

Four NZ forestry companies unite in joint venture to enable operational efficiencies

Masterton 21 March 2019

Four forestry companies operating in the Wairarapa region of New Zealand have announced the formation of Log Distribution Limited, a joint venture company which will commence operations on 1 April 2019.

Log Distribution Limited is a collaboration between FOMS Ltd, Forest Enterprises Growth Ltd, Wairarapa Estate Ltd and Norsewood Estate Ltd which aims to improve efficiencies in log export through the collaborative management of log marketing and shipping, marshalling and stevedoring, road and rail transport and log storage.

The company's operations will be based at Masterton and will ship logs from the Wellington and Napier ports. Log Distribution Limited will be supported by TPT which has been engaged to oversee the company's export marketing and shipping.

Forest Enterprises Growth Chief Executive Officer Bert Hughes says the four founding companies share common interests in the supply chain. The companies collectively identified the opportunity to improve the efficiency and safety of log export operations through increased coordination and scale.

"We believe the formation of Log Distribution Limited will result in reduced waste across the supply chain and better use of our critical rail and port infrastructure," Mr Hughes says.

"A key focus of Log Distribution Limited operations will be to improve efficiency in log cartage across the southern part of the North Island. This includes initiatives that will assist in alleviating bottlenecks in the supply chain, as we expect to see local harvest levels steadily increase over the next five years."

Recognising the increased demand to provide the region's growers with a route to market, Mr Hughes says Log Distribution Limited will place focus on reducing the reliance on road transport over the Remutaka Range and lessen port congestion at Centrepont Wellington.

As New Zealand's forestry harvest levels continue to grow, Mr Hughes is confident Log Distribution Limited will strengthen the supply chain and deliver a wealth of benefits to stakeholders.

"The formation of Log Distribution Limited is a great example of positive collaboration in the forest industry that will benefit both community and industry stakeholders," Mr Hughes says.

Wairarapa Estate Ltd and Norsewood Estate Ltd properties are managed by New Forests, an international funds management business specialising in responsible forestland investment. Local management of both properties is overseen by IFS Growth Ltd a New Zealand company specialising in forest management.

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