# HARVESTING REPORT
# February 2022

# QUAIL RIDGE FOREST

**Recently cleared Setting 101.**

# Clearfell Harvesting Report – Quail Ridge – February 2022

## Summary

- Gross revenue for the month is **$56,301.55**
- Costs for the month are **$50,900.12**
- Net income for the month is **$5,401.43**
- Tonnes harvested for the month is **454.26**
- Net income per tonne for the month is **$11.89**
- Area cleared for the month is **1** hectares

The project performance to date is set out below:

- Project gross revenue to date is **$15,434,599.76**
- Project costs to date are **$10,459,177.06**
- Project net income to date is **$4,975,422.71**
- Tonnes harvested to date is **105,841.37**
- Net income per tonne to date is **$47.01**
- Recoverable volume per hectare to date is **757.60** tonnes
- Net income per hectare to date is **$35,615.05**
- Total forest area is **225.4** hectares, approximate hectares cleared to date is **139.70** 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 **$56,301.55** with an average sale price over all grades of **$123.94** per tonne**.**

## February 2022 - Log Markets, Hawkes Bay

The February export prices have increased $22.93/Jas m$^3$ on average, with the increases favouring pruned grades.

Radiata log inventories on the main Chinese ports we monitor have increased to 4.1Mm$^3$, with daily offtake down significantly to 20Km$^3$ per day. This was expected because of the Lunar New Year in early February. How the offtake increases will be interesting to see as the full effects of the Evergrande crisis unfold.

Reduced supplies out of New Zealand in the last quarter of 2021 has been key for reengaging Chinese buying, particularly when other parts of the world are offering no more volume than normal. We are seeing both the log and freight markets rise and expect to see increased AWG returns in the short term and then most likely increased volatility as the year progresses. China has now exited the LNY Holiday, and log demand / freight has lifted sharply. The New Zealand share of the China market is likely to increase further in the near term as supply from other major sources remain constrained due to high container costs and complex supply chain issues.

The spread of Omicron continues around the rest of the country, it is expected this will affect staff attendance as they isolate. This may affect log production, cartage, exporting operations as well as domestic sawmilling.

The recent Russian invasion of Ukraine has seen the rapid increase in crude oil prices. This is feeding into ocean freight rates lifting US$25 since January. Demand for freight is up sharply post LNY as more vessels look to relocate to the Pacific and away from the Atlantic due to concerns regarding the war escalating.

The NZD has continued to trade higher against the USD since the beginning of February.

Mid-quarter, domestic pruned log prices have settled flat, due to concerns relating to the slowdown in harvesting affecting production / supply.

## Grade Recovery

Grade out turn for February is as follows:

