

The ETS at work in the Motueka Catchment

A Practical Example



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GROUP**

Forest Management Group

Three companies across NZ:

- Forest Management Limited (FML) - 1990
- Tasman Forest Management (TFM) - 2001
- Forest Management North Island (FMNI) - 2003

All aspects of forestry and advice:

- Forest investment and valuation consulting
- Preparation, establishment, and tending
- ETS and Carbon advice, registration, and management
- NZU brokers
- Harvest advice and management
- Log sales and marketing

NZ Super Fund, Rayonier, Gibbons Holdings, Ngāti Tama, Ngāti Rārua and Tahuu Forestry, CNBM, Fulton Hogan, CFM, and multiple regional and district councils.



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Patrick de Jong

NZIF Registered Member

ETS Technical Advisory Group Member

Bachelor of Science (Forest Science)

Ten years forestry experience

- Forest establishment, tending, and management
- Forest investment advice
- ETS management, advice, and consulting



Forest and ETS Manager - Tasman, Nelson & Marlborough



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An example property

400 ha

Class 6-7

Steep to rolling

Mix of mature native forest, regen native, gorse and grass

Goats



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Register regenerating native forest in the ETS

Ascertain what areas will be cleared and what will be left

Intergenerational thinking

Site visit essential

Intensive mapping

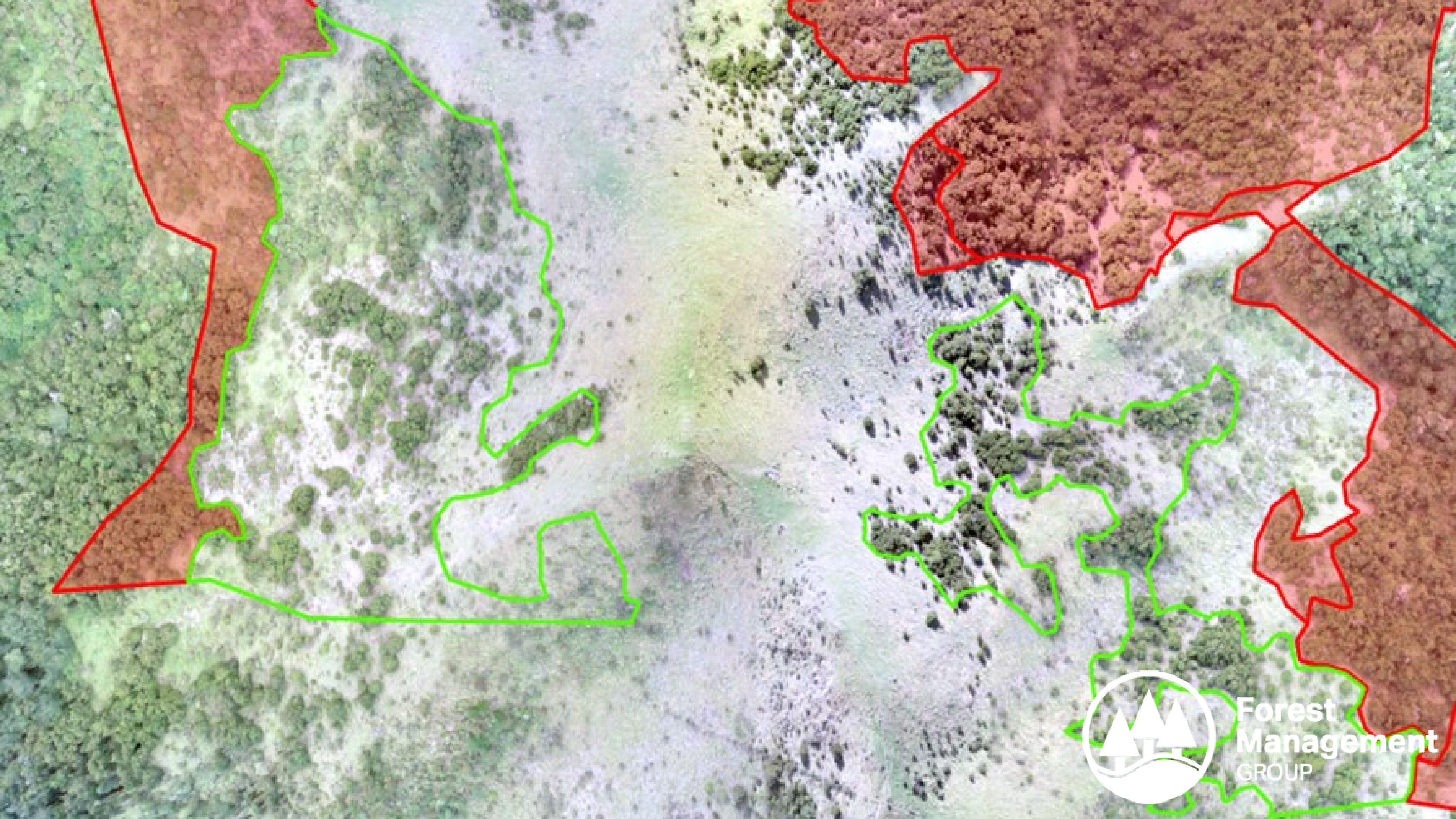
73.3 ha of native regen

2.5 ha P.RAD woodlot

95% success rate



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Claim and sell carbon credits

