



# GREENPLAN FOREST NEWS



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Director

“Climate Change” – we have all heard the news, seen the footage of recent flooding events here and abroad and we have probably all got an opinion on it.

Here in the King Country it has definitely been wet and not as cold as I remember years past. Your trees are loving it.

We have all been asked to do our part in reducing the co2 emissions that each one of us supposedly make either directly or indirectly in some way, be it by driving our cars or purchasing a pint of milk that has come from a cow that burped. Well rest assured, as an investor in Greenplan, you are doing your bit.

I have spent some time trying to establish my “carbon footprint” to determine what my emissions are and what if any benefits I may receive by owning a hectare of forestry.

I did a Google search on “carbon footprint” and found 51900 results by searching New Zealand pages alone. Do a world wide web search and you get some 1.75 million results.

From the New Zealand websites I chose [www.carbonzero.co.nz](http://www.carbonzero.co.nz)

A Carbon Footprint is a measure of the impact human activities have on the environment in terms of the amount of green house gases produced, measured in units of carbon dioxide. *Source [www.carbonfootprint.com](http://www.carbonfootprint.com).*

On the ‘carbonzero’ website you can click your way to the household calculator. Do register as it costs nothing and you will gain instant access. It also enables you to offset your co2 emissions if you choose to do so.

As with all questionnaires nothing is simple, however I have done some research and hopefully if you follow that you should have no trouble in calculating your footprint. Like me you may find it rather surprising and if you do take the offset option it can be costly. More on this later.

The calculator has several subsections: you can either base your answers on 1 month or 1 year.

**Home Energy** – Your past bills will be of help here.

1: Electricity – The average New Zealand household uses 558kWh electricity per month. *Source [www.niwascience.co.nz](http://www.niwascience.co.nz).*

2: Reticulated Gas / Bottled Gas – The average NZ household uses 200kwh gas per month source [www.niwascience.co.nz](http://www.niwascience.co.nz). If like me you are not on reticulated gas you need to establish how many bottles of gas you use per month. (standard BBQ bottle is 9kg)

3: Diesel – in the home energy section this relates to diesel that is used for home heating or you may have a diesel generator. To establish your monthly expenditure you will need to look at past bills.

4: Coal – as with diesel your coal consumption will primarily be for home heating.

### Private Transport

This section is reasonably self explanatory. If you have two or more vehicles running on diesel and petrol you will need to calculate twice.

### Public Transport

Again this section is self explanatory.

### Other Transport

Some websites that you will find useful in calculating distance.

International and domestic air distance – [www.webflyer.com](http://www.webflyer.com) mileage calculator

Coach distance – [www.aatravel.co.nz](http://www.aatravel.co.nz)

### Waste

I retrieved the following from the Environment Waikato website ([www.ew.govt.nz](http://www.ew.govt.nz)). On average, each person in the Waikato Region generates between 528 and 594 kg of household waste a year. Some 46kg per month.

Once you have entered the data you will be given your total emissions for either 1 month or 1 year. Save and then you can visit the Offset link to see what sort of financial contribution you need to make to be carbon zero. Out of interest my emissions were 778.92kg CO2 per month which to offset would cost me \$33.75 per month.

As mentioned above it can be costly to be carbon zero. And this is where your forest comes to the party.

The sequestration of carbon on an average hectare of Greenplan forest over a 28 year period is estimated to be some 814 tonnes. (*source [www.maf.govt.nz](http://www.maf.govt.nz)*) As you know a forests growth varies in differing locations so this is really only an estimate. The annual sequestration is therefore some 29 tonnes, or 2.4 tonnes (2400kg) per month. Based on my emissions I should have some 1621kgs of credits available each month. Over the 28 year rotation my total sequestration should be some 544 tonnes of CO2. Based on active carbon markets which price a ton of carbon at \$52.83 ([www.pointcarbon.com](http://www.pointcarbon.com)) my offset sequestration would be worth some \$28,739.

Unless you are an excessive energy user or polluter you should be in a similar situation, so you can rest assured you are doing your bit to save the world from the threat of climate change.

The question remains how do we get recompensed for sequestering more than we supposedly need to? Unfortunately we do not have the answer to this at present. If and when we do find the answer you will be the first to know. A useful website that may help is the [www.kfa.co.nz](http://www.kfa.co.nz)

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## Here is an interesting article that we came across in the Dominion

### Online carbon trade goes up in smoke

The Dominion Post | Friday, 6 July 2007

*The first apparent attempt to sell "grey market" carbon credits on Trade Me has gone up in smoke, with the online auction site withdrawing the listing because of a technical breach of its rules.*

But Trade Me says it is "absolutely" interested in people trading carbon credits when the market becomes clearer, making it a potential rival to the New Zealand Exchange.

