



A proposal to develop New Zealand's alternative timbers industry

This discussion paper describes a proposal by Forest Growers Research to establish a new industry body for people working in New Zealand's alternative (or 'specialty') timbers industry – that is, an association for those involved with processing, marketing and using the diversity of locally grown timbers such as eucalypts, cypresses, redwood, poplar, blackwood and others.

There is potential to also involve those processing and selling New Zealand's native timbers.

Forest Growers Research Ltd with the support of the NZ Forest Growers Levy Trust, the NZ Farm Forestry Association and forest industry companies and organisations, is working in partnership with the Ministry of Business Innovation and Employment via the Specialty Wood Products Research Partnership (SWP). A key objective of the SWP is to develop regional strategies that unlock the commercial potential of New Zealand's specialty species. While some of New Zealand's alternative timbers are already available in domestic markets, there are challenges limiting the opportunities for small-scale sawmillers and others working in this arena.

Forest Growers Research is proposing to establish an industry association for those working in the alternative timbers sector which will: provide leadership, strengthen links in the value chain, attract and train new entrants, upskill existing practitioners, and develop branding and collaborative marketing that will increase the value and sales of alternative timbers.

A working group has been set up that includes people already working in this sector (details at the end of this document). The working group has assisted in developing this discussion paper and survey. The discussion paper explains what is being proposed and why. The working group need feedback from all those involved with alternative timbers, and strongly encourage you to [complete our survey](#) by 15th August 2020.

New Zealand's current small-scale alternative timbers sawmilling sector

FGR/SWP have identified that small-scale sawmilling of alternative and native timber species is already an important small business activity operating throughout the regions in New Zealand. The industry is characterised by highly skilled, energetic practitioners who are adept and innovative in engineering and technology, and who have a passion for wood.

Small-scale sawmilling businesses are either fully mobile, bringing their mill to the farm or forest for those who have trees they want to mill into timber for their own use or for sale to others. There are others that operate at a permanent base but use a portable sawmill due to the low capital cost and diversity of timbers that can be sawn. These businesses have their own log supply or buy logs from growers so as to mill and market the timber themselves, and may also undertake further processing and marketing of timber and products. Some also offer tree-felling and arboricultural services.

A recent report¹ estimates that, since the 1980s, some 1100 portable sawmills have been sold in New Zealand; also that the small-scale sawmilling sector could already be producing sawn timber valued at \$85 million per annum. In comparison, the value of timber imported into New Zealand was \$112.5 million in 2017. Data for locally grown, NZ-milled alternative timbers are all estimates, as there is no monitoring of the sector, a lack of industry standards and grades for alternative timbers, and no generic trademarks or marketing.

The alternative timbers value chain

Forests and woodlots of alternative timber species have been planted by forestry companies and farm foresters throughout New Zealand, and are most commonly grown on a small scale, from a few trees to tens of hectares. Where trees have had suitable tending, these forests hold the potential to be converted into high-grade specialty timbers.

The main timbers are produced from plantations of cypresses, redwoods and eucalypts, but there are many others, including poplars, cedar, blackwood, and other mainly European and North American species. Significantly, the timbers of these alternative species can be used in a wide range of speciality applications and therefore have the potential to displace some of the high-value hardwood and softwood timbers imported annually into New Zealand.

The small-scale sawmilling industry is the major link for getting New-Zealand grown alternative timbers to market, because small plantations of species other than radiata pine or Douglas-fir are of limited interest to large-scale companies.