Claimed 1,300 NZU's (two years of carbon sequestration)

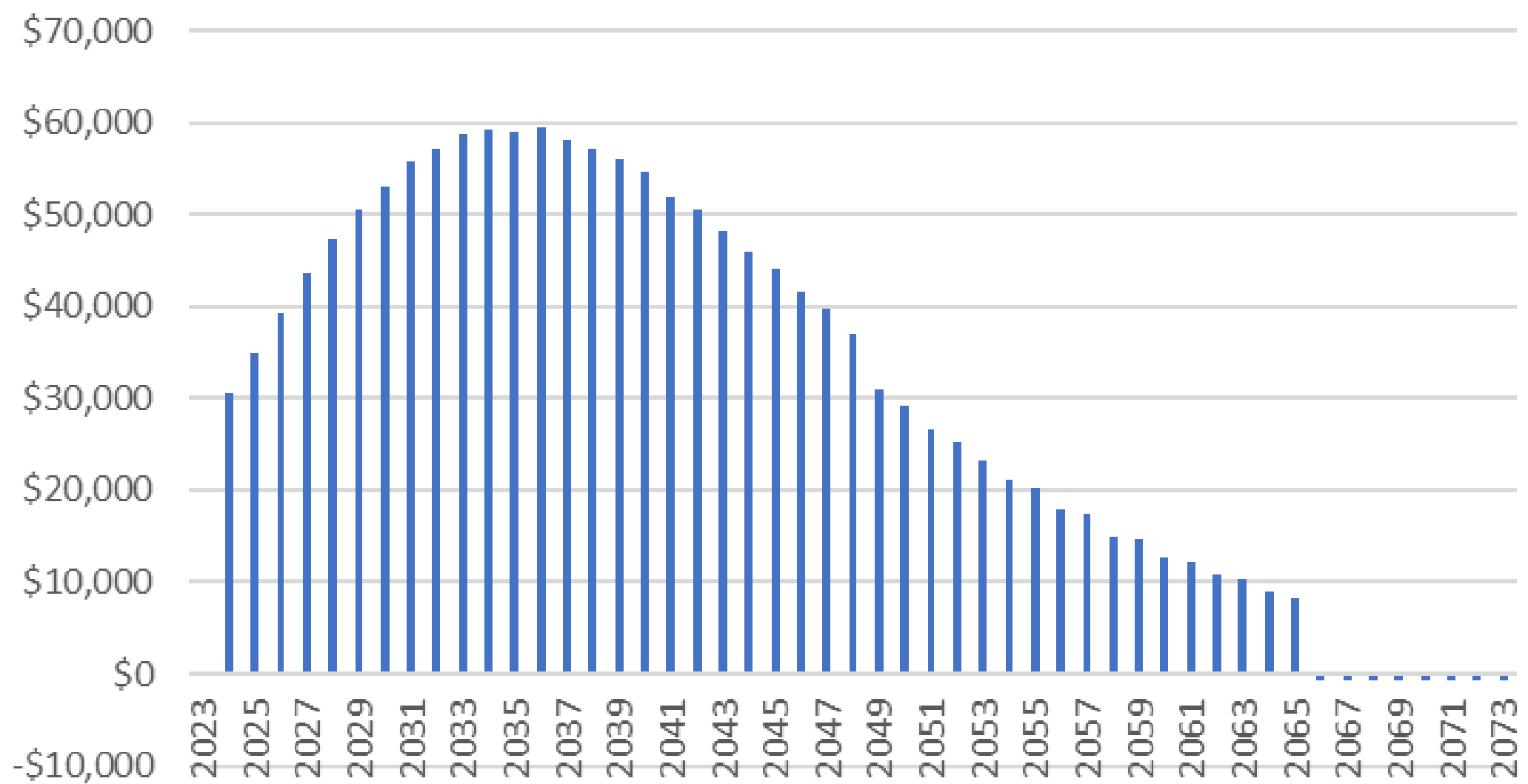
Sold 1,000 at \$63.45 (\$63,450)

Undiscounted return per annum approx. \$32,000



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Regen Native and Pine Woodlot Annual Cashflow



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Planting considerations

What area to plant (potential for future harvesting)

