

Report for Oromahoe 18R2B2B2 Trust. October 8th 2016

Forestry

A full assessment of the forestry blocks has been undertaken in the past six months.

The back block (State Highway10) has struggled over the past 2 years and with modelling putting it on a 2028 harvest. This is a framing block, and is growing on poor heavier clay soils.

The front block (State Highway 10) is performing above expectation and harvesting is set for 2023 or there about.

The same applies to the Porotu Road block and as this is smaller it would be included in the front block harvest.

Generally international log prices have remained at their high levels with the Chinese and Indians vying for timber. There are reports of buyers coming to Northland and making cash offers for immature blocks. This also puts pressure on the local sawmills to be able to procure timber.

Emissions Trading Scheme

Carbon has seen a 300% increase on the 2015 price of \$6.80 to now be trading at \$18.80 per tonne. This equates to a return of about \$200.00 per hectare per year for new established forestry blocks and makes the option of planting alternative species such as Manuka very attractive. The returns from the honey (bee hives) are excellent. Hives can either be owned or leased to an apiarist, Kai Ora Honey in the Far North are a successful Maori owned operation that produces high UMF honey. Returns are from the carbon and the leasing of the land to the apiarist or the Trust may wish to look at the honey production itself. There are a number of areas on the farm that would be suitable to inclusion in planting under the Green House Gas research project the Trust have been involved with.

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