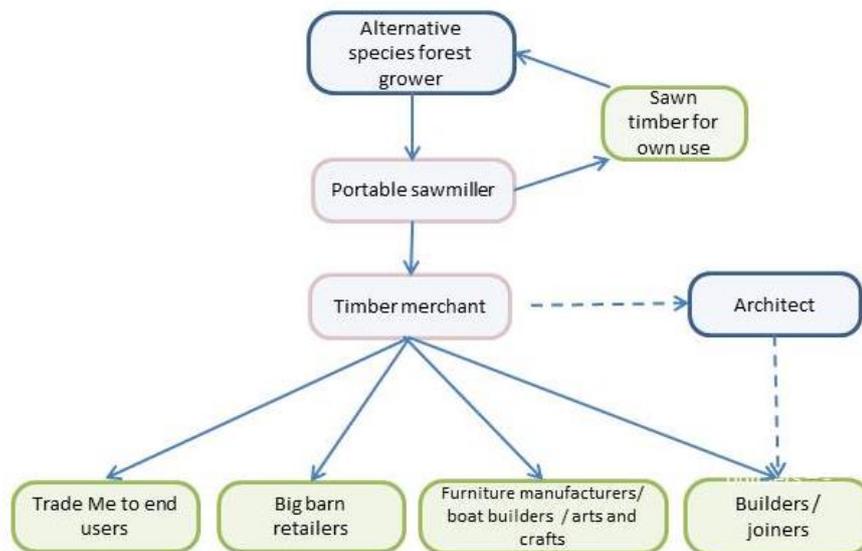


Fig: The current NZ speciality wood products value chain. Note: Portable sawmills include mobile sawmills and those operating from a permanent base. Also, portable sawmills and timber merchants are sometimes one and the same business.

¹ [Portable sawmilling of locally grown alternative timber species: a report on the potential for a sustainable small-scale regional industry in Hawke's Bay Region.](#) (Paul Millen, 2020) Report for Hawke's Bay Regional Council and Hawke's Bay Regional Investment Company.

NZ's alternative timbers forest resource: an opportunity to expand small-scale sawmilling

An estimated 67,000 hectares of alternative timber plantations are growing in New Zealand. Much of this area is semi-mature, so there is the opportunity for an increasing volume of alternative timbers to be harvested, processed and sold over the next few decades.

Forest Growers Research believes that for this opportunity to be taken up, the small-scale sawmilling sector could collaborate in effective marketing of specialty timbers that will strengthen links with others in the value chain such the forest growers that can produce the logs through to the timber merchants and retailers, and thereby increase the sale of New Zealand grown timbers into the domestic market.

Weaknesses of the current industry

At present, New Zealand's alternative timbers value chain is fragmented. A large number of small-scale sawmill businesses work with little or no collaboration either between themselves or with other sectors of the value chain. While this offers much-valued independence for some businesses, it also means that both the individual businesses, and the sector as a whole, may be operating well below full potential.

Currently the supply of New Zealand grown timbers into markets is sporadic and cannot be guaranteed. There is a lack of industry standards, meaning those specifying or using high value timbers such as architects, builders and joiners often find it easier to default to imported products via merchants that offer a steady supply.

Without recognised chain of custody certification and branding, finding a route into high-value markets for locally-grown alternative timbers can be very difficult. There are many stacks of alternative timbers sitting on farms, grown and milled with care long ago, but never likely to be utilised simply because of the disconnect between growers and the market.

Unlike many other trades, there is no industry training or career pathway for small-scale sawmillers: hard-earned skills and professionalism can therefore never be properly recognised and rewarded (unlike for example, a Master Builder). In this 'every person for themselves' environment, there is no apprenticeship scheme and no recognised avenue to seek support or expertise when problems are encountered.

And for growers, with no central industry body promoting approved small-scale sawmillers, finding a local portable sawmill operator can be very difficult, let alone being able to identify one who is a skilled operator. The risk is that tree growers hire a 'cowboy' who mills their trees badly, or they may simply give up, resulting in their supposedly high-value trees being sold as log exports or to the local firewood merchant. This then acts as a deterrent to others thinking of planting or milling alternative species.

In the absence of an industry group focused on marketing NZ grown exotic timbers and sustainably harvested native timber, in 2015 the NZ Farm Forestry Association fostered the establishment of the [Farm Forestry Timbers Society](#). This is a '*not-for-profit incorporated society and industry body for promoting and facilitating distribution of locally grown specialty timbers in New Zealand.*'

One of the main functions of the Society is to provide information about many of the alternative timbers that have been grown in New Zealand. Information on sawmilling of softwoods and hardwoods is also available.

