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An Evaluation of the Production and Profitability of Alternative Management Regimes for *Pinus radiata* on a High Fertility Site.

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Abstract

Keywords: STANDPAK, inventory, basal area increment, configuration, silviculture, pruning, thinning, regime.

Conversion of farmland to forestry is occurring at the rate of approximately 60,000ha/annum, much of it on hill country sheep and beef properties. The potential productivity of ex farm sites is high, mainly due to improved soil fertility but may produce trees with defects such as excessive branching, large branches and stem malformations. Adapting silvicultural practices to suit plantations on high fertility sites is necessary to effectively utilise this potential. However, many of the tools available for planning and assessing alternative silvicultural options in *Pinus radiata* stands have limitations for farm sites. This study utilises a 12.5ha stand of *Pinus radiata* established in 1973 on a Manawatu hill country sheep and beef property. Currently 'Tuapaka' has 31.3ha of *Pinus radiata* occupying land use capability class VI and VII. Of this total, 12.5ha is nearing maturity, while remaining areas are now reaching a stage where decisions on silvicultural management are necessary. The growth modelling system, STANDPAK, was used as an aid for developing and evaluating silvicultural options on Tuapaka.

Existing *Pinus radiata* growth models have been primarily derived from traditional forest site data. They can be utilised for simulating growth on ex farm sites but will generally provide more accurate predictions of growth and yield if they are configured with local growth data. The EARLY and NAPIRAD growth models are recommended for simulating the growth of *Pinus radiata* on farm sites and formed the basis for the simulation of the Tuapaka stand. Inventory data, including diameter at breast height, mean crop height, and stocking were collected from the existing 12.5ha stand and used to configure these growth models and other STANDPAK components.

Site index at Tuapaka was found to be 23m, with a high basal area increment potential. The best STANDPAK configuration combined the growth models EARLY (high +20% basal area increment) and NAPIRAD (switched at mean top height 18m). The results from this configuration predicted basal area to within 6% of the field estimate. These configurations were used to simulate and evaluate the growth of a new stand (at the 1ha level) for both clearwood and framing regimes. The combined influence of low site index and high basal area increment created problems associated with maintaining a target diameter over stubs (DOS) while utilising an
acceptable number of pruning lifts. The required number of pruning lifts to achieve a 6.0m pruned height was able to be manipulated by delaying thinning, reducing the green crown length (CRL) at the first and second lifts, and maintaining a high ratio of unpruned trees through to thinning.

Net present value (NPV) was primarily used as the selection criteria to determine the best regimes, because it reflects the final harvest revenues and associated silvicultural costs. The most profitable regime required a 3 lift pruning schedule. This regime provided the best compromise between final harvest value and silvicultural costs and was achieved by severe early pruning (CRL of 2.0m and 2.2m), delayed thinning, and maintaining a high ratio of unpruned to pruned trees. Clearwood regimes were more profitable than the framing regimes because of a higher average timber value which more than compensated for increased silvicultural costs and reduced log volume. The clearwood regime produced a final merchantable volume of 698m³/ha, of which 37% graded in the higher value pruned log class. This regime had a pre tax net revenue of $39,500/ha and an NPV of $2,681/ha (8% discount rate). In contrast, the best framing regime produced a merchantable volume of 787m³/ha, a net revenue of $18,800/ha, and a NPV of $1,100/ha.

