

Wood Panels, Woodchips, Wood Pellets and Carbon have taken a back seat in NZ Forestry – But will that change? All to be discussed at DANA Rotorua August 11 & 12 Meeting

The speaker line-up is now complete for this important meeting: **The New Zealand Forestry and Forest Products Sector: Its situation in 2014 and trends going forward**

A “Quick Check” of the Rotorua **conference program topics and speakers** can be seen [here](#)

Location & Venue: Rotorua – at Novotel Lakeside Hotel

STOP PRESS:

- Derek Rankin, Chairman of Rankin Treasury Advisory, will be presenting on foreign exchange issues as they relate to major currencies that New Zealand exporters trade in. Last week I was speaking to Derek about his DANA Rotorua address. During the conversation we re-visited some of his FX predictions made for 2014, in a presentation he gave in 2013. FX predictions are the most difficult to get right; but if Derek can achieve what he managed to do in 2013; then his presentation alone may be worth the delegate fee for wood product exporters.

Speakers:

A total of 27 speakers/panelists are confirmed, including 17 from New Zealand; and **10 who are flying in from overseas.**

Wood Panels, Woodchips, Wood Pellets and Carbon:

In earlier newsletters, we have profiled the New Zealand forest industry sectors of sawmilling, pulp and paper and plantation forest investment. In addition to the “big 3”, other important sectors also contribute to the industry in varying degrees.

Wood Panels:

New Zealand has been a pioneer in the manufacture of softwood plywood, of particle board and was one of the very early international producers of Medium Density Fibreboard (MDF). However, production of plywood has declined over the last few decades but wood panels production generally has increased to around

300,000 m³ per year with the construction of two Laminated Veneer Lumber (LVL) mills. Marketing of LVL was a challenge for some years but has picked up recently.

Particle board production has been declining as has MDF production following a spurt in development in the 1980s and 1990s. This is in spite of huge increases in global capacity of both of these wood panel products.

Other new wood panels including various engineered wood panels and the new sizzle product CLT have yet to take off in New Zealand, but certainly CLT holds promise.

- **Marcel Vroege** Head of Forest Industry Consulting, Indufor Asia Pacific, will discuss the history, current status and future opportunities for wood panel production in New Zealand with a presentation entitled: **NZ Wood Panel Industry and Future Prospects**

Woodchips:

With more than 25% and often more than 30% of domestic processed log production ending up as woodchips, markets for these are vital for the sawmilling sector. In some regions of New Zealand, markets do exist in the pulp and paper and MDF sectors and a woodchip export industry exists although with export volumes declining over time.

- **Rens Bosman**, Director NZ Fibre Co., a long-time corporate and independent domestic and export wood chip specialist will present on: **NZ Woodchip Market - Domestic and Export - any hope for future exports?**

Wood Pellets:

The Trans-Atlantic wood pellet trade is booming – from the USA and Canadian East Coast to mostly the UK and also to Europe as major electricity companies have been switching from coal to wood pellets. However, the hope of a rapid increase in demand in Japan was largely scuttled by a combination of the global financial crisis and the 2011 earthquake. An early hope for international markets developing for New Zealand produced wood pellets did not eventuate and the only semi-industrial scale wood pellet mill has effectively been mothballed.

However, in 2013-2014 there has been a tremendous increase for wood pellets in Korea and over time this may be mirrored in China and other countries.

- **Oliver Lansdell** from UK consulting firm Hawkins Wright and an international expert on the global wood pellet trade will present on: **Global and Asian wood pellet demand prospects** - and
- **David Turner** CEO of Kawerau based Sequal Lumber, who has been studying this new pellet demand in detail, will discuss the business from a New Zealand producer perspective.

Carbon:

The passing of the world's first government legislated Kyoto compliant emissions trading scheme which allowed for tree carbon offsets in New Zealand in 2009, heralded (the industry thought) the end game in several years of carbon controversy which preceded this legislation. However, forest owners were soon to find out that the complexity of legislation and continual changes to government policy (including into the 2014 budget) has largely gutted the tree carbon offset industry in the meantime.

There could well be renewed hope from 2015 if world governments can finally get even part of their act together in the challenge of tackling climate change and there is some expectation that tree carbon prices will increase after 2015.

- **Nigel Brunel**, Director of OMF Brokers who is probably the most experienced tree based carbon offset trader in New Zealand, will present on: **Carbon and Trees - The present status and possible future of carbon trading for NZ forest owners**

With almost a decade of controversy and topsy turvy policy, delegates will be eagerly waiting for a signal from Nigel that the future will be rosier than the past few years.

To Register

To those readers who have already registered for this conference, thank you for your support. To other readers of this newsletter, we strongly encourage you to register; and indeed to bring along some of your team. With only a little over one month to go before the conference, now is the time to register and confirm accommodation and travel arrangements.

There are generous multiple registration fee discounts available: To see all details of the program, speakers, venue, registration, sponsorship and newsletters, please click [here](#) for details. **To date, more than 50 % of registrations are for multiple delegates.**

Please do not hesitate to contact Conference Manager Pamela Richards in Melbourne - pam@prcc.com.au - to discuss any aspects of this conference.

DANA Melbourne, Australia Conference

Note: Dana is also holding a similar Conference in Melbourne, Australia the previous week: On August 7 & 8: **The Australian Forestry and Forest Products Sector: Its situation in 2014 and trends going forward**. Registrations to date are more than twice as many as had been confirmed at the same time before the DANA 2013 Melbourne Conference. All details including the registration can be seen [here](#)

Kind regards

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For news, information and links to other DANA/DANA associated 2014 Conferences in Rio de Janerio, London, Santiago, and Yangon visit our website www.dana.co.nz

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