



HARVESTING REPORT

September 2021

CRICKLEWOOD FOREST



Setting 18 and looking towards Happy Valley Road.

FMNZ

"Maximising the value of forests since 1974"

Clearfell Harvesting Report – Cricklewood – September 2021

Summary

- Gross revenue for the month is **\$635,937.66**
- Costs for the month are **\$394,443.91**
- Net income for the month is **\$241,493.75**
- Tonnes harvested for the month is **4,784.23**
- Net income per tonne for the month is **\$50.48**
- Area cleared for the month is **7.3** hectares

The project performance to date is set out below:

- Project gross revenue to date is **\$19,440,863.97**
- Project costs to date are **\$12,676,294.48**
- Project net income to date is **\$6,764,569.49**
- Tonnes harvested to date is **146,569.85**
- Net income per tonne to date is **\$46.15**
- Recoverable volume per hectare to date is **763.4** tonnes
- Net income per hectare to date is **\$35,232.13**
- Total forest area is **315.8** hectares, approximate hectares cleared to date is **192** hectares.

The total forest area reflects all net stocked areas regardless of age class or previous roadline volumes.

NB: Measured harvest areas are estimated monthly and reconciled with satellite imagery prior to valuations, they are subject to change and should be used as a guide only.

Revenue

Log Sales

Gross income for the month was **\$635,937.66** with an average sale price over all grades of **\$132.92** per tonne.

September 2021 - Log Markets, Hawkes Bay

The September export prices have remained flat at \$0.64/Jas m³ on average. The slight increase has been to the pruned grades.

Radiata log inventories on the main Chinese ports we monitor have increased again to 4.75Mm³, with daily offtake 73Km³ per day range. For the market to show any strength, we need an increase in demand and a downward inventory trend.

The outlook for Chinese port inventories is not great for this time of the of year. Current on port volumes haven't changed much from the previous month, with a significant amount on the water awaiting discharge at ports.

There is concern for the property sector in China as property developer Evergrande faces the risk of default. The company currently has 778 projects underway in 223 cities. The property sector contributes 28% of the Chinese economy and is seen as key to China's economic development. Even if the Chinese Government opts to let Evergrande default rather than bail it out directly, authorities are likely to be involved in coordinating the continuation of these projects that employ 163,000 people.

Shipping congestion in China has reached the point where nearly 10% of the worlds' handy sized fleet capacity were queuing off the China coast. This has two effects, high demurrage and reduced capacity. The congestion has been caused by Chinese authorities reacting to Covid outbreaks by closing ports, delaying berthing, and imposing strict procedures that have reduced ship handling capacity. There has also been strong demand for grain, minerals and iron ore imports.

The NZD remained relatively unchanged from the end of August through to end of September (0.6972 – 0.7039) having little impact on AWG pricing.

Domestic pruned log prices have lifted \$4 this quarter due to strong AWG export pricing and factoring in the winter effects on Jas conversions.

Grade Recovery

Grade out turn for September is as follows:

