

FOREST AGMS 2018

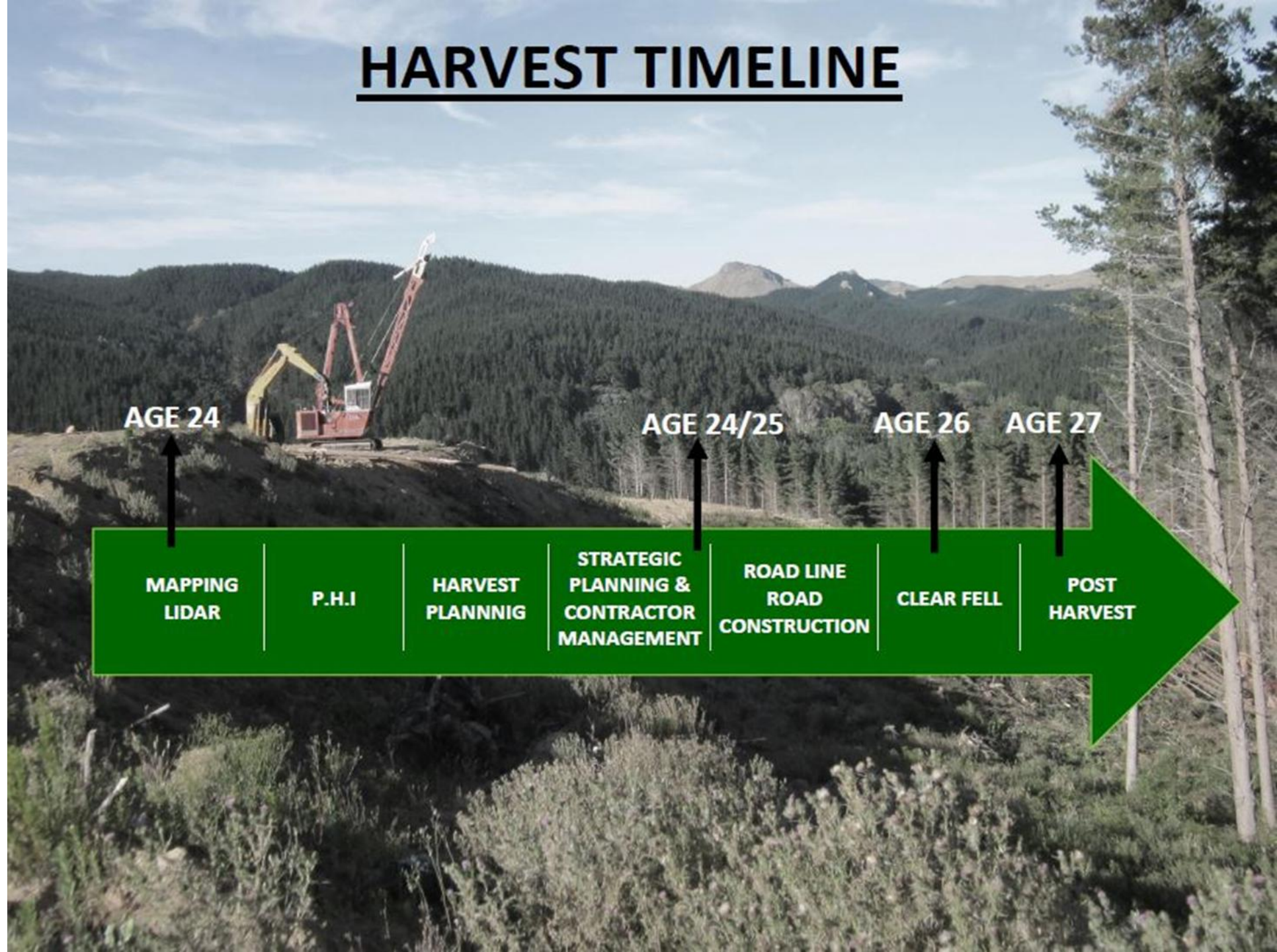
- Irongate
- Saddleback

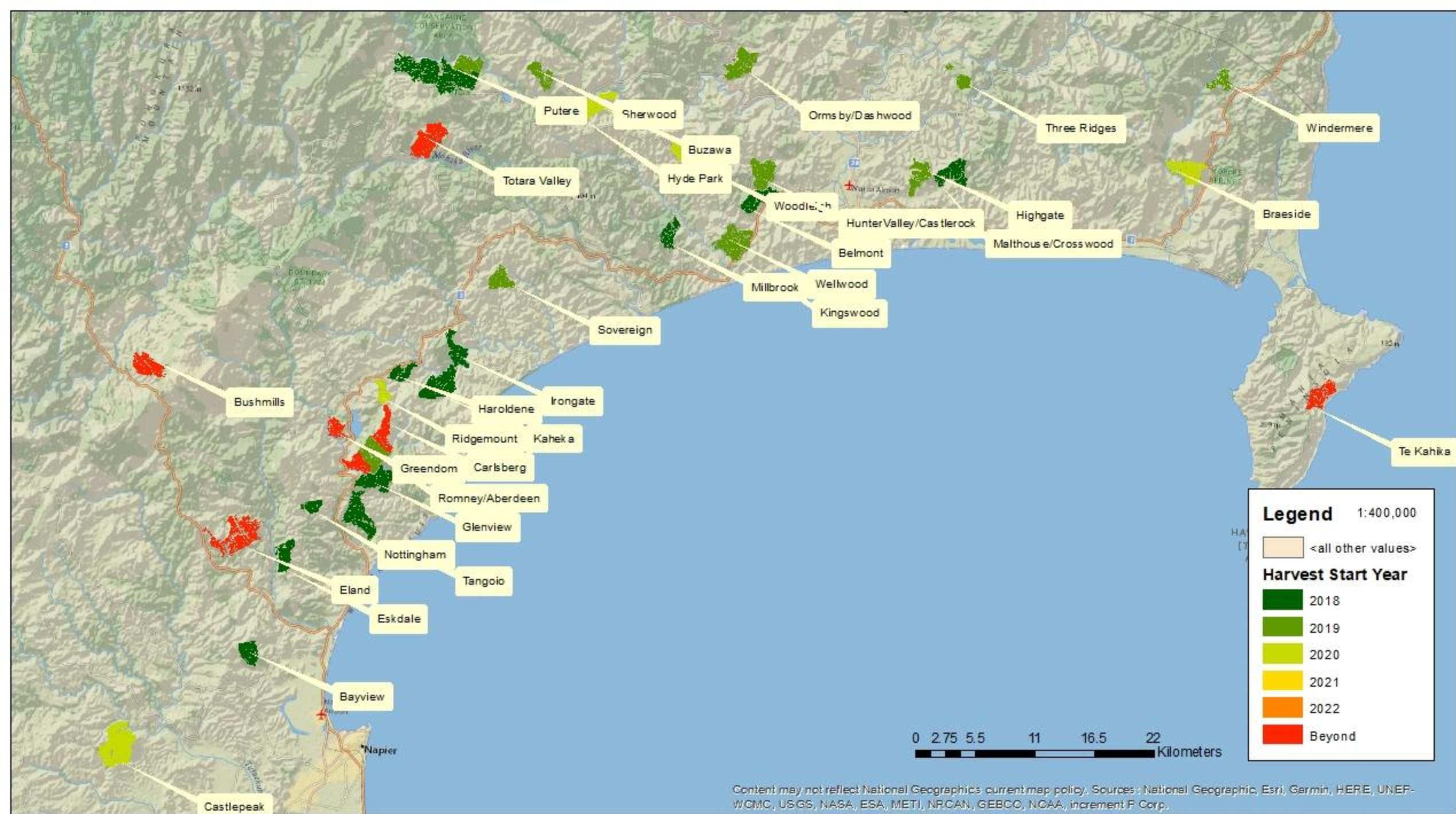


TOPICS COVERED

- Harvest Timeline
- Progress Report
- Harvest Preparation
- Harvesting
- Log Market Update
- Summary

HARVEST TIMELINE





Progress Report

- Pre Harvest Inventory Captured
- Harvest Paper Plans Completed
- Engagement with stakeholders

Harvest Preparation

- What next?
- Resource Consent Applications - National Environmental Standard Plantation Forestry
- Engagement with stakeholders
- Field marking road and skid locations
- Complete road lining to enable 12 months harvesting
- Aggregate sourcing
- Road Construction and Road Lining