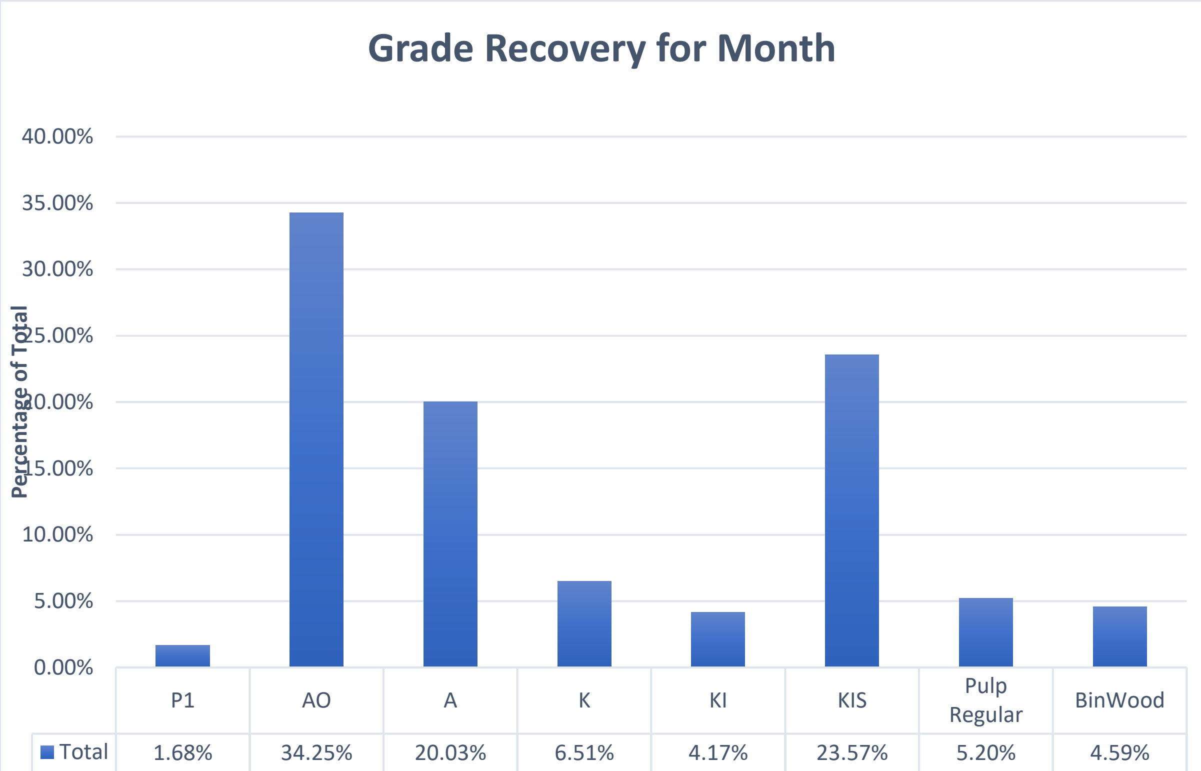



**Chart 1: Grade Recovery for Month**

Pruned recovery for February comprised 2% of overall sales volume, 2% of which was sold as domestic pruned grades.

High quality export sawlog (AO, A and K grades) made up 61% of the total production volume, with lower quality export (KI and KIS grades) comprising 28% of volume.

The remaining 9% of production was made up of domestic pulp and binwood.

The grade recovery for the month is not representative of the forest as only a small volume of logs was uplifted in February.

# Expenditure

## Harvesting

The total logging cost for the month was **$18,635.76**, an average of **$41.02** per tonne.

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

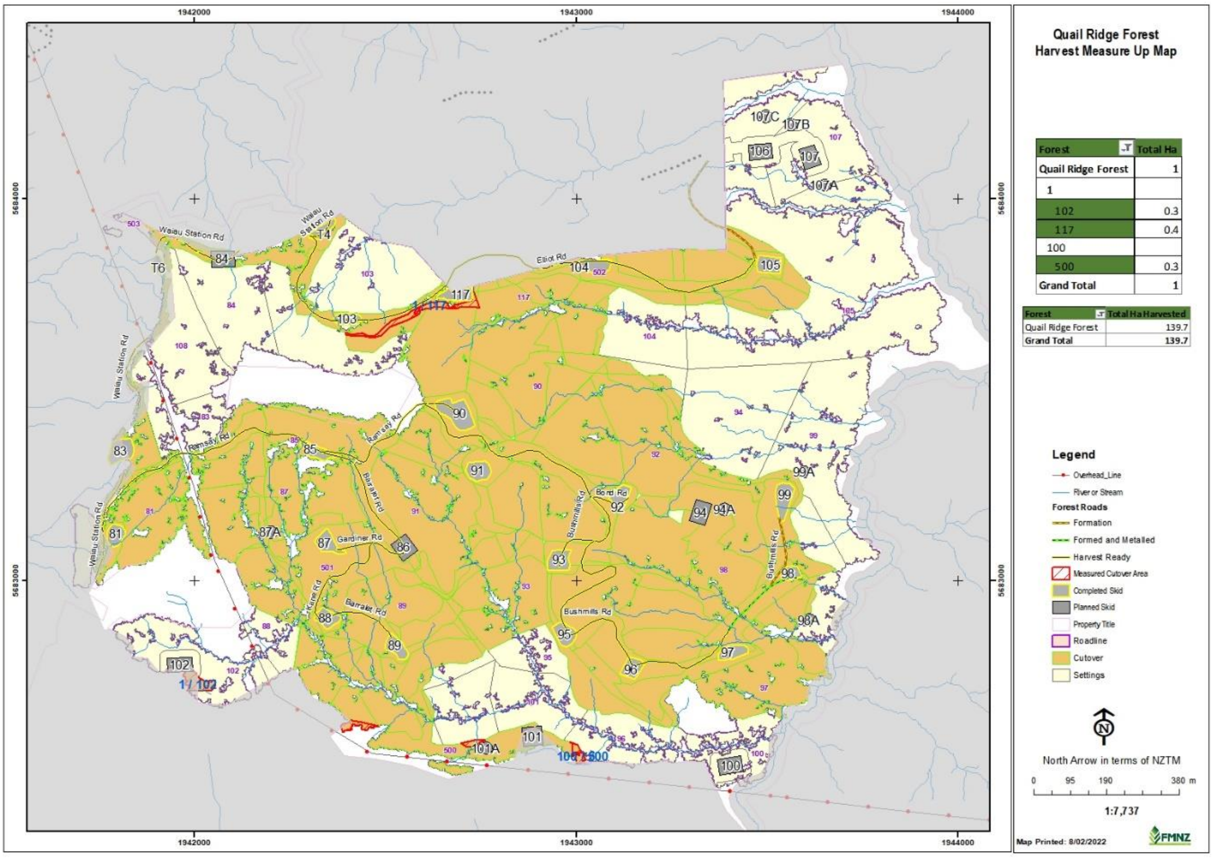
| LOGGING COSTS | | TOTAL |
|---|---|---|
| February | Logging – tonnes | $18,635.76 |
| | | **$18,635.76** |