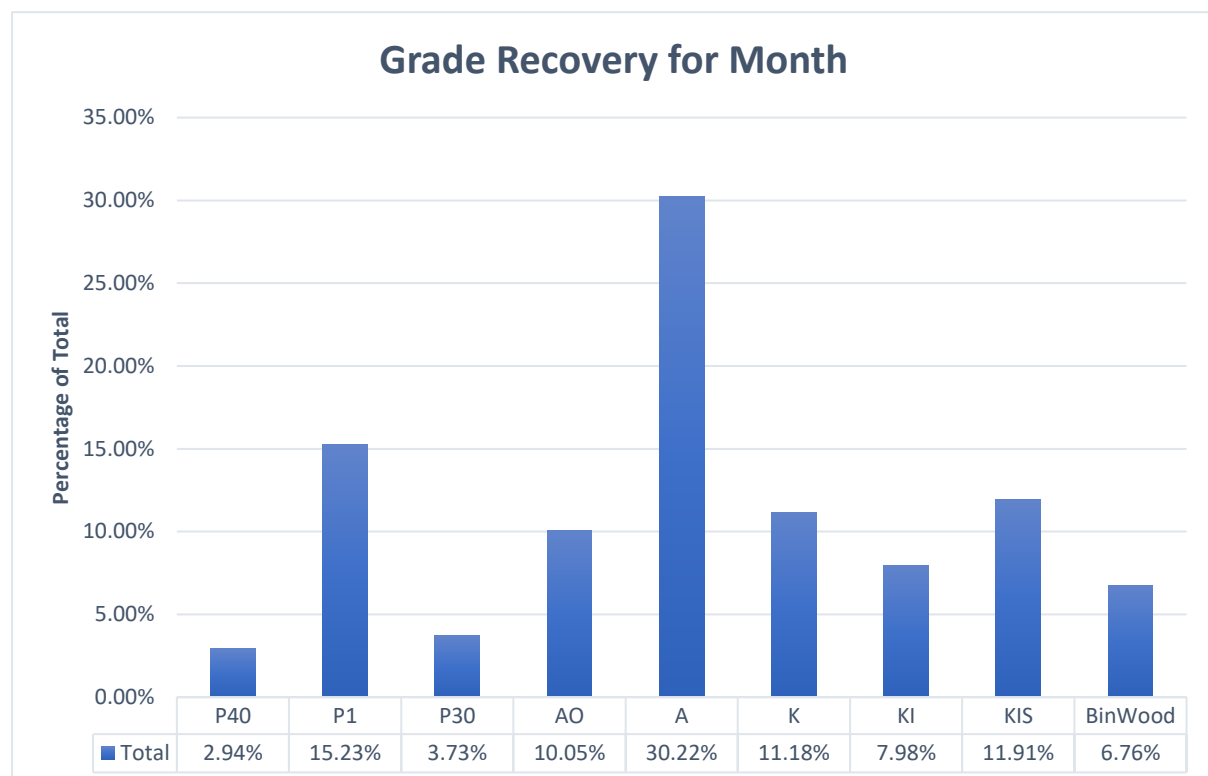


Chart 1: Grade Recovery for Month

Pruned recovery for September comprised 22% of overall sales volume, 15% of which was sold as domestic pruned grades.

High quality export sawlog (AO, A and K grades) made up 51% of the total production volume, with lower quality export (KI and KIS grades) comprising 20% of volume.

The remaining 7% of production was made up of domestic pulp and binwood.

