which progressed from the manual handling of ships spars from stump to ships holds, through the development of transient small sawmills and settlements, always subject to the uncertainties in log supply.

I understand that the most optimistic estimates of this country's potential timber production put it at perhaps 3-5% of the world's softwood market. If we are to be successful in securing our share of that market, a cohesive and united industry will be essential. In an article for the Logging Industry magazine, Johnathon Elworthy spelt out this message on his return from looking at the Canadian timber industry 2½ years ago. We would be wise to remember his advice.

An important matter for our industry also, is the promotion of safe practice in the handling of machinery and chemicals associated with this industry. There is a high incidence of injury in the non professional sector of the farmer logger/silviculturist and we can all do a great deal to improve this situation by constantly bringing safe procedures to the attention of the amateur forest workforce.

Finally, some thoughts on how we might provide more constant work and cash flows for the small logger.

Between us, a joint approach to planning of harvest and marketing by the three grower sectors of State, Company and Farm Forester could assist greatly in improving industry stability.

It should be quite feasible to plan an annual cutting cycle which allows small logger access to the all-weather logging capacity of State and Company forest. The other side of this coin is to plan through private woodlot aggregation for participation in summer farm logging by some of the larger State and Company logging crews. Unless we plan for this approach it seems probable that the costs and risks of the small operator will rise to unacceptable levels.

Perhaps the most useful spin-off from this seminar could be the development of a working party to look into this possibility.

