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AUSTRALIAN FOREST GROWERS - REPRESENTING & PROMOTING PRIVATE FORESTRY

Mt Lofty-KI AFG Newsletter

Firewood Exposition — to help develop a local firewood industry

Where: Most likely at the Strathalbyn racecourse. **When:** Late April 2005

Format: Morning seminar-forum session, displays and a field trip to see firewood harvesting and processing operations.

Content: The seminar is likely to include interactive sessions on subjects such as: the resource survey results; small-scale harvesting and processing systems for DIY and contractors; wood quality/specifications for sale; firewood growing silviculture and economics; 'regulations' applying to growing, selling and burning of firewood e.g. development application requirements including fire prevention issues and code of practice.

Who: Buyers — woodyards & firewood wholesalers; sellers — growers; prospective contractors; potential investors; 'regulators' — EPA, DEH, CFS, local government & integrated natural resources management agencies; allied industries — the *Australian Home Heating Association*, nurseries, site preparation and establishment contractors; the media and the interested public.

Catering: Local service club, Scout group or CFS volunteers may be interested in catering as a fund raiser.

Cost: Free for AFG members with a modest entry fee for non-members.



Free tree measurement manual for best feedback received

AGM & 'farm walk' & at Jill Stone's — 'crunch time' for decisions

Jill has a wonderful property with distant coastal views from her brand new 'weekender'. The more fertile lower slopes underpin a thriving herb enterprise complemented by farm forestry on other areas. The property may not be stocked with sheep and cattle, but roos abound and have taken a toll on plantings, especially a very young planting, despite being guarded.

Pines — Jill's 10ha of 4-year-old pines were planted at 1650/ha and she has been using the battery-operated shears to low prune the best trees. It is a big job to say the least, if it is not done on time ... then it is a waste of time ... and time is definitely at a premium.

Richard highlighted the market and pricing for large-diameter **softwood** sawlogs and peeler logs, in contrast to 'industrial commodity products' like posts and smaller-diameter sawlogs, but how much time would it take to wide-space and high-prune the stand?

Jill might choose to **prune 300 trees per hectare** — an average spacing of ~5.5m between trees and probably enough to suppress excessive branch development above the pruned section. Based on pruning 18 trees/hr, the 3000 trees would take four weeks solid work. If she didn't have enough 'spare' time but could hire a contractor, based on \$1.50/tree that would cost approximately \$4500 — each year for the three lifts required for a 6.5m high pruned log.

Ten hectares of wide-spaced high-pruned pine is a 'very commercial' area to harvest and based on 200m³ of pruned log at say \$50/m³, and 100m³ of un-pruned log averaging \$25/m³, the returns in another 20 years would be expected to be approximately \$125,000.



Without any pruning or wide spacing, there may not be the cost and hassle of the pruning, but there will have to be a non-commercial thinning in about four years time — and that will cost about \$400/ha ie \$4000 in total.

The first commercial thinning could then be expected to occur in about 2018, if it yielded 100m³ at an average price of \$20/m³, the total return would be \$20,000. A second thinning of 75m³ at \$27/m³ in 2025 might return another \$20,000. The area could be clear felled in 2032 possibly producing \$90,000 (300 m³ @ \$30/m³) or third thinned to make the clear fell in 2039 more valuable.



So the decision for Jill is personal and one of trade-offs — between the use of time and money now for later rewards!

If half is wide-spaced and half not, logging operations will not necessarily coincide and may be less viable for 5ha. There is however the possibility of combining a thinning of the unpruned pines in 2018 with a light thinning of the pruned stand.

What happens if it gets burnt in mean time? It need not be all lost. Insurance makes sense for the years that the trees are too small to salvage after a fire costs; the premium with Jardine-Lloyd-Thompson (AFG insurers) is about 1% of the value of the standing crop.

Eucalypts — Jill's choice for the eucalypts is also subject to the same sort of trade-offs.

