



Tōtara Industry Pilot summary

There are viable business opportunities in Taitokerau based on sustainable and ecological management of farm-based naturally regenerating tōtara.

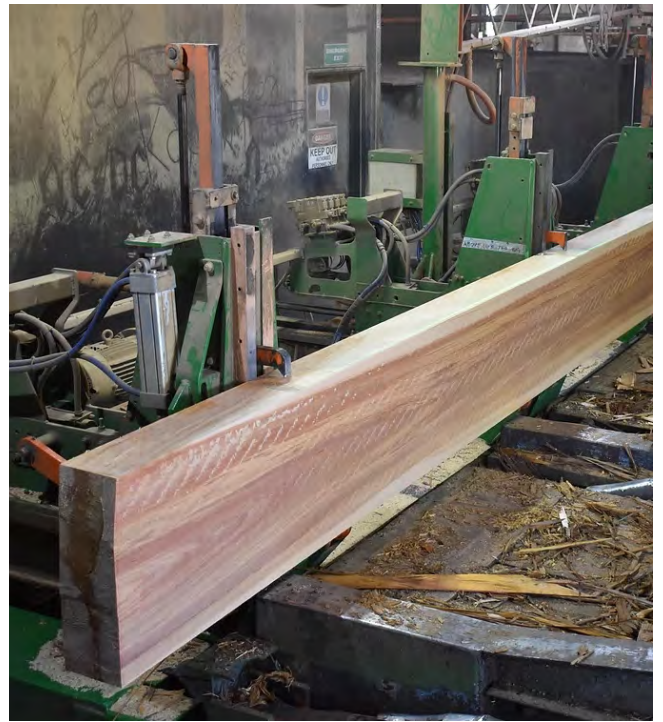


The Tōtara Industry Pilot (TIP) identified viable business opportunities based on sustainable and ecological management of farm-based naturally regenerating tōtara.

Business opportunities start small and grow over time with a total estimated value to New Zealand after ten years of \$5 million to more than \$30 million a year, depending on harvest rate and product mix.

There is sufficient naturally regenerating tōtara on private farms and Māori land to sustain a regional industry. Farm-tōtara can be sustainably managed using single-tree selection and extraction. TIP used existing commercial sawmills yielding lumber recoveries that were promising.