Table 1: Logging Costs

| ADDITIONAL HARVEST COSTS | | TOTAL |
|---|---|---|
| February | Tracking | $330.00 |
| | | **$330.00** |

Table 2: Additional Logging Costs

Tracking costs are for extra tracking required by the Log 58 harvest crew to get access to Setting 101 to carry out ground-based harvesting to clear trees adjacent to Putere Road.




Pic 1: Progress Map

Log 58 harvest crew left the forest at the beginning of February after completing the area around the power line corridor in Setting 101.

At the end of February, Log 26 harvest crew returned to Quail Ridge and cut an area for Landing 102 where they will return to in mid-March to cut the power line section and pull the setting.

Uplift of the remaining logs from Elliot Road was completed.

## Cartage

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

There has been a further increase in transport costs due to the ongoing increase in diesel price.

The total cartage expense for the month was **$15,184.57** which is an average unit rate of **$33.43** per tonne.

Cartage expenditure for the month is summarised below in Table 3:

| CARTAGE COSTS | | TOTAL |
|---|---|---|
| February | Cartage - Truck | $15,184.57 |
| | Weighbridge | $179.31 |
| | | **$15,363.88** |

Table 3: Cartage Costs

The average cart rate for February inclusive of weighbridge fees is **$33.82** per tonne.

## Engineering

| ENGINEERING | | RL | CF | TOTAL |
|---|---|---|---|---|
| February | R&M | $1,822.80 | | $1,822.80 |
| | Establishment - Engineering | | $440.00 | $440.00 |
| | Grass Seeding | | $342.00 | $342.00 |
| | Landings | | $1,320.00 | $1,320.00 |
| | Loadout Bay Construction | | $2,299.00 | $2,299.00 |
| | Other | | $41.25 | $41.25 |
| | R&M - Road Maintenance | | $330.00 | $330.00 |
| | Rehab | | $6,762.00 | $6,762.00 |
| | | $1,822.80 | $11,534.25 | **$13,357.05** |

Table 4: Engineering Costs

Earthworks carried out in February related to construction of the loadout bay up to Landing 102 and post-harvest rehabilitation on Landings 108, 117 and Trewavas Road.

## Net Revenue

Net revenue for the project to date excluding GST is shown in Table 5 below:

| MONTH | NET MONTH | NET PROJECT |
|---|---|---|
| February | **$5,401.43** | **$4,975,422.71** |

Table 5: Total Revenue

The net revenue for the month equates to an average of **$11.89** per tonne, or **$5,401.43** per hectare.

### Fees and Levies

Management fees and FGC levies are summarised in Table 6 below:

| FEES & LEVIES | | TOTAL |
|---|---|---|
| February | Management | $2,252.06 |
| | FGC levy | $156.85 |
| | | **$2,408.91** |

Table 6: Fees and Levies

### Miscellaneous

See Table 7 below:

| MISCELLANEOUS | | TOTAL |
|---|---|---|
| February | Consumables | $8.53 |
| | Other | $796.00 |
| | | **$804.53** |

Table 7: Miscellaneous Expenses

Consumable costs are for docket books used for the loadout of logs during February.

Other costs are for the proportional costs of operating the forest digital radio network and for a late invoice from November for transporting a fencing tractor.