The best clearwood and framing regime were subjected to economic analysis at the estate level (31.3ha) to determine the best silvicultural options for existing and future stands on Tuapaka. The clearwood regime was the most profitable, having a pre tax IRR of 9.1%, compared with 7.6% for the framing regime. These returns are likely to exceed the potential returns from farming, particularly on steep hill country.
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Contents

ABSTRACT ................................................................................................................................. 1
ACKNOWLEDGMENTS ................................................................................................................ iii
LIST OF TABLES ...................................................................................................................... ix
LIST OF FIGURES .................................................................................................................... x

CHAPTER ONE: INTRODUCTION ............................................................................................... 1

1.1 INTRODUCTION .................................................................................................................. 1
1.2 STUDY OBJECTIVES ............................................................................................................ 2

CHAPTER TWO: LITERATURE REVIEW ..................................................................................... 4

2.1 INTRODUCTION .................................................................................................................. 4
2.2 NEW ZEALAND TIMBER PRODUCTION ............................................................................ 4
2.2.1 Current Situation ............................................................................................................. 4
2.2.2 Future Outlook ............................................................................................................... 5
2.3 HISTORY OF NEW ZEALAND FORESTRY ...................................................................... 7
2.3.1 Early European Settlement ............................................................................................ 7
2.3.2 Development of Exotic Forestry .................................................................................... 8
2.3.3 The Development of Silvicultural Regimes .................................................................... 9
2.3.3.1 The First Tending Regimes ....................................................................................... 10
2.3.4 The Development of Farm Forestry ............................................................................. 13
2.4 FARM FORESTRY IN NEW ZEALAND ............................................................................. 13
2.4.1 Introduction .................................................................................................................... 13
2.4.2 The Origins of Agroforestry .......................................................................................... 14
2.4.3 The Potential of Forestry on Farms .............................................................................. 15
2.4.4 Species Selection .......................................................................................................... 17
2.4.4.1 Genetics .................................................................................................................... 18
2.4.4.2 Alternative Species .................................................................................................. 21
2.5 FACTORS AFFECTING TREE GROWTH AND QUALITY .................................................. 23
CHAPTER THREE: STANDPAK CONFIGURATION

3.1 INTRODUCTION

3.2 STANDPAK INPUTS
  3.2.1 Establishing Permanent Sample Plots on Tuapaka
    3.2.1.1 Plot Location
    3.2.1.2 Plot Shape and Size
    3.2.1.3 Plot Layout:
    3.2.1.4 Tree Numbering:
    3.2.1.5 Plot Measurement
  3.2.2 Results from the Pilot Inventory
  3.2.3 Field Estimation of the STANDPAK Inputs
    3.2.3.1 Sample Size
    3.2.3.2 Sampling
    3.2.3.3 Tree Measurements

3.3 STANDPAK CONFIGURATION
  3.3.1 “Stand Growth”
    3.3.1.1 “Set Models”
    3.3.1.2 “Initial Stand”
    3.3.1.3 “Stand Treatments” and “Grow”
    3.3.1.4 Model Configurations
  3.3.2 “Diameter Distributions”
    3.3.2.1 “Tables”
    3.3.2.2 “Stand Details” and “Distributions”
  3.3.3 “Log Making”
    3.3.3.1 “Tables”
    3.3.3.2 “Patterns”
    3.3.3.3 “Log Qualities” and “Cut Logs”
  3.3.4 “Log Grading”
    3.3.4.1 “Specify Grades” and “Grade Logs”
  3.3.5 Prediction of Volume by Log Grade

3.4 GENERAL DISCUSSION

CHAPTER FOUR: SILVICULTURAL REGIMES

4.1 INTRODUCTION

4.2 STANDPAK INPUTS
  4.2.1 “Stand Growth”
  4.2.2 “Economic Analysis”
6. CHAPTER SIX: DISCUSSION AND CONCLUSIONS ........................................... 104

6.1 INTRODUCTION .................................................................................. 104

6.2 STANDEPAK CONFIGURATION .................................................... 104
   6.2.1 Site Index .............................................................................. 105
   6.2.2 Basal Area .......................................................................... 106

6.3 ESTABLISHING SILVICULTURAL REGIMES ..................................... 107
   6.3.1 Clearwood .......................................................................... 107
   6.3.2 Framing .............................................................................. 110