Harvesting

- Harvest Timing
- Harvest Budgets
- Tenders for Harvesting
- Harvest Reporting - Activity Report, Clearfell Report
- Payments - Road Lining and Clearfell

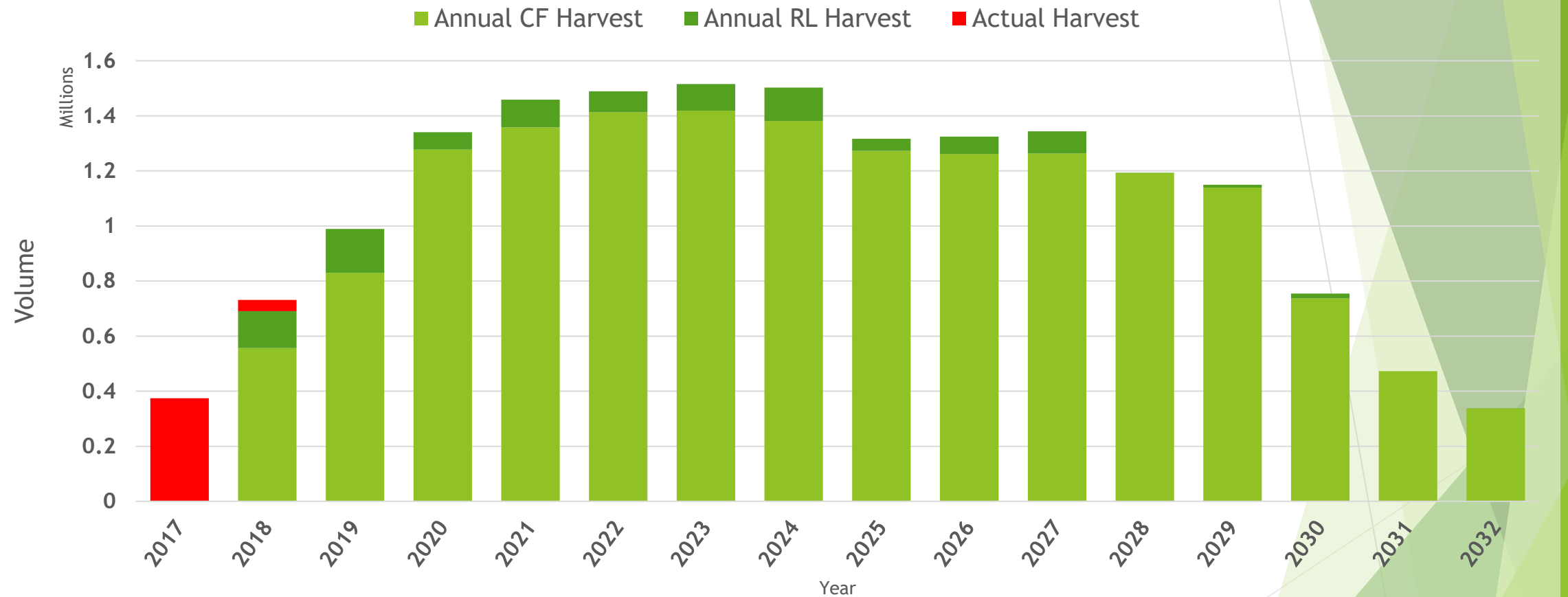
National Environmental Standard Plantation Forestry NESPF - Update

- ▶ Covers eight core plantation forestry activities
- ▶ Afforestation, Pruning and Thinning to Waste, Earthworks, River Crossings, Forest Quarrying, Harvesting, Mechanical Land Preparation, Replanting
- ▶ Does not cover, Plantation forestry activities outside the forest boundary e.g. effect of logging trucks on public roads,
- ▶ Three tools available to help determine when consents are required:
 - ▶ Erosion Susceptibility Classification
 - ▶ Wilding Tree Risk Calculator
 - ▶ Fish Spawning Indicator
- ▶ Marks a significant change in the way forestry activities are managed
- ▶ Comes into effect 1 May 2018