South Island forest industry executive Peter Weir listed a maximum sale of 2700 tonnes of carbon credits, with bids getting to \$34 a tonne, before the auction was cancelled by Trade Me.

Mr Weir is chairman of the environment committee of the Forestry Owners Association.

The Trade Me "grey market" sale of carbon credits would have been outside the United Nations- sanctioned trading process, because the first Kyoto commitment period does not start till January next year.

Trade Me said it withdrew the listing for trying to avoid what it said was the proper level of commission and because the market was not yet formally established.

But the idea had appeal.

"We think the whole thing (carbon trading) is kind of cool, because the auction got a huge amount of visits and incredible participation ... though I'd bet a lot were leading players in the carbon-trading and pinetree-growing industry," Trade Me business manager Mike O'Donnell said.

In the past the Forest Owners Association has accused the Government of stealing carbon credits forests earned under the Kyoto regime.

Mr O'Donnell said the people involved in the attempted grey market sale seemed to be "testing the waters" for carbon trading.

Once the Government and the industry firmed up rules for trading carbon credits then Trade Me would have a "pretty thorough look at it", he said.

In May the NZX announced plans to set up a carbon trading market called TZ1 (Time Zone 1).

The NZX and 12 other companies are staking out their claim to ownership of the rights to run a carbon market in the first time zone in which financial markets run each day.

They plan to start the market early next year.

The carbon credits put up for sale on Trade Me in the past couple of weeks were a forward sale to cover the first Kyoto commitment period from 2008 till 2012 and could be bought to offset a company's carbon emissions that could not be avoided.

The credits, from Mr Weir's own private woodlot, were from 10 hectares of pine planted in 1997 near Geraldine in South Canterbury.

The forest is expected to absorb carbon till the trees reach 35 years, peaking in 2032.

The auction explained that loss at harvest of the pines would be balanced by that sequestered in an adjacent 35 hectares of Douglas fir, to be grown till 2100.

There was some interest from a ski and snowboarding business, which wanted to be able to advertise the firm as "carbon-neutral".

Mr O'Donnell said the auction was taken down for avoiding fees.

"They were selling 1000 tonnes (of carbon credits) but giving us fees for one tonne," he said.

Trade Me also took down the sale because the credits depended on the Economic Development Ministry registering the credits in its emissions register.

"That is currently a work in progress, so the broader issue is that the goods being sold are contingent on a grey market becoming a true market," he said.

That meant a buyer might be misled about what they were buying because the market was not yet formally established.

Mr Weir said he looked forward to Trade Me picking up the challenge.

"It's important for buyers to know the unit price of carbon so that they can make comparisons across other carbon markets, but the current Trade Me rules preclude that," he said.

Mr Weir says the ministry's emissions register will need to track grey market sales, so that they are not double-counted by the Government.

# FOREST MANAGEMENT DIARY

## AUGUST 2007

GFM Ltd continues to maintain a steady workload for our current contractors. Good communication between the contractors and GFM ensures that both parties are aware of any issues that have or may arise for any reason. For our contractors forecasting of operations is essential for their planning, so having this steady flow of work is very much appreciated.

In the King Country region we continue to experience warmer temperatures during the winter months. These warmer/drier conditions reduce the amount of lost productivity days by contractors. This ensures all scheduled programs remain well on time.

First lift pruning has recently commenced in the forests planted in 2003. At present operations are underway in Pinegrove 60, 61 and Whitecliffs 59. Our target prune height is 2.7metres with an average stocking of 350 stems per hectare. Operational data collected to date show very positive results. To ensure that all operations are completed to the standards set out in the job prescriptions, thorough quality control and consistent monitoring of contractors and employees is conducted. Greatwood 57 and Woodview 58 are scheduled for a first prune in November 2007.

Second lift pruning is almost completed in all 2001 plantings. Our target pruned height in the second lift is 5.0 metres with an average stocking of 350 stems per hectare. All operational data collected shows very positive results. With second lift pruning scheduled to commence in the 2002 plantings in September we will be aiming for the same positive results.