6.4 LIMITATIONS ................................................................................... 111
   6.4.1 Quality Parameters .............................................................. 111
   6.4.2 Genetic Improvement ........................................................... 111
   6.4.3 Modelling Considerations ................................................... 112

6.5 ECONOMIC ANALYSIS AT THE ESTATE LEVEL ................................ 113
   6.5.1 Regime Selection ................................................................. 114

6.6 CONCLUSIONS ............................................................................... 116
   6.6.1 Recommendations ............................................................... 117

REFERENCES ......................................................................................... 118

APPENDICES .......................................................................................... 127

APPENDIX ONE: PSP, INVENTORY DATA AND STANDEPAK CONFIGURATION .... 128
APPENDIX TWO: COST AND PRICE ASSUMPTIONS ..................................... 132
APPENDIX THREE: CLEARWOOD REGIMES ............................................ 134
APPENDIX FOUR: FRAMING REGIMES .................................................... 161
APPENDIX FIVE: FINANCIAL ANALYSIS ................................................... 172
### Contents

- **4.2.2.1 “Initial Data”** ................................................................. 74
- **4.2.2.2 “Costs” and “Revenues”** .............................................. 74
- **4.2.2.3 “Analysis”** ................................................................. 75
- **4.3 CLEARWOOD REGIMES** .................................................. 75
  - **4.3.1 A Standard Regime (Regime 1)** .................................... 77
  - **4.3.2 Management Options** .................................................. 78
    - **4.3.2.1 Reducing Green Crown Length (Regime 2)** ................. 78
    - **4.3.2.2 Delayed Thinning (Regime 3)** .................................. 79
    - **4.3.2.3 Reducing the Ratio of the Pruned Element (Regime 4)** .... 80
  - **4.3.3 Alternative Regimes** ................................................ 81
    - **4.3.3.1 Initial Stockings (Regimes 5 and 6)** ......................... 81
    - **4.3.3.2 Varying Final Stocking** ....................................... 82
    - **4.3.4 General Discussion** ............................................... 84
- **4.4 FRAMING REGIMES** ....................................................... 88
  - **4.4.1 Regime Options** ....................................................... 88
  - **4.4.2 Results** .................................................................. 89
  - **4.4.3 General Discussion** ................................................ 90
- **4.5 REGIMES FOR FURTHER ANALYSIS** .................................. 90

### CHAPTER FIVE: TUAPAKA FORESTRY ANALYSIS ........................................... 94

- **5.1 INTRODUCTION** ................................................................ 94
- **5.2 CURRENT FARMING SITUATION** ....................................... 94
  - **5.2.1 Tuapaka Livestock Policy** ......................................... 94
  - **5.2.2 Cash Budget Analysis** ............................................. 95
- **5.3 CURRENT FORESTRY EVALUATION** ................................... 96
  - **5.3.1 Introduction** ......................................................... 96
  - **5.3.2 Financial Information** ............................................. 96
    - **5.3.2.1 Annual Costs** .................................................. 97
    - **5.3.2.2 Forest Management** .......................................... 97
    - **5.3.2.3 Harvest Costs** ................................................ 98
    - **5.3.2.4 Land and Tree Valuation** .................................... 98
    - **5.3.2.5 Tax Legislation** ............................................... 99
  - **5.3.3 Project Evaluation** ................................................ 99
  - **5.3.4 General Discussion** ............................................... 101
- **5.4 FUTURE FORESTRY DEVELOPMENT** .................................. 102
  - **5.4.1 Project Evaluation** ................................................ 103
List of Tables