### Health and Safety

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

### Environmental

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

## 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.

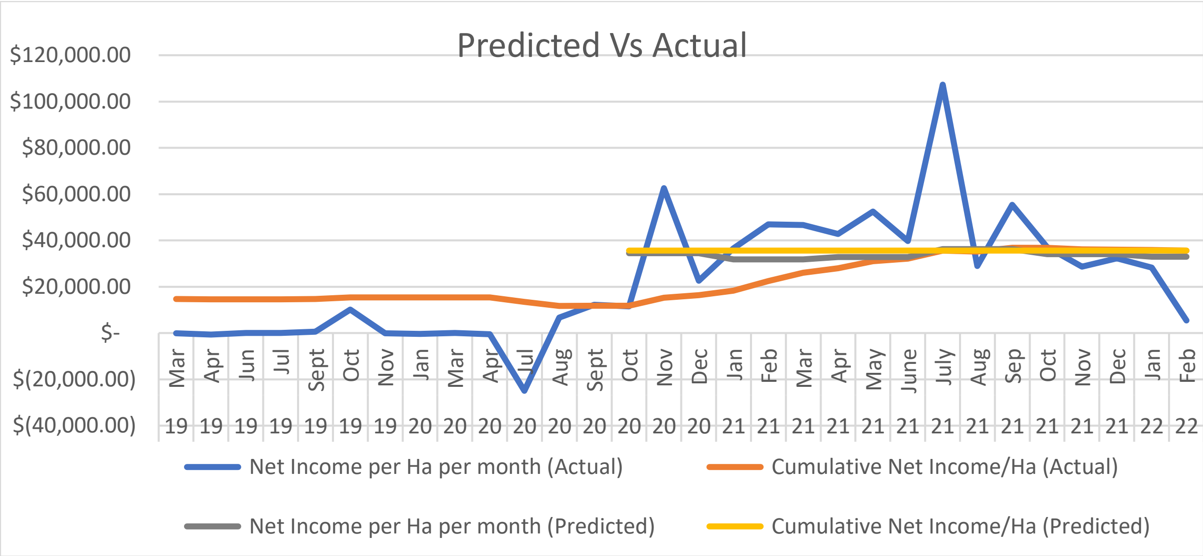



**Chart 2: Actual vs Predicted**

Net return per tonne to date is **$47.01**, forecast was $45.50.

Gross return per tonne to date is **$145.83**, forecast was $134.92.

Net return per hectare to date is **$35,615.05**, forecast was $35,617.00.

Kind Regards

**FMNZ Harvest Team**

## Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

FMNZ

### Historic Harvesting Financial Summary

**Quail Ridge Forest Partnership** 01/02/2022 to 28/02/2022

Paid to bank account # 02-0792-0001510-000 GST # 61-378-677

| SALES | | | | | |
|---|---|---|---|---|---|
| **Type** | **Grade** | **Tonnes** | **Jas (m3)** | **Sales Price** | **Gross Revenue ($)** |
| **Binwood** | | | | | |
| Pulp | BinWood | 20.84 | | $45.50 | $948.22 |
| **TOTAL BINWOOD SALES** | | **20.84** | | | **$948.22** |
| **Domestic** | | | | | |
| Pruned Dom | P1 4.9 | 7.64 | | $192.00 | $1,466.88 |
| **TOTAL DOMESTIC SALES** | | **7.64** | | | **$1,466.88** |
| **Domestic Pulp** | | | | | |
| Pulp | PULP | 23.64 | | $45.50 | $1,075.62 |
| **TOTAL DOMESTIC PULP SALES** | | **23.64** | | | **$1,075.62** |
| **Export** | | | | | |
| A40 | AO 3.8 | 0.00 | 57.462 | $134.00 | $7,699.91 |
| A40 | AO 5.8 | 0.00 | 105.137 | $135.00 | $14,193.50 |
| A30 | A 3.8 | 0.00 | 38.362 | $132.00 | $5,063.78 |
| A30 | A 5.8 | 0.00 | 28.171 | $134.00 | $3,774.91 |
| A30 | A 7.7 | 0.00 | 29.460 | $135.00 | $3,977.10 |
| K | K 3.8 | 0.00 | 16.773 | $124.00 | $2,079.85 |
| K | K 5.8 | 0.00 | 12.182 | $126.00 | $1,534.93 |
| KI | KI 3.8 | 0.00 | 18.890 | $116.00 | $2,191.24 |
| **TOTAL EXPORT SALES** | | **0.00** | **306.437** | | **$40,515.22** |
| **Export Pulp** | | | | | |
| Export Pulp | KIS 2.9 | 0.00 | 31.113 | $98.00 | $3,049.07 |
| Export Pulp | KIS 3.8 | 0.00 | 85.616 | $108.00 | $9,246.53 |
| **TOTAL EXPORT PULP SALES** | | **0.00** | **116.729** | | **$12,295.60** |
| **TOTAL** | | **52.12** | **423.166** | | **$56,301.54** |

| FEES | |
|---|---|
| FMNZ Management Fee @ % | $2,252.06 |
| **TOTAL FEES** | **$2,252.06** |