Expenditure

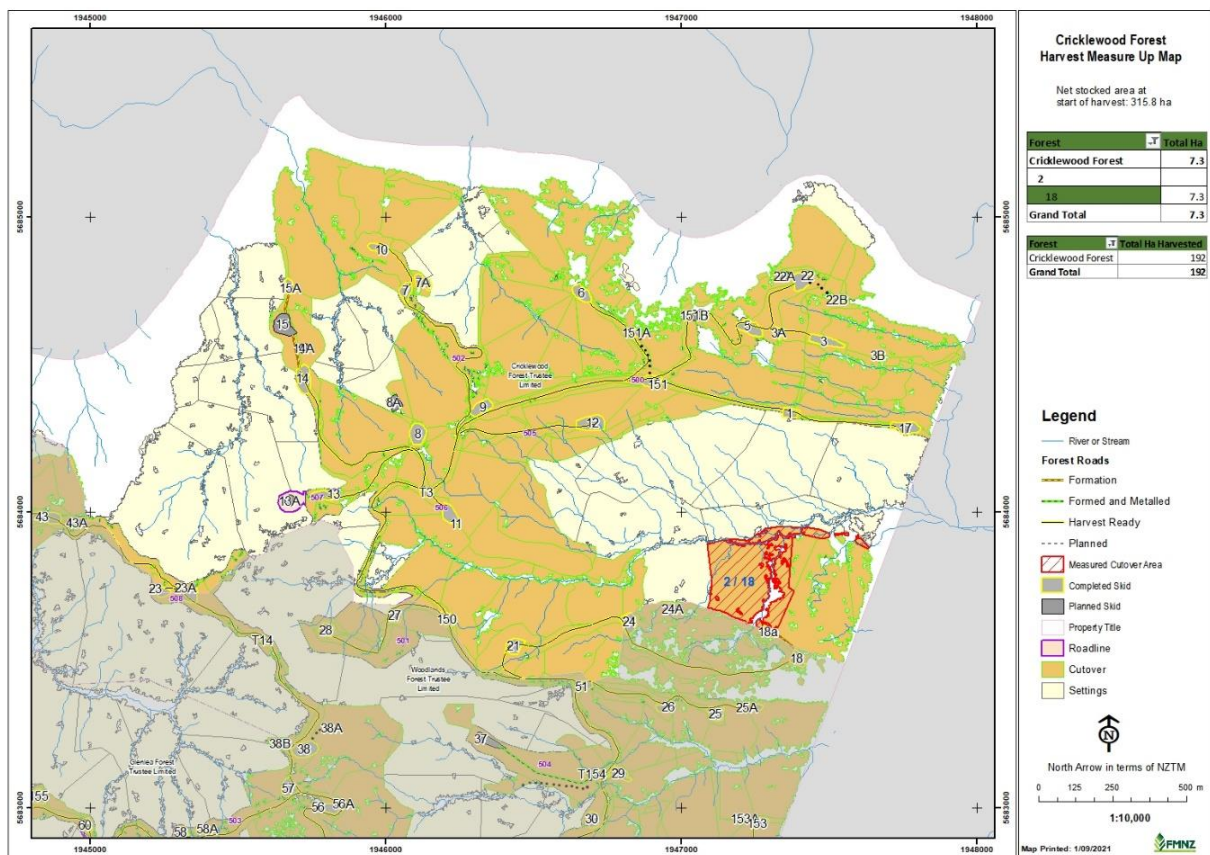
Harvesting

The total logging cost for the month was **\$184,901.60**, an average of **\$38.65** per tonne.

Harvest expenditure for the month is summarised below in Table 1:

LOGGING COSTS		TOTAL
September		\$184,901.60
		\$184,901.60

Table 1: Logging Costs



Pic 1: Progress Map

During September, harvesting was carried out in Setting 18 on East Road. They had moved the hauler from the processing landing to the pad just off to the side.

Cartage

Cartage is managed by Harvest Logistics Ltd, who organise the despatch and supply of log trucks into the forest.

The total cartage expense for the month was **\$149,332.04** which is an average unit rate of **\$31.21** per tonne.

Cartage expenditure for the month is summarised below in Table 2:

CARTAGE COSTS		TOTAL
September	Cartage - Truck	\$149,332.04
	Weighbridge	\$1,455.82
	Trailer Lifting	\$6.00
		\$150,793.86

Table 2: Cartage Costs

The average cart rate for September inclusive of weighbridge and trailer lifting fees is **\$31.52** per tonne.

Trailer lifting costs are for use of the public gantry to reload trailers for loads delivered outside the normal hours of the facility provided by the Napier Port.

Engineering

ENGINEERING		RL	CF	TOTAL
September	Establishment - Engineering		\$320.00	\$320.00
	Grass Seeding	\$75.00		\$75.00
	Landings	\$1,596.00		\$1,596.00
	Pads	\$3,483.00	\$12,547.00	\$16,030.00
	R&M - Metal		\$3,684.25	\$3,684.25
	R&M - Road Maintenance		\$899.40	\$899.40
	Rehab		\$2,754.00	\$2,754.00
	Road Formation	\$600.00		\$600.00
	Stockpile Works		\$252.00	\$252.00
	Trucks - Cart & Dump		\$5,280.00	\$5,280.00
		\$5,754.00	\$25,736.65	\$31,490.65

Table 3: Engineering Costs

Engineering in September included construction of Landing 15 and Pad 15A on Moonlight Road. Maintenance work was completed on East Road in relation to harvest operations.

Planned Activities for October 2021

The harvest crew will complete Setting 18 on East Road before moving to Setting 12 on Happy Valley Road. This is an interim move to harvest windblown trees before they become unsalvageable. After Landing 12 they will move back to Setting 24 on East Road, which was not completed after Landing 18 as the site was still wet which would affect the two-staging required from the pad to the processing site.

There are water controls remaining to complete on Moonlight Road and ongoing maintenance associated with harvesting.

Net Revenue

Net revenue for the project to date excluding GST is shown in Table 4 below:

MONTH	NET MONTH	NET PROJECT
September	\$241,493.75	\$6,764,569.49

Table 4: Total Revenue

The net revenue for the month equates to an average of **\$50.48** per tonne, or **\$33,081.34** per hectare.

Fees and Levies

Management fees and FGC levies are summarised in Table 5 below:

FEES & LEVIES		TOTAL
September	Management	\$25,437.51
	FGC levy	\$1,589.70
		\$27,027.20

Table 5: Fees and Levies

Miscellaneous

See Table 6 below:

MISCELLANEOUS		TOTAL
September	Consumables	\$126.96
	Other	\$103.64
		\$230.60

Table 6: Miscellaneous Expenses

Consumable costs are for docket books used for the loadout of logs during September and for antisapstain used to treat the ends of pruned export logs.

