

Otago Southland Forestry: Key Facts

The forestry sector is one of the drivers of the Otago and Southland economy; a significant employer, exporter, and consumer of services.

- The forestry sector has directly accounted for \$180 to \$200m in Otago/Southland exports annually in the last decade (2000-2010).
- BERL estimated the total contribution from the forestry sector to the region at 6.7% of regional GDP, when indirect and induced expenditure was added (2005).
- The combined export total specifically for logs, sawn timber and woodchips in the Dec 2010 year was \$182.4m (this doesn't account for exports of veneer, mouldings and MDF).
- The sector directly employs around 1,455 in forestry and first stage wood processing (2009).
- The combined Otago/Southland region currently has 208,000 hectares of forest (as at April 2010).
- The size of the plantation estate has doubled in Otago and Southland from the mid-1980's to 2010.
- **Otago** has forests of 124,200 hectares, spread across five territorial authorities – Central Otago, Clutha, Dunedin City, Queenstown-Lakes and Waitaki. The majority is concentrated in the Clutha District, with 81,800 hectares (April, 2010).
- **Southland** has 83,800 hectares, spread across the territorial authorities of Gore, Invercargill City and Southland District. The majority is concentrated in the Southland District, with 78,650 hectares (April, 2010).
- There are 15 forest owners in the region with holdings of more than 1,000 hectares, and six with estates of over 10,000 hectares.
- Small growers, principally farmers, own about 37% of the estate. There are over 2,000 owners with under 100 hectares.
- Otago and Southland has 25 sawmills, a medium density fibreboard mill (MDF), a mouldings facility, a veneer operation and two chip plants (2011).
- Harvests (round wood removal) in Otago/Southland averaged 1.4 to 1.5 million cubic metres a year from 2005 to 2009. The March 2010 year figure was 1.56 million cubic metres; the demand for logs from China increased harvesting levels.
- About 60% of the harvest was processed in the region (March 2010 year), as sawn timber, veneers, mouldings, Medium Density Fibreboard (MDF) or posts.
- 344,000 cubic metres of sawn timber was produced by the region's sawmills (March 2010 year).
- \$62 million of sawn timber (181,500 cubic metres) was exported through Bluff and Port Chalmers in 2010.
- \$97.2 million of logs (847,000 cubic metres) were exported through Bluff and Port Chalmers in 2010 (f.o.b – free on board). 464,000 cubic metres was exported in 2009.
- Around a quarter of the annual harvest was exported as logs from 1998-2008. This has increased rapidly since 2008, with the rise in log prices and increasing demand from China.
- The radiata pine harvest in 2020 is projected to reach 2.6 to 2.8 million cubic metres a year.
- 63.7% of the regional plantation is Radiata pine; across other New Zealand regions the national plantation has an average of 89.5% Radiata pine.
- Otago-Southland has a significant proportion of New Zealand's Douglas-fir (50.5%) and eucalypt (54%) plantings.
- The Otago/Southland Douglas-fir harvest is projected to climb from approximately 80 to 100,000 cubic metres to 435,000 cubic metres in 2025.
- The average age of the region's plantings are 15 years. The standing volume of timber is estimated at 39.8 million cubic metres. As the estate matures the region's standing timber resource will continue to increase.

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