## Appendix 1 Harvesting Financial Summary (Continued)

| | |
|---|---|
| **LEVIES** | |
| Forest Grower Commodity Levy @ $0.33 | $156.84 |
| **TOTAL LEVIES** | **$156.84** |
| | |
| **COSTS** | |
| Harvesting | $18,635.76 |
| Cartage | $15,184.57 |
| Weighbridge | $179.31 |
| Consumables | $8.53 |
| Establishment | $440.00 |
| Grass Seeding | $342.00 |
| Landings | $1,320.00 |
| Loadout Bay: Construction | $2,299.00 |
| Other | $837.25 |
| Post Harvest Rehab | $6,762.00 |
| R&M - Road Maintenance | $330.00 |
| Repairs & Maintenance | $1,822.80 |
| Tracking | $330.00 |
| **TOTAL COSTS** | **$48,491.22** |
| **TOTAL FEES, LEVIES & COSTS** | **$50,900.12** |

| | |
|---|---|
| NET INCOME | **$5,401.42** |
| GST | **$810.21** |
| NET INCOME (INCLUDING GST) | **$6,211.63** |

**QuailRidge Cumulatives**

| Categories | Descriptions | 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 | Oct 21 | Nov 21 | Dec 21 | Jan 22 | Feb 22 | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Engineering** | Culvert Installation | | -$1,522.30 | | -$9,805.00 | -$4,494.00 | -$70.00 | -$175.00 | -$588.00 | | | -$1,466.50 | | | | -$560.00 | | -$18,680.80 |
| | Culverts | -$12,162.89 | -$13,029.32 | $600.28 | -$22,383.84 | -$4,256.34 | | | -$2,846.34 | | | | | | | | | -$54,078.45 |
| | Culverts - Freight | | | | -$2,815.00 | -$495.00 | -$70.00 | -$105.00 | -$448.00 | | -$87.50 | | | | -$50.00 | | | -$4,070.50 |
| | Entranceway - Seal | -$6,069.64 | -$181.52 | | -$1,280.00 | | | | | | | | | | -$2,618.00 | | | -$10,149.16 |
| | Establishment - Engineering | -$4,177.50 | -$1,362.30 | | -$14,790.58 | -$1,364.00 | -$945.00 | -$720.00 | -$350.00 | -$2,328.00 | -$856.00 | -$2,078.00 | -$1,883.76 | -$520.80 | -$270.00 | -$450.00 | -$440.00 | -$32,535.94 |
| | Fluming | | -$2,883.97 | | -$7,050.57 | -$1,586.00 | | -$253.42 | -$1,586.00 | -$35.48 | | | | | | | | -$13,395.44 |
| | Geotextiles | -$1,443.20 | -$1,210.00 | | | | | | | | | | | | | | | -$2,653.20 |
| | Grass Seeding | | | | -$951.90 | -$190.00 | -$875.00 | -$380.00 | | | | -$100.00 | | | | | -$342.00 | -$2,838.90 |
| | Labour | | -$210.00 | | | | | | | | | | | | | | | -$210.00 |
| | Landings | -$26,214.30 | -$9,203.20 | | -$177,782.50 | -$31,605.00 | -$23,710.80 | -$17,381.70 | -$1,701.00 | -$7,497.00 | | -$1,833.30 | | | -$8,148.00 | | -$1,320.00 | -$306,396.80 |
| | Loadout Bay Construction | | | | -$4,051.50 | | -$577.50 | -$25.20 | -$7,190.00 | -$660.00 | -$1,265.00 | -$6,501.00 | -$1,948.00 | -$1,094.00 | -$825.00 | -$440.00 | -$2,299.00 | -$26,876.20 |
| | Loadout Bay Metal | | | | -$3,310.00 | | | | | -$880.00 | | | | | | | | -$4,190.00 |
| | Metal Rock | -$50,975.71 | -$7,040.66 | $4,200.00 | -$104,642.34 | -$19,695.46 | -$20,786.23 | -$17,768.20 | -$9,573.90 | -$2,072.50 | -$4,125.05 | -$757.21 | -$5,365.62 | | -$1,658.83 | | | -$240,261.70 |
| | Other | | | | -$1,963.55 | -$800.00 | | | | | | -$210.00 | -$928.00 | | | | -$41.25 | -$3,942.80 |
| | Pads | | | | -$2,232.50 | | | | -$4,935.00 | | | -$280.00 | | | | | | -$7,447.50 |
| | Pavement | | -$11,772.00 | | -$26,659.12 | -$2,088.00 | -$660.00 | -$2,069.73 | -$336.00 | -$6,284.90 | -$739.20 | -$235.20 | -$1,728.00 | | | | | -$52,572.15 |
| | Polycom | -$4,937.00 | | | -$5,135.00 | | | | | | | | | | | | | -$10,072.00 |
| | Public Roads | -$2,166.66 | | | | | | | | | | | | | | | | -$2,166.66 |
| | R&M | | -$3,319.65 | | -$3,497.00 | -$425.50 | | -$1,608.00 | -$5,764.51 | -$12,716.00 | -$5,361.00 | -$220.00 | | | -$378.00 | | -$1,822.80 | -$35,112.46 |
