

A good news storythey're using our trees over there

The effort in attracting one of Japan's leading paper producers to invest in forestry in Southland is paying off.

The Oji Paper group, one of the largest paper manufacturers in the world, is benefiting from eucalyptus now being harvested in Southland, and shipped as woodchip to Japan.

The trees planted by the group in a joint venture company 16 years ago are now on-stream, and being transformed into high quality writing and printing paper half a world away. These southern plantings represent about 43.5 percent of all eucalyptus plantings in New Zealand.

Now into its third year of harvesting, around 120,000 tonnes of logs are being cut from these forests each year, on a 15 year cycle. This is expected to double before 2011.

All are presently being processed by Southwood Export Ltd, New Zealand's largest Eucalyptus wood producer, into woodchip by its chip mill at Awarua in Invercargill, and exported from its facility at Bluff.

That equates to six shipments a year to Japan, and is expected to grow.

Local forestry company SouthWood Export Ltd had encouraged Oji Paper to reinvest in forestry in Southland and in 1992 the Southland Plantation Forest Company of NZ Ltd (SPFL) was formed, with Oji the majority shareholder, alongside Fuji Xerox Office Supplies and Office Equipment, and the Itochu Corporation.

SPFL plantings added to that of Southwood Export Ltd's initial eucalyptus forest establishment in 1987. Together with a third company Hardwood Forests Ltd, they combined have a resource of over 12,000 hectares of eucalypt forests in Southland.

Eucalyptus fibre is shorter than other New Zealand forest tree species, and its pulp is therefore well-suited for turning into finer high quality writing and printing papers.

And because Eucalyptus is a sustainable hardwood, it's predicted global interest will grow in these renewable and ecologically acceptable plantations in Southland, as the supply of hardwood timbers from natural forests reduce, particularly the tropical timbers.

This is good news for Southland, given it's a particularly good part of the world for growing this species of tree, with fertile, free-draining soils, few health problems, and a climate that encourages vigorous growth.

Southwood General Manager Graeme Manley also predicts other future opportunities in bio energy to arise from the global drive for environmental sustainability.

"Together, this equates to a substantial and on-going contribution to the Southland economy."

While all of the wood continues to be exported as woodchip, alternative markets are always being examined. Eucalyptus logs have been trialled as veneer, and some have also been exported as sawlogs to Korea.

Almost half of New Zealand's eucalyptus tree plantations are in Southland. Total plantings are estimated at 13 600 hectares, around six percent of all the plantation trees grow in Otago and Southland.

These forests are small and scattered across the lower foothills of Southland, rather than only one locality, so as not to impact on existing rural infrastructure in any particular area.

These areas are being re-established into forest after harvesting, currently at around 300 hectares a year, which makes it a sustainable resource. The planting rate is 900 stems per hectare.

All the *Eucalyptus Nitens* seedlings are grown in local nurseries from improved seed sourced from SPFL's own seed orchard.

Harvesting and log cartage are all by local contractors.

About Southwood Export Ltd

Southwood started as Wood Export Tokanui in 1989, originally chipping and exporting beech and kamahi. Eucalyptus was chosen as a replacement species for long-term sustainability, given Forest Service species trials had demonstrated it had proven growth performance in Southland. Annual Eucalyptus plantings started 21 years ago, initially with joint ventures with Maori owners and private land owners.

Southwood Export Ltd was actively encouraging private investment in Eucalypt Forestry and in 1991 floated a public unlisted company Hardwood Forests Ltd to give private investors an opportunity to invest in a short rotation (15 years) forestry crop.

Today it is the biggest Eucalyptus producer in New Zealand, harvesting and exporting year round.

About Oji paper

Oji Paper was founded in 1873, and operates more than 20 mills throughout Japan that produce a variety of paper products, including printing and writing papers and corrugated board and boxboard. The company also makes paper-based containers, plastics, thermal papers, and disposable diapers. Oji Paper also has forestry and real estate operations with more than 120 subsidiaries and affiliates worldwide, including operations in the Americas, the Asia/Pacific region, and Europe.

The Southern Wood Council Inc was set up in 2001 to promote, encourage and coordinate the sustainable economic development of the forest products industry in Otago and Southland. One of a few truly independent groups of its type in New Zealand, it includes all the major forest owners within the region (ownership or management of over 140,000 hectares of production forests with an annual harvest of over 1.2 million m³ of wood), the larger wood processing and manufacturing companies, the port authorities and each of the three economic development agencies from local councils.

<http://www.southernwoodcouncil.co.nz>

**For more information, please contact
Graeme Manley, General Manager, Southwood Export Ltd,
Phone (03) 218- 073**