She can do **no thinning or pruning** — there's no cost or 'hassles' but the 'price' is one of not getting the spectacular growth response on the final crop trees that Richard spoke of and not getting a radical improvement in the aesthetics of the property. Unless Jill plans to grow sawlog (for a currently non-existent market hence resort to portable milling or milling on consignment then personally marketing the wood), there's no 'wait time' penalty because the crop can still be harvested for firewood after 12-15 years anyway. If we (AFG) sort out our firewood harvesting and marketing, returns of \$50/t for 10t/ha/yr for 10ha over 15 years ie \$75,000 would be hard to beat — even if 'lucrative' sawlog markets develop in the interim.

On the other hand if she were to **thin and prune** — there will be a cost, but there will be the growth response and improvement in aesthetics. A very heavy thinning regime can be expected to produce majestic trees with large-diameter high-quality but logs.

Lighter thinning is also very much 'on the menu' too. The only folly is to incur unnecessary pruning costs by pruning 2-3 time the number of final crop trees. There may good prospects for commercial thinnings as firewood, but why prune a firewood tree? Sawlogs can still be grown however, they will just take longer. How much longer simply depends on the growing space for each tree ie how heavy the thinnings are. Not pruning should at all should be seriously considered in this regime whilst being aware that non-pruned trees can be expected to have higher defect than pruned trees (for our non-existent market).

So once again, it is just a trade off between time/costs, waiting time and returns!

Marketing talk

Michael von Berg shared an impressive range of experiences in the marketing of primary produce and left us with no shortage of challenges.



What is needed? A marketing strategy based on the volumes of available wood and a business structure. [A recent survey indentified very little wood actually ready to harvest — see Branch News in the next Australian Forest *Grower* magazine or visit www.mlrf.asn.au. Most respondents had very young plantations.]

Ideas suggested included to operate as a company (with a board of directors) to set up a yard-based operation or a web-based operation to retail wood; fostering and using contractors to harvest and process to sell the wood wholesale or retail. Craig Schwartz (Complete Firewood Service) and Warrick Stanfield (RAG Contracting) seemed receptive to the idea of growers paying an agreed amount to harvest and process the wood — it helps cash flow for contractors and keeps the control of the marketing in the hands of the growers.

Using regional development board business advisors to evaluate a business plan was suggested.



Photos:

Top left—Michael von Berg;

Top right— everyone is 'all ears' except for the dog;

Bottom right—relaxing after the BBQ.

Adelaide Blue Gum (ABL) update



ABL are keenly pursuing land for planting — particularly leasing and share farming.

Potential opportunities for joint projects with effluent irrigated plantations are also being discussed. Nearly 10 years since the trial at Bolivar, it seems that attitudes may be changing to re-use of treated effluent on trees — with wider recognition of the excellent growth rates and environmental benefits.

A recent change to leasing arrangements will benefit lessees. In addition to an annual CPI increment, ABL has introduced a new benchmarking arrangement at year 10 to ensure leases written now remain comparable with future lease rates — adequately reflecting future changes in land values.

ABL will formally launch a *Social and Environmental Charter* in the new year. The charter will set down a foundation for future *Forest Stewardship Council* (FSC) certification. Mitsubishi Paper Mills (a major ABL shareholder) have already attained FSC certification for other tree farming projects overseas.

The new President Katsutoshi Mafune (replacing Mr Mogi) is now well settled in Victor Harbor and is enjoying the south coast lifestyle, with golf, fishing and good wine.

The best trees in the 2003 plantations are now six metres—photo in next Newsletter.

Landscaping chip

Want a market for hardwood thinnings?

Contact Greg @
*Adelaide Wholesale
Landscaping Supplies*
0429 838 716



Lane's thinnings processed with Hakki Pilki in one day
Photos—Richard Bennett

Firewood harvesting at Keyneton

Bill Evans began tree planting in a big way in the late 1980s—with approximately 75ha of sugar gum and other hardwoods. He saw that planting tree belts on ridge and drainage lines was the way to redress land degradation issues such as erosion and salinity.