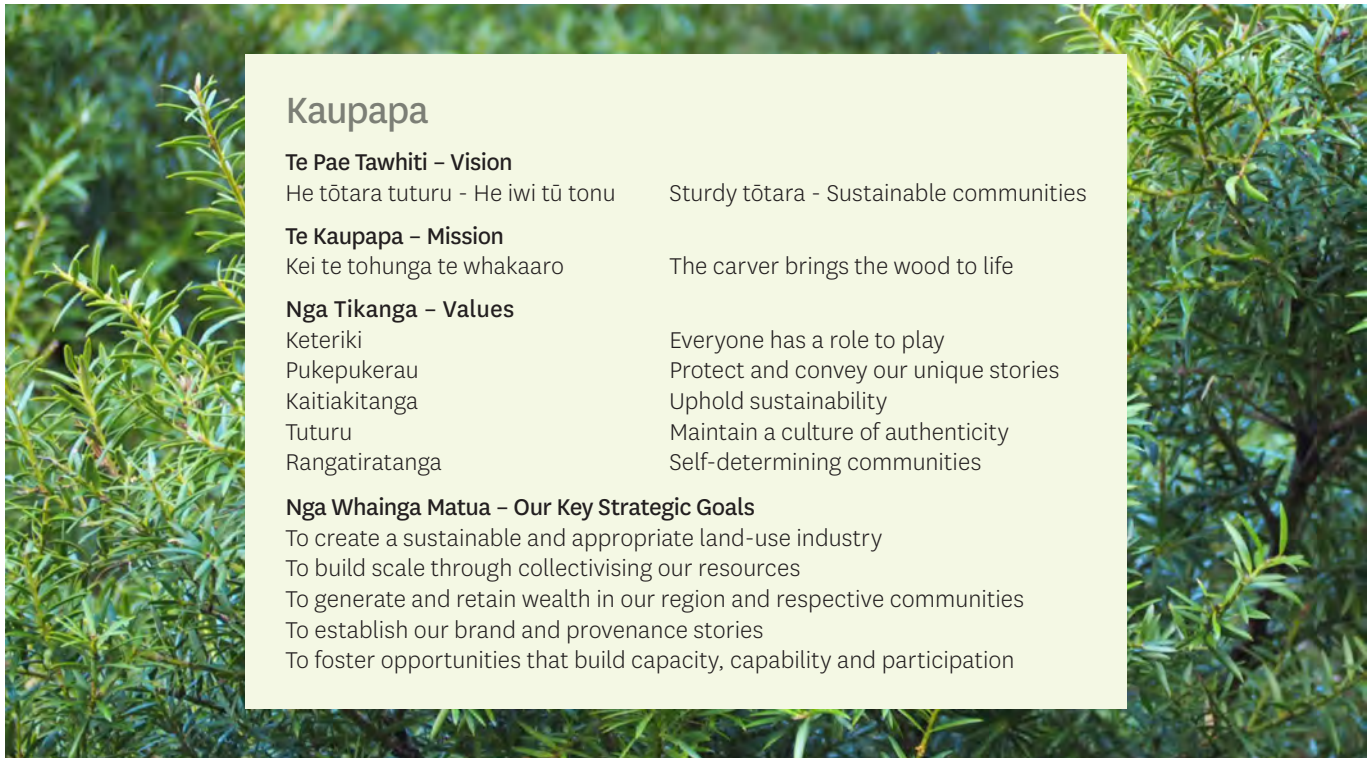
The project identified markets for high-value tōtara products such as for wall and ceiling linings, and contemporary whakairo (carved) gifts and souvenirs.



Tōtara Industry Pilot history

The Tōtara Industry Pilot (TIP), which ran between 2018 and August 2020, tested the economic and environmental viability of an industry based on naturally regenerating tōtara in Northland. The partners of the pilot project came together to build on earlier research with testing carried out on tōtara in the region over several years. A shared kaupapa (strategic intent) was used to guide decision-making, project goals and objectives.





Kaupapa

Te Pae Tawhiti – Vision

He tōtara tuturu - He iwi tū tonu Sturdy tōtara - Sustainable communities

Te Kaupapa – Mission

Kei te tohunga te whakaaro The carver brings the wood to life

Nga Tikanga – Values

Keteriki	Everyone has a role to play
Pukepukerau	Protect and convey our unique stories
Kaitiakitanga	Uphold sustainability
Tuturu	Maintain a culture of authenticity
Rangatiratanga	Self-determining communities

Nga Whaingā Matua – Our Key Strategic Goals

- To create a sustainable and appropriate land-use industry
- To build scale through collectivising our resources
- To generate and retain wealth in our region and respective communities
- To establish our brand and provenance stories
- To foster opportunities that build capacity, capability and participation

Key results

- There is sufficient farm-tōtara on private and Māori land in Northland to sustain a regional industry with a good supply of younger trees growing as a future resource.
- Farm-tōtara can be sustainably managed using single-tree selection and low-impact harvesting methods.
- Tōtara can be processed in existing commercial sawmills, with promising log to lumber recoveries.
- Tōtara can be kiln-dried at commercial scale.
- There is a market for high-value tōtara timber.
- Timber can be produced at costs that align with indicated market price points.
- Decorative linings for wall and ceiling panels, and carved gifts and souvenirs are value-added product opportunities.
- Financial modelling showed future operations were financially viable. This model will be a valuable tool for future assessments of the impact of operational changes.