Other costs are for the proportional costs of operating the forest digital radio network.

Health and Safety

There were no health and safety incidents reported in the forest during September.

Environmental

There was no site-specific environmental planning or monitoring undertaken during September.

Financial Performance

The graph below shows the actual project results compared with the forecast budget.

The orange cumulative line measures actual performance against the forecast budget.

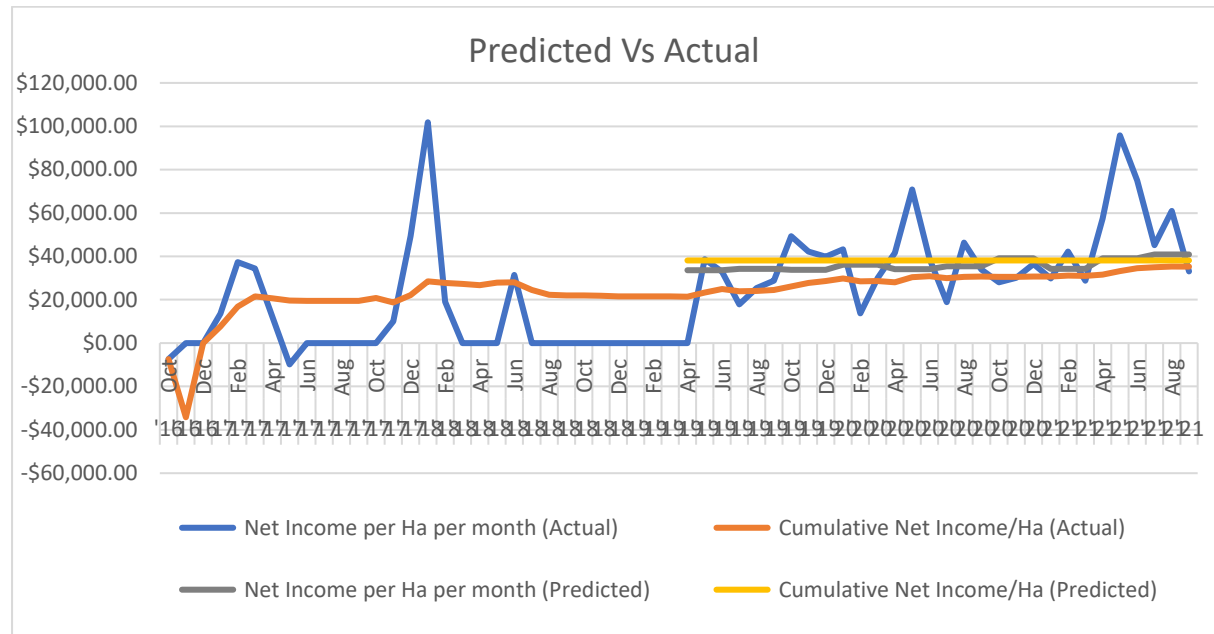


Chart 2: Actual vs Predicted

Net return per tonne to date is **\$46.15**, forecast was \$50.70.

Gross return per tonne to date is **\$132.64**, forecast was \$135.61.

Net return per hectare to date is **\$35,232.13**, forecast was \$38,119.31.

Kind Regards

FMNZ Harvest Team

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)



Historic Harvesting Financial Summary

Cricklewood Forest Partnership

01/09/2021 to 30/09/2021

Paid to bank account # 02-0792-0001502-000

GST # 61-378-960

SALES					
Type	Grade	Tonnes	Jas (m3)	Sales Price	Gross Revenue (\$)
Binwood					
Pulp		323.38		\$45.50	\$14,713.79
TOTAL BINWOOD SALES		323.38			\$14,713.79

Domestic					
Pruned Dom		202.54		\$209.50	\$42,432.13
Pruned Dom	P1 4.9	526.20		\$207.00	\$108,923.40
TOTAL DOMESTIC SALES		728.74			\$151,355.53