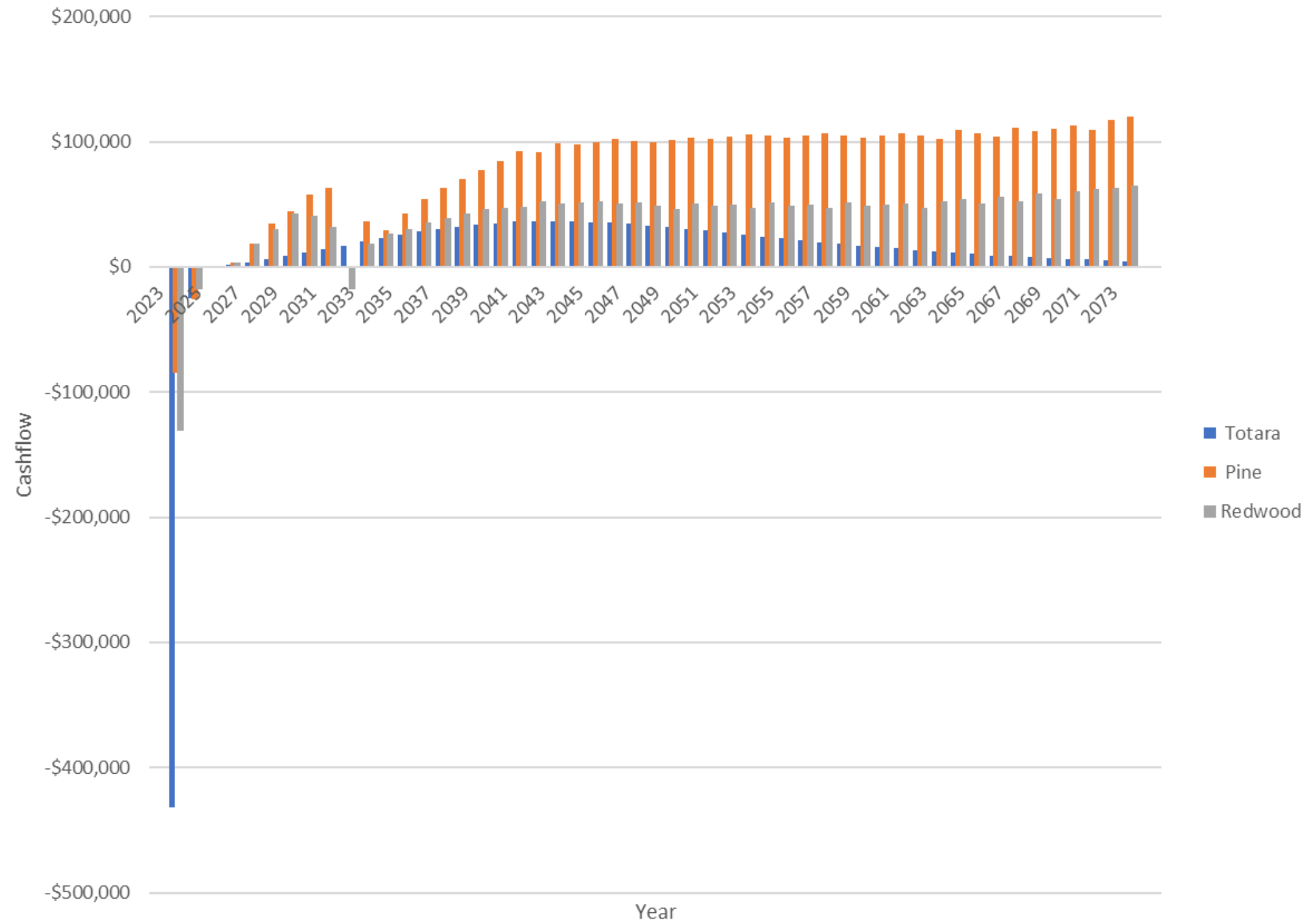
Species selection

Future carbon sequestration



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P.RAD, Redwood, Totara annual cashflow comparison (Permanent)



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Planting

In progress for 2025 planting 41 ha of P.RAD to be registered
under averaging

Land prep

Fencing

Planting

Releasing

Goat control

\$2,600 per hectare



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Operation	Date	Area (ha)	Cost \$/ha	Total
Seedlings - 1st deposit (20%)	October 2024		\$ 99.96	\$ 4,128.35
Root Rake				
	January 2025	2.0		
Excavator			\$ 1,250.00	
Organisation & Supervision	20%		\$ 250.00	
Total			\$ 1,500.00	\$ 3,000.00
Pre-Plant Spray (Contingency)				
	March - April 2025	41.3		
Chemical			\$ 75.00	
Labour			\$ 375.00	
Organisation & Supervision	20%		\$ 90.00	
Total			\$ 540.00	\$ 22,302.00
Seedlings - Final payment (80%)	July 2025		\$ 399.84	\$ 16,513.39
Planting				
	June - Sep 2025	41.3		
Planting	833 SPH @ \$0.89 / Tree		\$ 741.37	
Organisation & Supervision	20%		\$ 228.24	
Total			\$ 969.61	\$ 40,044.98
Release Spray				
	October - December 2025	41.3		
Chemical			\$ 75.00	
Labour			\$ 375.00	
Organisation & Supervision	20%		\$ 90.00	
Total			\$ 540.00	\$ 22,302.00
Total Budget				\$ 108,290.72