| | R&M - Road Maintenance | | -$165.00 | | -$2,482.50 | -$4,649.10 | -$5,548.50 | -$1,535.16 | -$731.20 | | -$3,855.00 | -$9,635.60 | -$2,742.39 | -$3,178.48 | | | -$330.00 | -$34,852.93 |
| | Rehab | | | | -$3,525.00 | -$140.00 | -$1,050.00 | -$2,226.87 | -$1,261.54 | -$17,416.00 | -$6,182.00 | -$8,605.80 | -$7,527.80 | -$2,716.00 | -$2,198.00 | | -$6,762.00 | -$59,611.01 |
| | Road Formation | -$80,997.95 | -$47,637.40 | | -$294,148.39 | -$52,715.00 | -$27,172.20 | -$20,611.50 | -$23,517.90 | -$20,022.00 | -$2,788.80 | -$11,579.40 | -$666.40 | | | | | -$581,856.94 |
| | Sediment Control | | | | -$1,001.00 | | | | | | | | | | | | | -$1,001.00 |
| | Spread from stockpile | | -$4,568.25 | | -$41,265.10 | -$5,940.00 | -$154.00 | -$3,539.40 | -$2,194.50 | -$7,608.00 | -$687.50 | -$2,090.00 | -$1,820.50 | | | | | -$69,867.25 |
| | Stockpile Works | | | | -$33,528.14 | -$4,600.35 | -$3,956.55 | -$3,564.15 | -$2,109.45 | -$1,104.00 | -$765.33 | -$1,168.31 | -$1,769.10 | -$372.00 | -$156.00 | | | -$53,093.38 |
| | Temp Landings | | | | -$9,275.00 | | | | | | -$966.00 | -$1,750.00 | | | | | | -$11,991.00 |
| | Trucks - Cart & Dump | -$66,552.32 | -$71,563.66 | $5,880.00 | -$125,222.51 | -$23,440.00 | -$24,640.00 | -$24,480.00 | -$11,280.00 | | -$5,824.00 | -$3,568.00 | -$6,320.00 | -$7,027.85 | -$1,317.22 | | | -$365,355.56 |
| | Trucks - Cart & Spread | -$51,758.65 | -$2,395.52 | | -$1,409.50 | | | | | | | | | | | | | -$55,563.67 |
| | R&M - Culverts Maintenance | | | | | | | -$100.00 | | -$72.00 | -$1,416.00 | | -$210.00 | | | | | -$1,798.00 |
| | R&M - Metal | | | | | | | | | -$8,005.00 | | | | | | | | -$8,005.00 |
| | R&M - Event Cleanup | | | | | | | | | | | -$368.28 | | | | | | -$368.28 |
| **Engineering Total** | | **-$307,455.82** | **-$178,064.75** | **$10,680.28** | **-$900,207.54** | **-$158,483.75** | **-$110,215.78** | **-$96,543.33** | **-$76,413.34** | **-$86,700.88** | **-$34,918.38** | **-$52,446.60** | **-$32,909.56** | **-$14,909.13** | **-$17,619.05** | **-$1,450.00** | **-$13,357.05** | **-$2,071,014.68** |
| **Fees** | FGC levy | -$1,682.03 | -$888.28 | | -$8,568.45 | -$2,485.82 | -$1,800.79 | -$2,457.87 | -$1,980.91 | -$2,095.10 | -$1,401.86 | -$3,175.74 | -$2,524.51 | -$2,184.48 | -$1,578.15 | -$783.60 | -$156.84 | -$33,764.43 |
| | Management | -$38,073.70 | -$18,838.66 | | -$161,844.10 | -$45,895.46 | -$34,011.45 | -$47,099.17 | -$41,517.10 | -$42,807.87 | -$22,891.13 | -$53,375.65 | -$40,527.84 | -$33,119.57 | -$23,481.41 | -$11,648.81 | -$2,252.06 | -$617,383.99 |
| **Fees Total** | | **-$39,755.73** | **-$19,726.93** | | **-$170,412.55** | **-$48,381.28** | **-$35,812.24** | **-$49,557.05** | **-$43,498.01** | **-$44,902.97** | **-$24,292.99** | **-$56,551.39** | **-$43,052.35** | **-$35,304.05** | **-$25,059.56** | **-$12,432.41** | **-$2,408.91** | **-$651,148.43** |
| **Harvesting** | Cartage - Truck | -$174,544.39 | -$95,024.83 | | -$821,208.93 | -$219,884.34 | -$160,018.21 | -$222,144.31 | -$185,601.86 | -$207,720.44 | -$136,005.80 | -$306,872.76 | -$243,290.00 | -$208,133.89 | -$149,500.78 | -$78,033.95 | -$15,184.57 | -$3,223,169.07 |
| | Establishment - harvesting | -$13,637.50 | | | -$11,760.00 | | | | | | -$970.00 | | -$650.00 | -$480.00 | | | | -$27,497.50 |
| | Logging | -$248,392.56 | -$131,320.39 | | -$1,159,402.08 | -$298,381.82 | -$219,213.48 | -$300,804.71 | -$261,096.94 | -$263,168.81 | -$167,534.37 | -$384,932.41 | -$301,846.02 | -$260,687.80 | -$186,108.81 | -$87,437.16 | -$18,635.76 | -$4,288,963.12 |