Export					
Pruned Exp	P40 3.9	0.00	150.577	\$186.00	\$28,007.32
Pruned Exp	P30 3.9	0.00	183.964	\$150.00	\$27,594.60
A40	AO 3.8	0.00	513.486	\$129.00	\$66,239.69
A30	A 3.8	0.00	484.953	\$127.00	\$61,589.03
A30	A 5.8	0.00	1,001.974	\$129.00	\$129,254.65
K	K 3.8	0.00	176.036	\$119.00	\$20,948.28
K	K 5.8	0.00	339.553	\$121.00	\$41,085.91
KI	KI 3.8	0.00	392.081	\$111.00	\$43,520.99
TOTAL EXPORT SALES		0.00	3,242.624		\$418,240.47

Export Pulp					
Export Pulp	KIS 2.9	0.00	219.170	\$93.00	\$20,382.81
Export Pulp	KIS 3.8	0.00	303.350	\$103.00	\$31,245.05
TOTAL EXPORT PULP SALES		0.00	522.520		\$51,627.86
TOTAL		1,052.12	3,765.144		\$635,937.65

FEES		
FMNZ Management Fee @ %		\$25,437.51
TOTAL FEES		\$25,437.51

Appendix 1 Harvesting Financial Summary (Continued)

LEVIES	
Forest Grower Commodity Levy @ \$0.33	\$1,589.70
TOTAL LEVIES	\$1,589.70
COSTS	
Harvesting	\$184,901.60
Cartage	\$149,332.04
Weighbridge	\$1,455.82
Consumables	\$126.96
Establishment	\$320.00
Grass Seeding	\$75.00
Landings	\$1,596.00
Metalling: Cart to stockpile	\$5,280.00
Other	\$103.64
Pads	\$16,030.00
Post Harvest Rehab	\$2,754.00
R&M - Metal	\$3,684.25
R&M - Road Maintenance	\$899.40
Road Formation	\$600.00
Stockpile Works	\$252.00
Trailer Lifting	\$6.00
TOTAL COSTS	\$367,416.71
TOTAL FEES, LEVIES & COSTS	\$394,443.92
NET INCOME	\$241,493.73
GST	\$36,224.06
NET INCOME (INCLUDING GST)	\$277,717.79



Photo 1: East Road coming out from Setting 18.



Photo 2: Log 11 hauler at Pad 18A.



Photos 3 & 4: Setting 18 cutover looking towards the Rotongaio boundary.





Photo 5: Pad 18A from the backline. Grapple machine shovelling to the skyline.



Photo 6: Setting 18 looking from Bradshaw Road.



Photos 7 & 8: Aerial view of Landing 18 operations.



