

EDITORIAL (paid content in Hawkes Bay Today 18 Feb 21)



THE FORESTRY INDUSTRY – A FORCE FOR GROWTH & STABILITY

Forestry is a \$7b a year export earner for New Zealand. Under the *Fit for a Better World* project the government anticipates another \$2.6 billion a year of forest product exports by 2030.

That is about the same level of increase in the pastoral and arable sector combined.

In Hawkes Bay, the industry is back on track following the operational hiatus and uncertainty around Covid.

We have held our ground in a highly competitive market, avoided job losses and continue to offer a wide range of work opportunities. The price of wood has retained its earlier strength.

No question about it, the forest industry is pulling its weight in rebuilding a damaged economy and absorbing displaced workers across a diverse range of skill sets.

The recent report from the Climate Change Commission has provided a high-profile vote of confidence in the forest industry. The Commission's Chair, Rod Car anticipates planting 380,000 new hectares of exotic plantations between now and 2035.

These extra trees will be the support act for the Commission's targets of massive reductions of emissions from industry and transport. The forest industry has never claimed that it will do the job by itself.

Decarbonisation must be the thrust of meeting our climate change obligations, but this will not be easy, and it will take good deal of time - which we do not have. Carbon sequestration through large scale tree planting of exotics is a vital tool for buying time.

But forestry is not for everyone. Concerns headline loss of farmland and debris floods such as gained notoriety three years back in Tologa Bay. Others worry over perceived foreign domination, alleged poor pay, destruction of farmland and danger and drudgery in the workplace.

Loss of farmland is a case-in-point. The result of the present wave of freshwater reforms, threat of synthetic meat and more climate change induced droughts, will mean costs will outstrip returns for many sheep and beef hill country farms in the long term.



The PricewaterhouseCoopers report, commissioned by MPI, shows convincingly that added value per hectare is much greater for forestry than for farming sheep and beef.

Employment provided by forestry is also shown to be higher.

As for foreign ownership, most sales over the past year have been of existing forests between different overseas companies. The present rate of overseas investment in farmland for planting trees is negligible. It would take thousands of years for all of it to go.

The evidence suggests that for all the scare stories, sheep and beef hill country farming is not going to disappear under pine trees.

Forestry is compliant with the '*National Environmental Standards for Plantation Forestry*' which became operational in 2019. These took eight years of consultation to settle. For the larger players, this change has not been challenging as they are internationally certified, which is all about ensuring positive environmental and social outcomes.

For others though, the bar has lifted, and reaching the new standards has not been easy. Thing is now, best practice is obligatory for everyone.

Beyond satisfying compliance standards, foresters focus on the bottom-line need to maintain market share in a highly competitive world. They pursue effectiveness and efficiency but, as said, safeguards ensure this is not at the expense of the environment.



Most companies are keen to showcase real change. For those who take the time to see the wood for the trees, you will surely find a confident and contemporary forest industry.

You would see start-of-the-art planning and inventory systems, growth in mechanical harvesting and commitment to personnel well-being and safety.

So much has changed and we found at our inaugural Hawkes Bay Forestry Awards in late 2019, those within the industry are upbeat and very much value working here.

All up, therefore, we think forestry is doing well and is very good for Hawkes Bay.

Keith Dolman
CEO



ADVERT

HAWKES BAY FORESTRY

GROWING DIVERSITY & ECONOMIC RESILIENCE

- **Competitive, profitable adding investment choice**
- **Committed to responsible environmental outcomes**
- **De-risking dependence on sheep & beef**
- **Varied and attractive job opportunities**
- **Easiest way to achieve 2050 zero carbon goal by 2050**