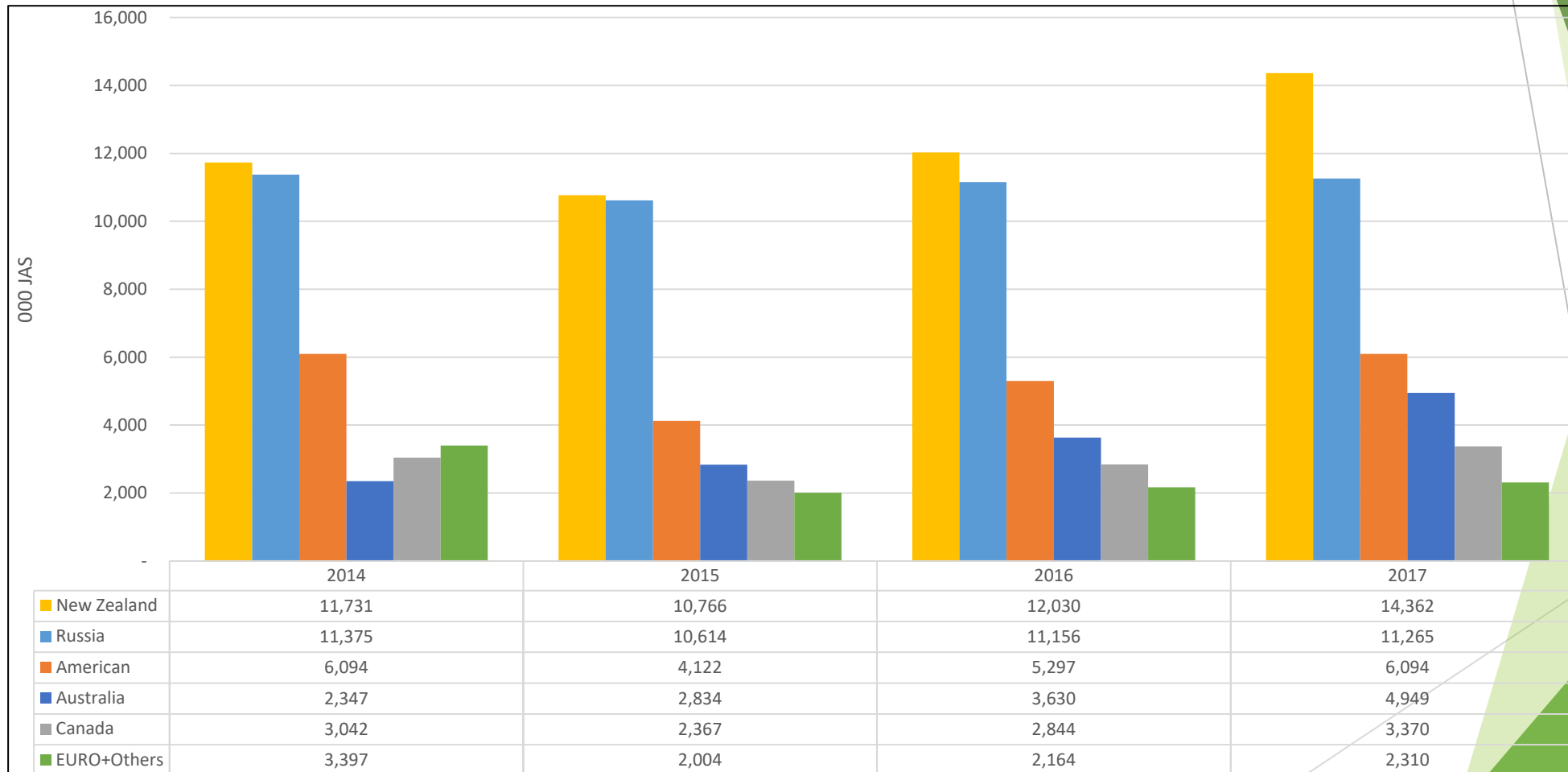
FMNZ Harvesting

- ▶ 385,000 T Harvested March 2017 - Feb 2018
- ▶ Forecast to Harvest 690,000 T this financial year
- ▶ Seven Harvesting Contractors Eleven Harvest Crews
- ▶ AWG sales to Gisborne, Napier and New Plymouth
- ▶ Domestic Sales Pruned, Pulp and Binwood - Pan Pac, Napier Pine, East Coast Lumber, Taranaki Pine.