CRICKLEWOOD CUMULATIVES

Categories	Descriptions	May 13 - Feb 17	Mar 17 - Feb 18	Mar 18 -Feb 19	Mar 19 -Feb 20	Mar 20 -Feb 21	Mar 21	Apr 21	May 21	June 21	July 21	Aug 21	Sep 21	Grand Total
Engineering	Corduroy					-\$385.00								-\$385.00
	Crossings	-\$2,080.00												-\$2,080.00
	Culvert Installation			-\$510.30	-\$2,712.00	-\$882.00	-\$5,316.00							-\$9,420.30
	Culverts	-\$14,035.61	-\$21,380.60	-\$4,748.27	-\$7,394.51	-\$17,359.39	-\$2,846.34			\$3,795.12				-\$63,969.60
	Culverts - Freight		-\$624.00	-\$2,660.00	-\$680.00	-\$2,790.00	-\$640.00					-\$50.00		-\$7,444.00
	Entranceway - Seal	-\$2,497.47			-\$73.70									-\$2,571.17
	Establishment - Engineering	-\$4,302.60	-\$2,160.00	-\$1,187.35	-\$3,477.40	-\$7,067.43	-\$1,680.00	-\$1,832.00	-\$60.00	-\$960.00	-\$610.00		-\$320.00	-\$23,656.78
	Fluming		-\$5,942.75	-\$1,076.20	-\$893.00	-\$7,119.27	-\$1,586.00			\$1,586.00				-\$15,031.22
	Grass Seeding				-\$436.15	-\$1,842.41	-\$285.00	-\$585.50	-\$380.00				-\$75.00	-\$3,604.06
	Landings	-\$18,280.00	-\$24,067.50	-\$33,180.44	-\$27,456.00	-\$46,300.00	-\$3,591.00					-\$7,824.00	-\$1,596.00	-\$162,294.94
	Loader Hire				-\$1,950.64	-\$3,327.00								-\$5,277.64
	Loadout Bay Construction					-\$2,486.65		-\$1,471.00		-\$1,650.00	-\$2,015.00	-\$110.00		-\$7,732.65
	Loadout Bay Metal	-\$1,292.83			-\$280.00	-\$2,879.00	-\$385.00							-\$4,836.83
	Metal Lime					-\$912.00								-\$912.00
	Metal Rock	-\$119,579.52	-\$124,267.33	-\$30,222.35	-\$39,243.06	-\$63,221.76	-\$28,110.49				-\$5,276.90	-\$3,362.67		-\$413,284.08
	Other				-\$801.67	-\$1,474.79								-\$2,276.46
	Pads		-\$3,555.00			-\$8,031.00	-\$1,296.00					-\$27,896.00	-\$16,030.00	-\$56,808.00
	Pavement			-\$11,603.72	-\$876.00	-\$5,902.30	-\$748.90	-\$1,962.60		-\$432.00	-\$2,244.00			-\$23,769.52
	Public Roads		-\$2,166.67											-\$2,166.67
	R&M		-\$4,145.00	-\$10,492.20	-\$40,460.70	-\$10,359.10	-\$4,334.00	-\$1,540.58		-\$3,385.40	-\$290.00			-\$75,006.98
	R&M - Metal		-\$2,040.00			-\$1,045.00	-\$742.31						-\$3,684.25	-\$7,511.56
	R&M - Road Maintenance	-\$6,905.00	-\$52,336.05	-\$2,135.00		-\$1,265.00	-\$3,335.10	-\$6,084.40	-\$1,656.60	-\$3,630.00		-\$220.00	-\$899.40	-\$78,466.55
	Rehab				-\$10,187.21	-\$26,016.00	-\$7,547.00		-\$2,562.00	-\$8,162.00	-\$4,884.00		-\$2,754.00	-\$62,112.21
	Rehab - Skids/Pads		-\$1,235.00											-\$1,235.00
	Road Formation	-\$58,574.50	-\$127,867.31	-\$76,797.90	-\$9,150.60	-\$132,481.00	-\$24,714.00					-\$4,051.00	-\$600.00	-\$434,236.31
	Sediment Control				-\$26.88	-\$390.61								-\$417.49
	Spread from stockpile		-\$5,165.91	-\$41,780.72	-\$24,922.97	-\$20,187.50	-\$4,400.00	-\$1,980.00			-\$6,124.00			-\$104,561.11
	Stockpile Works					-\$15,195.13	-\$4,815.30	-\$1,209.00		-\$204.00	-\$1,011.30	-\$609.90	-\$252.00	-\$23,296.63
	Temp Landings					-\$12,333.00								-\$12,333.00
	Trucks - Cart & Dump		-\$27,194.82	-\$14,400.45	-\$43,249.62	-\$58,804.12	-\$27,520.00	-\$1,680.00				-\$3,760.00	-\$5,280.00	-\$181,889.02
	Trucks - Cart & Spread	-\$43,665.93	-\$59,790.58		-\$2,559.00	-\$3,905.00								-\$109,920.51
	Upgrade Roads	-\$12,687.42												-\$12,687.42
	R&M - Culverts Maintenance									-\$75.00	-\$500.00	-\$75.00		-\$650.00
	R&M - Event Cleanup									-\$1,650.00				-\$1,650.00