| | Logging - Hourly | | | | -$500.00 | | | | | | | -$13,520.00 | | | | | | -$14,020.00 |
| | Tracking | | | | -$8,200.00 | | | -$1,575.00 | | -$896.00 | -$2,912.00 | -$10,192.00 | -$8,932.00 | -$16,310.00 | -$4,984.00 | -$11,578.00 | -$330.00 | -$65,909.00 |
| | Weighbridge | -$1,954.80 | -$1,023.60 | | -$9,810.95 | -$2,217.22 | -$1,639.68 | -$2,484.34 | -$2,034.35 | -$1,890.56 | -$1,299.98 | -$2,929.90 | -$2,367.74 | -$1,967.26 | -$1,673.98 | -$850.39 | -$179.31 | -$34,324.07 |
| | Trailer Lifting | | | | | -$6.00 | | -$24.00 | -$30.00 | -$12.00 | | -$6.00 | -$6.00 | -$36.00 | -$6.00 | | | -$126.00 |
| **Harvesting Total** | | **-$438,529.24** | **-$227,368.82** | | **-$2,010,881.97** | **-$520,489.37** | **-$380,871.38** | **-$527,032.36** | **-$448,763.15** | **-$473,687.81** | **-$308,722.15** | **-$718,453.07** | **-$557,091.76** | **-$487,614.95** | **-$342,273.57** | **-$177,899.50** | **-$34,329.64** | **-$7,654,008.76** |
| **Income** | Log Sales | $951,842.42 | $470,966.43 | | $4,046,102.58 | $1,147,386.60 | $850,286.32 | $1,177,479.27 | $1,037,927.54 | $1,070,196.84 | $572,278.27 | $1,334,391.27 | $1,013,195.92 | $827,989.36 | $587,035.27 | $291,220.14 | $56,301.55 | $15,434,599.76 |
| **Income Total** | | **$951,842.42** | **$470,966.43** | | **$4,046,102.58** | **$1,147,386.60** | **$850,286.32** | **$1,177,479.27** | **$1,037,927.54** | **$1,070,196.84** | **$572,278.27** | **$1,334,391.27** | **$1,013,195.92** | **$827,989.36** | **$587,035.27** | **$291,220.14** | **$56,301.55** | **$15,434,599.76** |
| **Miscellaneous** | Consents | -$156.52 | | | | | | | | | | | | | | | | -$156.52 |
| | Consultancy Fees | | -$165.83 | | -$480.00 | | | | | | -$614.39 | | | | | | | -$1,260.22 |
| | Consumables | -$450.13 | -$12.60 | | -$2,016.13 | -$164.82 | -$109.53 | -$206.51 | -$149.25 | -$146.56 | -$113.50 | -$204.06 | -$180.13 | -$156.63 | -$83.21 | -$85.01 | -$8.53 | -$4,086.60 |
| | Fencing | -$644.51 | | | | | | | | | | | | | | | | -$644.51 |
| | Other | -$151.39 | -$4,998.95 | -$1,343.45 | -$1,738.87 | -$95.00 | -$95.00 | -$95.00 | -$95.00 | -$114.00 | -$688.21 | -$103.64 | -$580.51 | -$87.69 | -$252.73 | -$138.33 | -$796.00 | -$11,373.77 |
| | Power Lines | | | | -$4,420.40 | | | | | -$1,697.80 | | -$14,221.46 | | $3,200.00 | -$11,153.60 | -$12,688.30 | | -$40,981.56 |
| | Royalty payments | | -$500.00 | | | | | | | | | | | | | | | -$500.00 |
| | Security | | | -$15.50 | -$3,428.25 | | | | -$89.20 | -$1,132.36 | | | -$4,384.52 | | | | | -$9,049.83 |
| | Traffic Management | -$6,501.83 | -$1,528.76 | -$37.67 | -$2,049.86 | | -$1,980.00 | | | -$178.50 | -$82.00 | | | | | -$1,584.07 | | -$13,942.69 |
| | Environmental Monitoring | | | | | | | | | -$269.50 | | | | -$420.00 | | -$320.00 | | -$1,009.50 |
| **Miscellaneous Total** | | **-$7,904.38** | **-$7,206.14** | **-$1,396.62** | **-$14,133.51** | **-$259.82** | **-$2,184.53** | **-$301.51** | **-$333.45** | **-$3,538.72** | **-$1,498.10** | **-$14,529.16** | **-$5,145.16** | **$2,535.68** | **-$11,489.54** | **-$14,815.71** | **-$804.53** | **-$83,005.20** |
| **Grand Total** | | **$158,197.25** | **$38,599.78** | **$9,283.66** | **$950,467.01** | **$419,772.37** | **$321,202.40** | **$504,045.03** | **$468,919.59** | **$461,366.46** | **$202,846.64** | **$492,411.05** | **$374,997.07** | **$292,696.90** | **$190,593.55** | **$84,622.52** | **$5,401.43** | **$4,975,422.71** |

