



FICA – Press Release Thursday 29 July

Pressure mounting across entire forestry supply chain as port build ups highlight issues

Forestry Industry Contractors Association (FICA) is calling for an all of forestry strategy to deal with the mounting pressure on the entire forestry supply chain, currently being highlighted by build-ups at major New Zealand ports. FICA say the situation is far from over and the sector needs to work together to find solutions.

Export market demand for New Zealand logs has been strong in recent months, putting extra pressure on our infrastructure, particularly at ports. FICA spokesperson Prue Younger, who represents contractors as the CEO of the organisation, says “I don’t think we have ever tried to deliver the volume of wood that we are, and we are finding out our infrastructure just can’t cope,” she says.

The growing number of ships waiting to dock at multiple ports across New Zealand is a visible indication of the building supply chain pressure. Starting with Gisborne, build ups have reportedly spreading to Tauranga and Napier more recently. In the case of Gisborne, delays have been compounded by infrastructure upgrades to add a second berth and weather conditions.

Ms Younger says delays are not just happening at the ports; the entire forestry supply chain is under pressure and has been for some time.

“The delays are evident everywhere, from slow deliveries of imported gear such as personal protective equipment (PPE) and vehicles, to harvesting, trucking and shipping back-logs. The entire supply chain is being stretched,” she says.

“While pressure mounts, forestry contractors are caught in the cross-fire. They’re not receiving any compensation, with lost revenue mounting. Many are being stretched to the absolute limit financially.”

Representing the Log Transport Safety Council, Warwick Wilshier says “Logs are being transported around to other ports, but it feels like money is being wasted moving the problem around, when it could be used more productively and wisely supporting the industry.”

This is coupled with a mid-month export log price drop, putting extra financial pressure on everyone.

“The latest log price drop is pretty typical of the cycle in logging, where we see prices reach new heights, then drop and stabilise to re-set the market,” says Ms Younger.

“The issue is that as an industry, we are lacking a coordinated strategy. We’re just reacting without a plan of response. It’s like the weather – sometimes it’s good and sometimes it’s bad, but if we know the forecast, we can make appropriate plans.”

“We talk about the need for a pan-industry strategy, but we don’t have one. We keep banging on about working together and through CoVID, we did. We need to be coordinated and work together to better manage our supply chain, so we don’t get pulled into this boom or bust mentality yet again,” she says.

ENDS /

For more information contact

FICA

Prue Younger, CEO

office@fica.org.nz

021 276 5484

Ross Davis, Chair

027 493 8460

Proudly
Supporting
Certification