Harvest Volume by Method



China Log Imports 2014-2017



Export

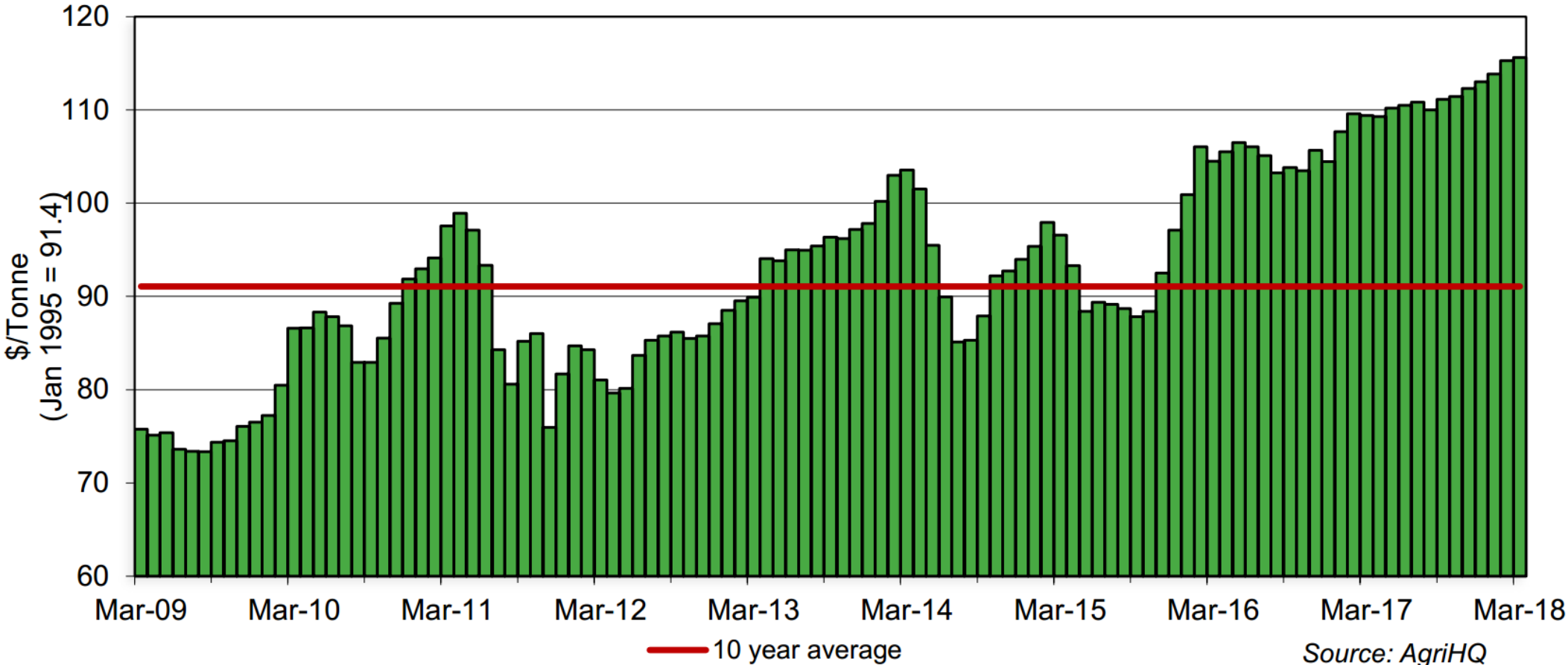
- ▶ China demand is steady -
- ▶ Korean and Indian supply is steady
- ▶ Pricing influenced by exchange rate and ocean freight rates

HISTORIC TRENDS	CURRENT	1 WK	1 MTH	3 MTH	1 YR
SHIPPING					
BUNKER INDEX	398.5	▲	▲	+31	▲
CRUDE OIL	68.91	▲	▲	+6.86	▲
BHSI	628	▲	▲	+1	▲
CURRENCY					
NZD / USD	0.7148	▼	▼	-0.0068	▲
CHINA					
PORT STOCKS	5.1 mil m3		NA	▲	▼
OUT GOING	96.400m³/day		▲	+40.4k	▼
CFR (USD)	Flat		NA	▲	▲

Historical Price Chart

10 Year Combined Log Indicator

Combination of pruned, unpruned and pulp indicies for New Zealand



Source: AgriHQ