TABLE 2.1: EFFECT OF STOCKING DENSITY ON TREE GROWTH AT TIKITERE (19 YEARS) ......................... 15
TABLE 2.2: WIND DAMAGE AT TIKITERE, 1988, AGE 15 ................................................................. 15
TABLE 2.3: THE IMPROVEMENT OF SOME GF RATINGS ................................................................. 20
TABLE 2.4: DIAGNOSTIC SYMPTOMS AND MARGINAL FOLIAR LEVELS FOR RADIATA PINE ........ 25
TABLE 2.5: THE EFFECT OF SITE INDEX AND BASAL AREA POTENTIAL ON YIELD OF RADIATA PINE AT 28 YRS (m³/ha AT HARVEST) .................................................. 26
TABLE 2.6: SECOND-LOG BRANCH SIZES AT TIKITERE, 200 AND 400 SPH. ................................. 27
TABLE 3.1: RECOMMENDED PLOT SIZE .......................................................... .......................... 58
TABLE 3.2: LOG CUTTING PATTERN ......................................................................................... 67
TABLE 3.3: NEW ZEALAND DOMESTIC LOG GRADE SPECIFICATIONS ........................................ 68
TABLE 3.4: PERCENTAGES DOWNGRADED .......................................................... ........................ 68
TABLE 3.5: INDICATIVE LOG PRICES FOR NEW ZEALAND DOMESTIC GRADES ....................... 69
TABLE 3.6: PROJECTED YIELDS BY LOG GRADE (m³/ha) AND NET HARVEST VALUE ($/ha) FROM TUAPAKA 69
TABLE 4.1: THE EFFECTS OF FINAL CROP STOCKING ON PROJECTED PRODUCTION, SILVICULTURAL COSTS AND VALUE AT HARVEST ......................................................... 83
TABLE 4.2: PROJECTED LOG GRADES AS AFFECTED BY FINAL STOCKING ................................. 83
TABLE 4.3: RESULTS FROM THE STANPAK SIMULATIONS FOR THE CLEARWOOD REGIMES ...... 85
TABLE 4.4: SUMMARY OF LOG GRADE OUT TURNS FOR THE DIFFERENT CLEARWOOD REGIMES ... 87
TABLE 4.5: OUTLINE OF THE MANAGEMENT FOR THE FRAMING REGIMES ................................. 89
TABLE 4.6: SUMMARY OF RESULTS FROM THE STANPAK SIMULATIONS FOR THE FRAMING REGIMES ...... 89
TABLE 4.7: SUMMARY OF THE PHYSICAL AND FINANCIAL ANALYSIS (PRE-TAX) FOR THE CHosen REGIMES 91
TABLE 5.1: TUAPAKA CASH BUDGET SUMMARY ........................................................................ 95
TABLE 5.2: SILVICULTURAL COSTS AND THE YEAR IN WHICH THEY OCCUR .............................. 97
TABLE 5.3: SUMMARY OF THE PRE AND POST TAX RETURNS (UTILISING TAX BENEFITS) FOR A CLEARWOOD AND FRAMING REGIMES (PLANTED AREA 31.3HA) .......................................................... 100
TABLE 5.4: PROPOSED NEW PLANTING SCHEDULE BY YEAR AND AREA .................................. 102
TABLE 5.5: SUMMARY OF THE PRE AND POST (UTILISING TAX BENEFITS) TAX (PLANTED AREA 68HA) ...... 103
List of Figures

FIGURE 2.1: EXPORTS OF FORESTRY PRODUCTS BY VALUE FOR THE YEAR ENDED 31 MARCH 1996. .......... 5
FIGURE 2.2: GLOBAL DISTRIBUTION OF THE RADIATA FOREST ESTATE. ........................................... 7
FIGURE 2.3: EXAMPLE OF THE FORM OF A PETTerson CURVE. .............................................................. 36
FIGURE 2.4: STANDPAK MODULES. ........................................................................................................ 42
FIGURE 4.1: LOG GRADE OUT TURN FOR THE FRAMING REGIME .................................................... 92
FIGURE 4.2: LOG GRADE OUT TURN FOR THE CLEARWOOD REGIME ............................................. 92
FIGURE 5.1: CASHFLOW REQUIREMENTS FOR THE CLEARWOOD AND FRAMING REGIMES .......... 101