Engineering Total		-\$283,900.88	-\$463,938.52	-\$230,794.90	-\$216,831.12	-\$453,961.47	-\$123,892.44	-\$18,345.08	-\$4,658.60	-\$14,767.28	-\$22,955.20	-\$47,958.57	-\$31,490.65	-\$1,913,494.70
Fees	FGC levy	-\$1,812.35	-\$3,889.67	-\$422.75	-\$11,282.07	-\$14,108.67	-\$2,031.20	-\$1,071.32	-\$1,691.28	-\$1,701.85	-\$1,294.44	-\$1,166.62	-\$1,589.70	-\$42,061.92
	Management	-\$37,117.01	-\$80,785.48	-\$9,738.89	-\$203,391.10	-\$256,071.32	-\$35,519.84	-\$19,560.11	-\$31,980.33	-\$34,008.44	-\$25,446.05	-\$18,578.68	-\$25,437.51	-\$777,634.77
Fees Total		-\$38,929.36	-\$84,675.15	-\$10,161.64	-\$214,673.17	-\$270,179.98	-\$37,551.03	-\$20,631.44	-\$33,671.61	-\$35,710.30	-\$26,740.50	-\$19,745.30	-\$27,027.20	-\$819,696.69
Harvesting	Cartage - Trans Shipping				-\$495.00									-\$495.00
	Cartage - Truck	-\$175,677.48	-\$378,840.46	-\$42,923.31	-\$1,198,921.51	-\$1,400,311.75	-\$175,709.41	-\$91,563.36	-\$147,334.69	-\$152,391.44	-\$123,489.40	-\$111,718.35	-\$149,332.04	-\$4,148,213.18
	Establishment - harvesting	-\$3,656.25			-\$28,624.50				-\$480.00					-\$32,760.75
	Logging	-\$253,432.64	-\$526,166.32	-\$66,452.62	-\$1,653,461.22	-\$1,938,819.20	-\$234,073.20	-\$120,398.80	-\$199,554.40	-\$208,653.20	-\$154,267.20	-\$140,079.60	-\$184,901.60	-\$5,680,260.01
	Logging - Hourly				-\$2,500.00									-\$2,500.00
	Tracking		-\$2,220.00											-\$2,220.00
	Trailer Lifting	-\$144.43	-\$1,021.01			-\$6.00	-\$30.00	-\$12.00		-\$30.00	-\$12.00		-\$6.00	-\$1,261.44
	Weighbridge	-\$2,319.94	-\$5,013.06	-\$627.23	-\$13,871.63	-\$16,267.29	-\$1,740.20	-\$896.63	-\$1,640.27	-\$1,752.16	-\$1,209.99	-\$1,162.78	-\$1,455.82	-\$47,956.98
Harvesting Total		-\$435,230.73	-\$913,260.84	-\$110,003.16	-\$2,897,873.87	-\$3,355,404.23	-\$411,552.81	-\$212,870.79	-\$349,009.37	-\$362,826.79	-\$278,978.58	-\$252,960.72	-\$335,695.46	-\$9,915,667.35
Income	Log Sales	\$927,920.00	\$2,019,637.11	\$243,472.23	\$5,084,777.48	\$6,401,782.88	\$887,995.91	\$489,002.87	\$799,508.23	\$850,211.12	\$636,151.37	\$464,467.12	\$635,937.66	\$19,440,863.97
Income Total		\$927,920.00	\$2,019,637.11	\$243,472.23	\$5,084,777.48	\$6,401,782.88	\$887,995.91	\$489,002.87	\$799,508.23	\$850,211.12	\$636,151.37	\$464,467.12	\$635,937.66	\$19,440,863.97
Miscellaneous	Consultancy Fees			-\$165.84	-\$386.36							-\$614.39		-\$1,166.59
	Consumables	-\$410.98	-\$570.21	-\$124.85	-\$1,530.32	-\$2,297.60	-\$146.85	-\$59.09	-\$141.25	-\$308.12	-\$111.96	-\$65.14	-\$126.96	-\$5,893.34
	Environmental Monitoring				-\$150.00					-\$1,182.90	-\$269.50			-\$1,602.40
	Fencing				-\$391.18									-\$391.18
	Other		-\$123.60	-\$4,996.02	-\$2,577.03	-\$2,905.15	-\$95.00	-\$95.00	-\$95.00	-\$95.00	-\$114.00	-\$688.21	-\$103.64	-\$11,887.66
	Royalty payments			-\$500.00										-\$500.00
	Security			-\$45.75	-\$396.30	-\$101.25	-\$568.91	-\$1,757.30		-\$13.04		-\$2,226.85		-\$5,109.40
	Traffic Management	-\$109.22		-\$189.20	-\$222.34	-\$282.41						-\$82.00		-\$885.17
Miscellaneous Total		-\$520.20	-\$693.81	-\$6,021.66	-\$5,653.53	-\$5,586.41	-\$810.76	-\$1,911.39	-\$236.25	-\$1,599.06	-\$495.46	-\$3,676.59	-\$230.60	-\$27,435.74
Grand Total		\$169,338.83	\$557,068.78	-\$113,509.13	\$1,749,745.79	\$2,316,650.79	\$314,188.87	\$235,244.17	\$411,932.40	\$435,307.68	\$306,981.63	\$140,125.93	\$241,493.75	\$6,764,569.49