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ANU Forestry Market Report Project

U.N. Bhati

Department of Forestry, The Australian National University, Canberra ACT 0200

Fax (02) 6249 0746; e-mail: un.bhati@anu.edu.au

Introduction

Farm forestry is being increasingly recognised as offering substantial net benefits to Australian farms, regions, the nation and even places further afield. Yet, because of a variety of institutional, cultural and economic impediments, Australian farm forestry industry remains in early stages of development (Alexandra and Hall 1998).

One of the major economic impediments is the lack of market information from an independent and reliable source. 'This contrasts starkly with most other rural industries for which extensive market information is readily available to assist producers in making day-to-day operational decisions (eg planting and marketing decisions) and to assess new investment opportunities' (Industry Commission 1993, p. 352). Farm forest growers currently engaged in commercial production of logs complain about lack of market information and transparency in the log market. And many a potential growers ask: 'How can I invest when I do not know what the prices are now, let alone in 20 or 30 years?' (Centre for International Economics 1997, p. 47)

With the intention to filling this crucial market information gap, ANU Forestry held consultations with industry groups and other stakeholders. Following their endorsement, the project commenced in June 1997.

Objective

The project aims to contribute towards creating more informed forest product and input markets in Australia, particularly for small scale forest growers.

The aim is being achieved by preparing and disseminating nationally a quarterly market report on forest products and inputs.

Reports prepared and disseminated

By December 1999, the project has produced ten reports. Titles and publication dates of the reports are as follows.

• Market for forest products in South Korea	December 1999
• Trends in sawnwood market	September 1999
• Woodchip markets and prices	June 1999
• Cost of log transport	March 1999
• Log exports	December 1998
• Stumpage	September 1998
• Cost of tree seedlings and cuttings	June 1998
• Log and agricultural product prices beyond 2000	March 1998
• Pulplog prices	December 1997
• Structural timber prices	September 1997

The reports also provide data on log prices received by farm forest growers. The prices are given by region and State, month and year, species and type of logs. Additional information—such as log volume and distance from the place of harvest to mill or wharf—complements the details. The result is that at present, these reports are the only publicly available independent source of information on log prices received by small scale growers.

To enhance the readability of the reports by growers, we (ie ANU Forestry) write them in jargon-free plain English and deliberately keep them between one to two pages in length.

We disseminate the reports by publishing them in industry newsletters and magazines such as *Agroforestry News*, *Australian Forest Grower*, *NAFI News*, *Australian Farm Journal* and *Stock and Land* that are likely to be read by growers.

We also use the internet web sites such as those of ANU Forestry (www.anu.edu.au/Forestry/info/marketreport/index.html) and Farmwide (www.farmwide.com.au) to make the reports available widely.

To further create awareness about the market reports and to receive the highly valuable face-to-face feedback, presentations are regularly made at local, regional and national meetings, workshops and conferences.

The project continues to evolve in response to the feedback and formal reviews by stakeholders.

In 1997-98, ANU Forestry carried out the project at its own expense. Industry also gave, and continues to give, freely indispensable informational support, as also the newsletters, magazines and the internet networks to widely disseminate the reports to the target audience.

In 1998-99 the RIRDC/ LWRDC/ FWPRDC Joint Venture Agroforestry Program (JVAP) and the Private Forestry Council Victoria partly funded the project. For 1999-2000, the project has received \$42,100 from the JVAP.

Conclusion

Written and spoken feedback from readers of the market reports, formal reviews of the project by stakeholders, and continued support from industry and funding bodies lead to the conclusion, that the project is helping to create more informed forest product and input markets in Australia for small scale forest growers, and thus to the development of farm forestry industry.

For more information on the project, you are welcome to visit the ANU Forestry web site (www.anu.edu.au/Forestry/info/marketreport/index.html) or contact the author.

References

- Alexandra, J. and Hall, M., 1998. *Creating a Viable Farm Forestry Industry in Australia: What Will It Take?* Publication No. 98/74. Rural Industries Research & Development Corporation, Canberra.
- Centre for International Economics 1997. *A Plan to Achieve the Plantations 2020 Vision*, Final Report, Reference Document in Plantation 2020 Vision Implementation Committee 1997, *Plantations for Australia: The 2020 Vision*. Ministerial Council on Forestry, Fisheries and Aquaculture; Standing Committee of Forestry; Plantations Australia; Australian Forest Growers; National Association of Forest Industries; Canberra.
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