*"Thinning in the Jones No. 39 Forest"*

At the completion of the Third lift pruning we will commence a Thin to waste operation. These operations involve a final prune to an optimum height of 6.5metres with an average final crop stocking of 350 stems per hectare remaining. We are currently undertaking both operations in the 1999 plantings and once finished final audits will be done by PF Olsens & Company Ltd our Forest Consultant. Olsens are an independent company who ensures all operations are completed to the requirements set out in the prospectus. Operations will be completed in the 1999 plantings in late August. Third lift pruning has also commenced in the 2000 plantings with a completion date of mid 2008.

With the assistance of Ranginui Hunting, goat, feral pig and deer numbers are constantly monitored. With a controlled management system in place and good communication pest numbers remain low. Opossum numbers are also monitored and with assistance from the Department of Conservation and local Pest Controllers a number of operations have been conducted to reduce the Opossum population in and around various Partnerships.

Well into winter the slow period of growth for most forests is about now and with spring and the warmer temperatures only a few months away we will be concentrating on forest health assessments. In August we will identify area's which contain the fungal disease *Dothistroma Pini*. Area's infected will be mapped; GPS co-ordinates are made available to the pilot who then releases the copper oxy-chloride mixture which will help combat this disease. This operation is scheduled for November.



*"The Whitecliffs No. 59 Forest"*

## SECONDARY MARKET

The following units are for sale. Units marked \* are subject to the clause two procedure, whereby partners in that partnership have a 28 day first option period in which to apply. The units not marked are available for sale to anyone. Please contact Shirley (invest@greenplan.co.nz) at Greenplan for more details.

Partnership Name	Number of Units	Planted	Price
Arapito No. 9	1	1995	\$11,600.00
Aratoro No. 13	1	1995	\$11,400.00
Aratoro No. 14	2	1995	From \$11,250.00
Waipa Valley No. 15	1	1995	\$11,500.00
Awakino River No. 16	1	1995	\$11,250.00
Awakino River No. 19*	1	1996	\$9,500.00
Aratoro No. 20	1	1996	\$10,000.00
Slab Hut No. 21	1	1996	\$9,800.00
Slab Hut No. 22	1	1996	\$9,650.00
Tin Whare No. 26	1	1996	\$10,000.00
Touchwood No. 27*	1	1996	\$9,600.00
Coach Road No. 30	1	1997	\$9,100.00
Moonlight No. 31	1	1997	\$9,100.00
Rim Rock No. 33*	1	1997	\$4,600.00
Miners Creek No. 37	1	1998	\$8,500.00
Jones No. 39	1	1999	\$4,500.00
Huntaway No. 40	1	1999	\$9,000.00
Clearwater No. 42	1	1999	\$8,700.00
Wild Boar No. 43	1	1999	\$4,600.00
Minormore No. 49	1	2001	\$4,500.00
Jubilee No. 50	3	2001	\$7,200.00
Twin Rivers No. 51	1	2001	\$7,000.00
Headwaters No. 52	3	2001	\$7,200.00
Ducksfield No. 53	4	2002	\$7,300.00
Glen Afton No. 54	2	2002	\$7,000.00
Big Valley No. 55	1	2002	\$7,300.00
Hidden Valley No. 56	4	2002	From \$7,000.00
Greatwood No. 57	8	2003	From \$7,000.00
Woodview No. 58	2	2003	\$7,000.00
Whitecliffs No. 59	5	2003	From \$7,000.00
Pinegrove No. 60	1	2003	\$7,000.00
Pinegrove No. 61	2	2003	From \$7,150.00
Scotts Bush No. 63	1	2004	\$7,500.00

# WOOD CHIPS

## Reducing Supply

The forest area of New Zealand has declined for the second consecutive year. Some 12,900 hectares of forest area will not be replanted, instead the land will be converted to pasture. New planting rates have also declined to the lowest level since 1959. This may be good news for forest owners who have trees in the ground as it will surely reduce supply in years to come. However the environment may not be feeling so good, especially as there is a lot of talk about carbon sinks and the role of growing forests as a positive for climate change. **(Source: Radiata Bulletin 07 June 07).**

## Government to Use Wood

A small article in the New Zealand Herald (4 July 07) was spotted by staff at Greenplan. "Timber Use Promoted". Wood will have to be considered for new Government funded building projects up to four floors high. – About time.