# April 2022 Update

## LOG MARKET UPDATE

Global markets during March have been driven by the war in Ukraine with all major commodities trading higher. Demand in China has been strong, however the recent lockdowns in Shenzhen and Shanghai have seen daily Chinese port offtakes drop down to around 43,000 tonnes per day – around half the normal amount.

China is still pursuing a zero-Covid strategy, and these lockdowns mean most factories, business activities and cargo movements have been affected. Log inventories on the Chinese ports are currently at normal levels, and any reduction in processing capacity is thought to be offset by reduced supply on the back of the Ukraine conflict.

Shipping has been affected by the increase in crude oil, which has undone all recent shipping rate decreases. As European countries ban exports of commodities, we are hearing that more of the bulk shipping fleet is moving into the Pacific, this could flow through to freight rate reductions in the medium term. In New Zealand, Covid has affected port loading capacity as most major ports struggle to keep a complete labour force. Log supply on the East Coast has been hampered by the recent weather events, this has helped to stop port inventories building with the other processing constraints.

Domestically, demand remains strong. The housing market has reached a turning point, however there is a huge backlog for timber to complete the existing consented builds. Consents were the highest on record for the first part of this year.

Log prices are expected to lift slightly in April/May, however external pressures around freight, the Ukraine crisis and covid shutdowns may affect this.

## FOREST ACTIVITY UPDATE

Quail Ridge is currently sharing a clearfell harvest crew with Stoney River. This will be the case for the remainder of the year, so clearfell harvesting will be intermittent as the crew moves between the two forests.

## DAMAGE UPDATE FROM MARCH 2022 RAIN EVENT

The forest managers have been on the ground in the forest, and commented, that despite the significant amount of rain that came down during the rain event last month, the forest has escaped relatively unscathed.

There were slips on the fresh earthworks on Glenlea Station Road and slips on Monorae Station Road, and some damage on Wairoa River Road. These were able to be repaired and cleared by equipment already on site.

There were dropouts on Putere Road that have been repaired by the council. Access to log production is unaffected.