A virtual 'marketplace' also operates on the NZ Farm Forestry Association website where members can offer their timber for sale and/or portable sawmilling and other timber processing services.

Much of the work already done by Farm Forestry Timbers can provide a foundation for a new association. One role of the proposed association is envisaged to be lobbying for changes to the NZ Building Code to permit the wider use of alternative timbers, a task that until the establishment of SWP has been undertaken solely by the NZFFA.

What an association would do for sawmilling businesses in the alternative timbers industry

An industry association would aim to bring together all of those involved in the alternative timbers value chain, and become a 'common voice' for those working in the sector. The new association could develop a strategy to work on, including any or all of the following:

- developing a NZ wide-network of professional small-scale sawmilling businesses, supported by a web site, promotion, and marketing events
- developing branding and collaborative marketing
- providing support around Health and Safety and employment responsibilities
- introducing 'chain of custody' certification and 'approved sawmiller' schemes
- developing and promoting alternative species grading and standards
- attracting new entrants through developing career opportunities based on formal education and training pathways
- introducing practitioner events, training, and annual awards across the value chain
- research and product development.

We envisage that the activities of a new industry association would initially be centred on small-scale sawmilling businesses, but membership and participation could extend to timber merchants and end users such as joiners, builders, furniture makers, boat builders and craftspeople.

An example of a comparable organisation to one that could be developed in New Zealand is the [American Hardwood Export Council](#) (AHEC). This organisation has a broad membership including growers, processors and timber merchants and as such offers a starting point for a New Zealand association to be modelled on.

There are various other New Zealand industry associations in closely aligned sectors including the [Forest Industry Contractors Association](#) (FICA), and the [NZ Arboricultural Association](#).

Have a look at these organisations' websites for examples of the services and information that they offer members.

Next steps towards a long-term vision

[Our survey](#) gives you the opportunity to provide feedback on the proposal to establish a small-scale sawmilling and alternative timbers industry association.

If enough positive responses are received, the next step will be to set up a steering group comprising people working in the sector. This group would lead the formation of the new association, and develop a strategy for action that will further develop this industry.

In order for the steering group to be effective, funds would be sought to contribute funding for a three-year project to establish the association (e.g. from MPI's Sustainable Food and Fibre Fund) and to ensure a strategy and action plan for a self-sustaining association is properly founded.

Have your say on this proposal

This document is part of Forest Growers Research work to consult with people in the alternative timbers industry. **We need your feedback** by 15th August so please complete [our short survey](#) and contribute to the discussion on establishing an alternative timbers industry association.



Members of the alternative timbers working group

This proposal has been developed by a group of people working within New Zealand's alternative timbers sector:

<i>Peter Berg</i>	<i>SWP Chairman, NZFFA Executive/Tanes Tree Trust</i>	peter@bergforests.co.nz
<i>Gabrielle Walton</i>	<i>Summerhills Farm Forest, Tauranga</i>	gabrielle.walton@xtra.co.nz
<i>Richard Thompson</i>	<i>MacBlack Timber Ltd, Wanganui</i>	richard@macblack.co.nz
<i>Vaughan Kearns</i>	<i>Ruapehu Sawmills, Raetihi</i>	ruapehusawmills@xtra.co.nz
<i>Justin Wells</i>	<i>Logs2Lumber, Nelson</i>	info@logs2lumber.co.nz
<i>Angus Gordon</i>	<i>NZFFA Executive and SWP</i>	angusg@xtra.co.nz
<i>Marco Lausberg</i>	<i>Manager, Specialty Wood Products Research Partnership</i>	marco.lausberg@fgr.nz
<i>Paul Millen</i>	<i>NZ Dryland Forests Initiative</i>	p.millen@xtra.co.nz
<i>Harriet Palmer</i>	<i>Communications consultant and Tinui Forest Park Ltd</i>	harriet.e.palmer@gmail.com
<i>James Powrie</i>	<i>Forestry consultant</i>	redaxenz@gmail.com

For more information, contact any member of the group.

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