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Annual Cashflow

Carbon income until age 16

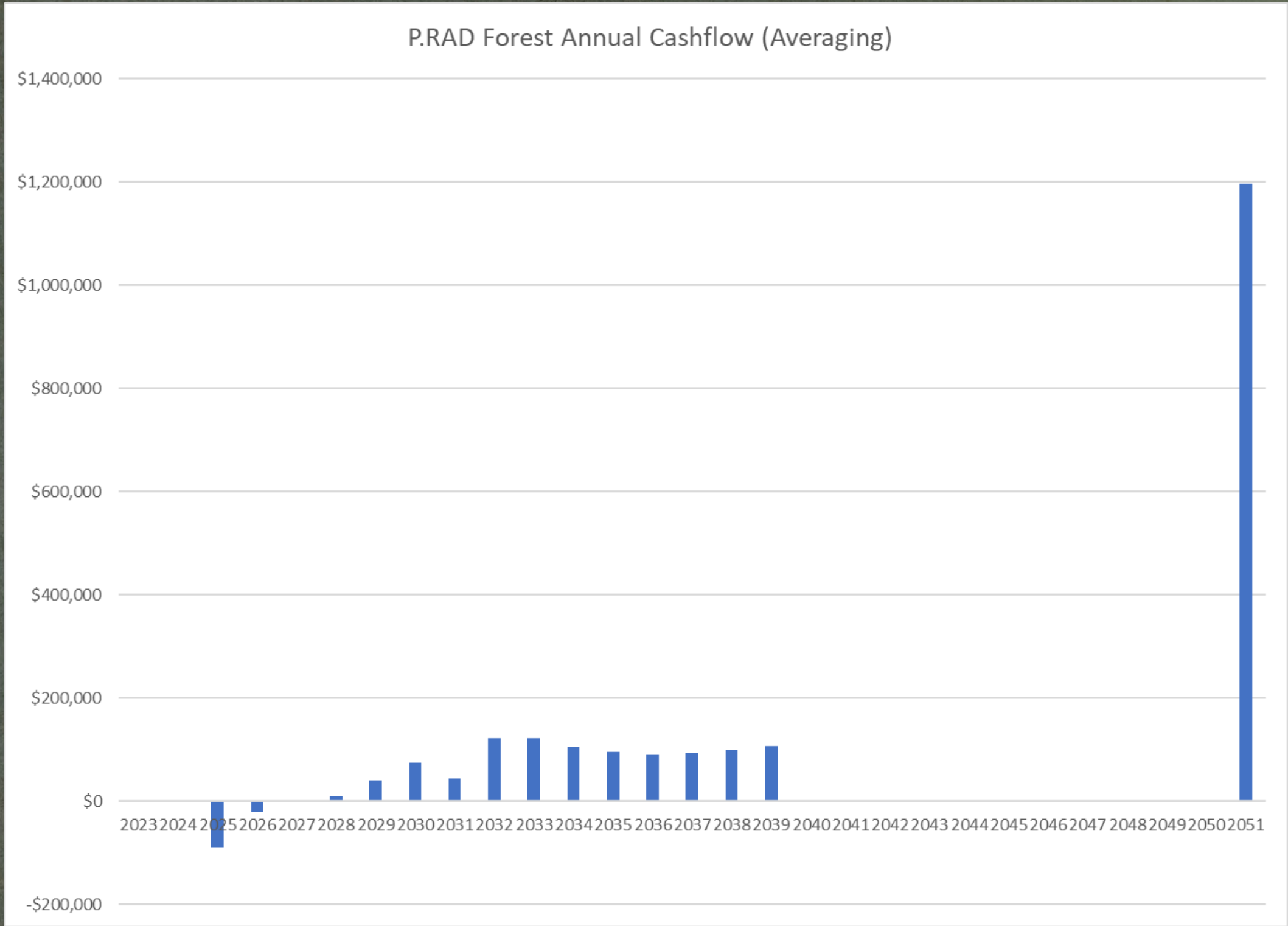
Harvesting revenue at age 28

Undiscounted return per annum approx. \$46,000

IRR approx. 15% (if you had to buy the land)



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Get Advice and Act
Quickly!



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