

Forestry's darkest hour

Piers Maclaren

Four million hectares of plantation forests by 2050? A brighter, better, bigger forest sector? Perhaps so, but at the moment the weathervane is steadily pointing the other way. A Mordor-like gloom has settled over forestry in New Zealand.

There has been a spectacular decline in new land planting rates. These have slid steadily from a high of 98,200 ha in the winter of 1994 to 14,900 last winter. This is lower than in 1990, and you have to go back to 1965 to find a worse figure. New-land planting rates can be taken as a barometer of the whole sector: there have also been negative stories in the news media, tumbles in share prices, a fall-off in processing investments, and even low numbers of forestry students.

The greatest casualties are of course the silvicultural contractors. When the current wave of young trees has passed through the pruning and thinning phase, more jobs will be lost, and we may not be able to lure good people back when things improve.

And the news gets worse: not only has the rate of forest expansion slowed, there are rumours that we can expect deforestation rates of up to 20,000 ha/year. In fear of a carbon penalty, the Forest Owners Association recently commissioned a survey. Being politically charged and anecdotal, the results are highly contentious, but it seems that many growers don't envisage replanting the existing crop, and that low log prices and rising land values have made forestry unprofitable in many regions. Indeed, there are semi-mature stands where a simple calculation shows that it would pay to abandon the existing tree-crop and sell the land for an alternative use.

Does any of this matter in the long term? The existing forest estate is quite profitable, thank you, despite what a host of ignorant financial commentators say in the business pages. A real return of at least 7%, averaged over 30 years of boom and bust cycles, should be good enough for anyone not pathologically greedy. And the future is bright. If every citizen of China had a home as good as some of our poorest, it would create a demand for wood that the world couldn't begin to meet. China has now included radiata pine in its building code, and the Russian government is at last planning to raise duties on log exports – which have long had a critically depressing effect on prices in the Pacific Rim.

Well, even if the wind changes and the sky brightens, the current downturn does matter. The country needs more forests, more commercial forests, and a more uniform spread of age-classes.

Let's deal with these one a time.

We need more forests. The recent slips and sediment-aggravated floods in the lower North Island should remind us of the vulnerability to erosion of 2.5 million hectares of steep pasture and scrub. Plantation forests bind the soil ten times more effectively than pasture. Then there is water quality. We are just waking up to the fact that all our streams and lakes must, at the very least, have substantial riparian strips. At the current planting rate it will take 170 years to reforest the country, but the hillsides and aquifers cannot wait that long.

We need more commercial forests. In good times, we can export fibre. In bad times, the stored energy can fuel our vehicle fleet and our industry – without adding to greenhouse gases, or importing oil from the troubled Middle East. Our sea of pines is not a curse, it's a blessing.

We need a better spread of age classes. It is easy to smooth over a year or two of low planting levels but when the slump stretches into a decade, we have a problem. I'll elaborate.

I have already mentioned the threat to the livelihood of silvicultural contractors. At the harvesting end, the situation is even more serious because their labour is highly skilled and their machinery worth millions. You cannot lay-off or employ such experts at a moment's notice. Likewise with the wood processing sector. Who will build a plant in the knowledge that the wall of wood may be tall, but very narrow? And what about marketing? Do we have to create new markets every time we have a wave of wood, only for them to self-destruct when that pulse has passed?

I campaigned (unsuccessfully) for research into the real causes of the 1992-1994 planting boom. Now we'll never know for sure what caused that phenomenon, and can't try to repeat it with the wisdom of experience. Some economists think that a few subsidies, perhaps disguised as carbon credits, can make all the difference. I doubt it. There was a time when small-scale growers received a very generous government handout, but planting rates were unaffected. We need to be a lot smarter than that.

When the wind turns against the Orc-land doomsayers, the sun will shine once more. We will plant trees again: for the future, for New Zealand.

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