The total estimated value to New Zealand after ten years was \$5 million to more than \$30 million per year. This is dependent on harvest rate and product mix (Figure). Basic products are existing interior products (low and high refer to allowable harvest tree volume). The value-add options depend on the export of kitsets or fully manufactured native timber products and developing a carved gifts timber market (1 and 2 are value and volume mix combinations).

Remaining gaps, risks and issues

- There is still some uncertainty in the estimations of the farm-tōtara resource.
- Landowner engagement is essential to coordinate and manage the widespread collective resource.
- The time and costs of the permitting and planning processes under the Forest Act are significant. However, it is possible to work with the current provisions of the Act.
- Export of native timber manufactured products that need fitting to be installed is not currently permitted under the Forest Act.

- Active market development and promotion are needed to sell the projected volumes of timber.
- Delivery times are long with typically 12-18 months between initial interest to placement of orders.

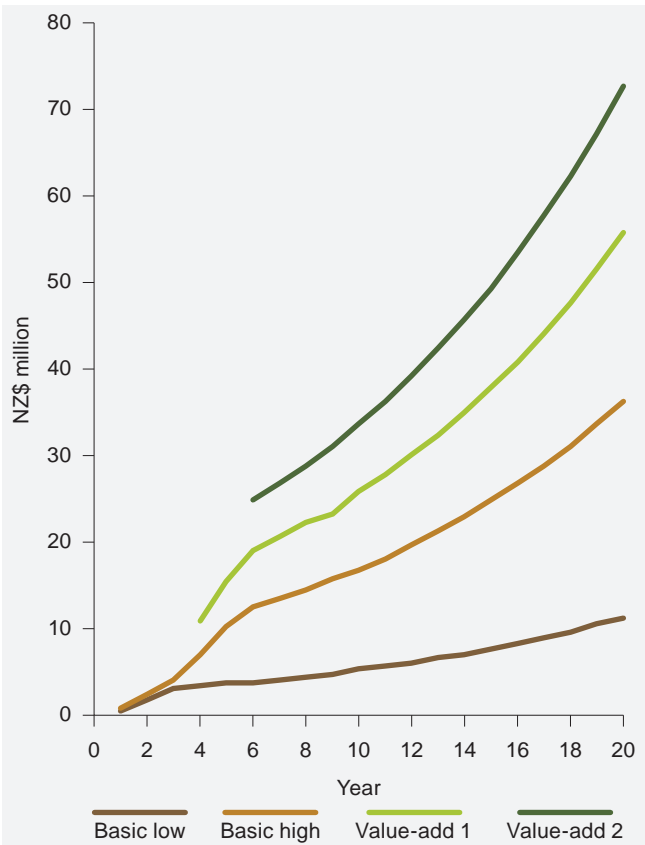


Figure. Value to New Zealand by year of operation and market strategy.

Next steps and recommendations

The viable, long-lasting business opportunities, based on sustainable and ecological management of farm-based naturally regenerating tōtara, should be pursued.

Pre-commercial steps

- Identifying key business partners to form a commercialisation group. This will include landowners, timber processors and potential manufacturers within Northland and more widely in New Zealand.
- Exploring tikanga-leadership in the development of a local provenance, value chain, and branding.
- Preparing detailed business plans for the selected product opportunities, confirm strategy and implement plans.
- Continuing risk mitigation especially around market development, landowner engagement and increasing legal license to operate.



Carved kōauau (flute) and kotiate (club) on display at Whakarewarewa Living Village.

Other recommendations

- Exploring the potential for bioextracts, essential oils and other value options based on the seeds, fruit, bark, other non-timber materials and tōtara waste heartwood is recommended.
- Addressing operational logistics to optimise the practice of continuous cover forest management and the processing of native logs.



More information

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About the Tōtara Industry Initiative

The initiative has been running since 2014. Individual partners have been active in promoting sustainable management of tōtara and other native trees for decades. We believe that weaving more natives into our rural landscapes and carefully tending these natural stands will benefit local communities, the environment and protect them for generations to come.