Well Bill (pictured right of centre photo) is now 'reaping the seed that he sowed'. The sugar gum in particular is proving to be sought after for its burning qualities and customers don't seem to even mind if the bark is still on. The guys indicated that, just as for young plantation-grown wood (thinnings <10 year old with lots of sapwood), the effluent irrigated flooded gum from near Loxton burns too quickly and is not sought after by consumers.



In the 'early days' Bill tried an industrial forestry harvester/processor (left photo) for \$100/hr, but the productivity proved to be far too low because of the small 'log' sizes.

Bill purchased a home-built firewood processing machine (top right photo) from the mid-North and began some

small-scale harvesting in conjunction with James and Ian (pictured left and centre of centre photo). Many packets of welding rods and lots of 'noodle scratching' have improved the efficiency and reliability of the machine.

Over 6-7 weeks this spring Ian and James have felled, billeted and stacked approximately 500t of wood ready for processing after Xmas. The felling and billet stacking has been thoughtfully and skilfully done—allowing the processor to move along the clear space in between the rows of stacked wood. Ian and James think that the processing will take about the same time as the felling and billeting.

Is there a 'quid in it'? Ian and James work hard but they are being paid \$80/t and think there is. Bill is planning to mainly sell retail off-farm for \$190/t—this will probably involve about 200-300 customers. He should make ~\$110/t less advertising costs for his growing and selling time.

Wholesale price for red gum is now \$150/t delivered to the woodyard and retail price is ~\$210 plus delivery.



Australian Forest growers – representing & promoting private forestry

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Mt Lofty Ranges Private Forestry



City of Onkaparinga — Regreen the Range project

Right or wrong, land needs to be rezoned to 'Forestry' for firewood to be produced in most local government areas. Firewood growers on the 'traversable' slopes of the Willunga Hills Face Zone will need to put in a forestry development application, so MLRPF is supporting Shahin's 'test case' application and has notes to help the City of Onkaparinga reach well-informed positions regarding forestry. See the website.

Funding applications

Applications have been submitted under the National Landcare Program – for \$25k for community grants for demonstration plantings (unsuccessful) and \$25k to evaluate innovative small-scale firewood harvesting systems (successful).

Firewood survey response

See Summer *Grower* magazine or the MLRPF website for the full report. A follow-up letter with survey results is being posted to respondents in December.

Bio-energy conference field trip

Benny the Biodiesel bus brought a load of delegates to inspect Bill Evan's 500t harvesting and marketing operation at Keyneton.



Firewood expo — see page 1 for details.

Private forestry development committees for the MLR and KI have part time Executive Officers, Peter Bulman and Anthea Howard to support the development of innovative and sustainable timber resources for the long-term economic, social, and environmental benefit of our regions and communities. Through Richard Bennett and Malcolm Boxall, AFG represents growers interests.

MLRPF web site: www.mlprpf.asn.au

Surplus equipment for sale

Combination sawbench and log splitter all in excellent condition

For further details please call Craig @
Complete Firewood Service
0438 616 403

Private Forestry KI



Farm forestry incentive funding on KI has received a shot in the arm with a successful National Landcare Program application for the first open program on the Island. 50ha has been funded at \$500/ha. PFKI is also delivering an alley farming project for the KI Natural Resources Board in 2005 (20ha @ \$450/ha). Our challenge will be to get the trees in the ground! Pruning will also need to be undertaken on 2002 plantings in 2005, with some work already commenced.

Great Southern Plantations is establishing an office in Kingscote and work has commenced on preparation of properties for 2005 plantings using local contractors, who are being kept very well occupied by the scale of the work being undertaken. There has also been a strong response to leasing opportunities being offered by the company.

Treecorp have commenced clear felling the Mt Brown plantation and are working on getting the sawmill fully operational. As an aside, the availability of pine bark chips has been greeted with delight by all sorts of Islanders, from landscaping businesses to the pony club!

Proudly show you are an AFG member — get you **gate sign** simply by attending any AFG function!