## Rising Log Prices

The Ministry of Agriculture and Forestry are heralding a sustained upswing in the fortunes of forest owners due to improved log prices. Falling domestic stocks in Southeast Asia and Korea are contributing to the rising prices. There is also increased demand from India and China. The other factor is the implementation, enforcement and longevity of softwood taxes in Russia. The Russian government is proposing to increase its export tax on softwood logs from 20% to 80% by 2009. **(Source: NZ Herald 6/8/07).**



"Clearwater No. 42 Forest"



"Smiths No. 25 Forest"

# MISSING PERSONS

Does anybody know the whereabouts of these people?  
If so please contact the Greenplan office on 0800 800 154

INVESTOR	AREA LAST RECORDED	INVESTOR	AREA LAST RECORDED
Christina Creighton	Invercargill	Craig Letham	Browns Bay
Daniel Herbison	NT, Australia	Darren Turnbull	Surrey, England
Gerard & Lyndley Field	Milford, Auckland	Manaia Fenton	Floreat, WA
Hee Soon Lee	Seoul, Korea	Tam Or	Epsom, Auckland
Shaun Daly & Phillipa Milanta	Henderson, Auckland	Yi Suk Jeong	NSW, Australia
Stephen & Rebecca Gussette	Ashburton	Sung Mi Kim	Seoul, Korea
Robert McLeod	Pakuranga	Finn Mundell	Wellington
Sarah Wood	Torquay, Australia	Scott Wenborn	Christchurch
Helen Weatherup (nee Kehoe)	Wellington	Ross & Carolyn Watton	Auckland
Peter & Elaine Smales	Auckland	David Ratima	Hastings
Margaret Platt	Mission Bay, Auckland	Monique Peterson (nee Ralph)	Nelson
Hwan Man Park	Korea	Michael Melzer	Germany
John Mathews	Auckland	Miriam Jongenelen	Tauranga
Matthew Hunt	Warkworth	Alexander Hasler	Rothsay Bay, Auckland
Chris & Mary Daamen	Palmerston North	Bart Braat	Auckland

## ANNUAL FEE REMINDER

By now you will have received your annual contribution invoice and tax deduction certificates. There has been a little confusion with the tax loss for the Gateway Forest Partnership Number 36. The Gateway forest has had its final audit and hence management contract completed. This essentially means that the silviculture (pruning and thinning) in the forest has finished. The trees are now left to grow. During the past 8 years you will have received a deduction which related to the work undertaken. Now that the work is complete and there is no ongoing annual contribution (unlike the other forests) the tax deduction is now 'zero'. All other forests have an annual fee. After the completion of the silviculture it is the annual contribution that is tax deductible.

On the annual fee - we have had an excellent recovery rate this year, however there are still some outstanding annual contributions . If you have yet to pay your annual contribution please do so.

We also had a few minor glitches with the payment of annual contributions online. We are at a loss to explain why the problem exists other than that it seems to be to do with the security systems that our service provider has in place. We are currently in the process of changing our web page providers who assure me that they should be able to fix the glitches. Here's hoping next years online payments run more smoothly.

## INDICATIVE NEW ZEALAND RADIATA PINE LOG PRICES

Returns to small growers may be lower than those recorded here owing to scale and buyers' margins. These log prices are historical and indicative only and may not correspond to actual prices paid, or grades used, in market transactions. A "best fit" is applied by survey respondents to align company log grade specification with the generic specifications. Direct comparisons with actual market prices may not apply, due to differences between the specification sets. The prices are subject to changes when further data becomes available. The sources for this information are ministry of Agriculture and Forestry industry contacts.



"The Big Valley No. 55 Forest"

(Source: [www.maf.govt.nz](http://www.maf.govt.nz)).



"Fire Training Huntaway No. 40 Forest"

### 3rd Quarter and 12-Quarter Average

As at: April 2007

Generic Log Type & Pricing Point	March 2007 Quarter	12-quarter average
<b>EXPORT (NZ\$ per JAS m<sup>3</sup> f.o.b.)</b>		
Pruned	144 - 230	175
Unpruned A Grade	115 - 122	94
Unpruned J Grade	114 - 120	82
Unpruned K Grade	107 - 111	81
Pulp	59 - 78	58
<b>DOMESTIC (NZ\$ per tonne delivered at mill)</b>		
P1	120 - 137	142
P2	93 - 107	112
S1	86 - 88	86
S2	86 - 94	81
L1 and L2	63 - 93	63
S3 and L3	63 - 76	63
Pulp	41 - 56	43

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