

THE GUM GROWERS' GROUP- G3

Note No: 1: 1st October 2007

A Case for Planting Eucalypts

1. Background

Kenya is becoming increasingly short of timber. Large areas previously under plantations have been allocated to the 'landless'; there is a huge backlog of replanting, and much of what has been done has been done badly; the few remaining mature stands will be exhausted within a few years. The conclusion is that the Forestry Dept, or the new body intended to take its place, will not be able to meet the country's requirements which will rise with the increase in population (Timber for Housing) and the rural electrification programme (poles). With a shortage the price will be high, and may well be comparable with the cost of imported timber, the nearest source being South Africa. There is a great opportunity for the private farmer.

2. Private planting in the past.

This has been limited to;

- (a) The Tea Companies as fuelwood for their driers. These are high altitude, high rainfall areas and grandis has been developed for this, and
- (b) Up till the 1970s saligna was grown for fuelwood for the railway's locomotives, but this has not been used since diesel replaced steam. The remaining stands of saligna are overmature and generally poor.
Grandis is fast growing and easy to split, (just what the tea companies want) but is considered inferior to saligna for timber. There is very little experience with any other varieties of mature eucalypt.
- (c) Pan African Paper. We believe that they have got most of their raw material from the FD.

3. What are the opportunities?

- (a) Eucalypts are much faster growing than pine or cypress and should be ready for felling as poles in twelve years and for timber in fifteen, against twenty five for traditional timber trees. There has been anxiety about the blue gum chalcid which has caused some damage around Lake Victoria, but Kefri considers that it is unlikely to be a significant problem.
- (b) For the high altitude and high rainfall areas Fomawa has been recommending grandis. Finlays now propagate these from cuttings thus giving uniformity. Fomawa sells these for sh7/plant.
- (c) Recently eucalypt crosses of camaldulensis, (drought resistant) and grandis (fast growing) have become available. These are suitable for hotter and drier areas

and have generally not performed well in those areas where grandis is the preferred choice.

While it is impossible to be absolutely certain how a particular clone will perform throughout its growing period there are very positive signs that two of the clones, 522 and 584, grown on Kibe's farm, up the hill from Salgaa, will grow outstandingly quickly. We are therefore recommending these for these hotter places. These clones are considered to be suitable for timber and for poles. Fomawa has two thousand mother trees of these clones of which 26,000 thousand have been sold in 2007 for sh10 each, delivered to the grower, recently raised to sh14.

- (d) Given that for timber saligna is preferred over grandis, the possibility of producing saligna seedlings is being examined.

4. What can be done?

- (a) INVESTMENT in commercial forestry should give an excellent return for the farmer who carries out his husbandry to the highest standard. It must be considered to be a crop of potentially very high value and should be treated as such. Fomawa has a code of Best Practice which should be followed.
- (b) PLANTING should be done with a view to timber or poles and therefore a high initial stocking level is not needed and will only result in greater outlay with more thinning having to be done. Spacing of 3m by 3m giving 1100 trees/hectare is recommended. Cost should not exceed sh30/tree over the first twelve months by which time they will need little further attention. So total cost/ha will be Kshs. 30 by 1,100 makes Kshs. 33,000 plus 10% for infills is Kshs. 36,300
- (c) Timber and poles require stems of relatively large diameter and thinning will reduce the tree population to half, say around 500/600/ha at the time of clear felling. This should produce 600 cubic metres which at a conversion of 60% gives 360 cubic metres of sawn timber the current market price of which is Kshs. 17,000 cubic/m for very high quality well cured Pine, Cypress AND Eucalypts. After felling, extraction and milling costs there should be at least Kshs. 12,000 left. So 360c/m by Kshs. 12, 000 makes Kshs. 4,320, 000 which may sound too good to be true, but is in fact realistic.

5. Are there any potential problems?

- (a) Disease. Unlikely as there have been no problems in the past and the threat of the bluegum chalcid is not considered to be serious.
- (b) The clones' performance will be lower than expected. Possible but unlikely.
- (c) **THE GOVERNMENT HAS DONE NOTHING TO ASSIST THE PRIVATE GROWER OF COMMERCIAL FORESTRY.** Permits are needed to fell and transport and NEMA might say that felling cannot be done. We are recommending that the Government should acknowledge the role that the farmer is going to play in providing the trees that the country needs. The main points we have made are;

C. 1. All permits to be removed and no need to have a NEMA report either to plant or to fell. No permits to transport whether as raw logs or as sawn timber. Fomawa's

experience in felling and transporting is attached as Appx A and illustrates the awfulness of the present system.

- C 2.** Indigenous forests to be protected. THAT MEANS THAT THE POLICING WOULD BE SUFFICIENTLY TIGHT TO ENSURE THAT TIMBER COULD NOT BE STOLEN FROM WITHIN THE BOUNDARIES OF THE INDIGENOUS FORESTS.
- C 3.** The FD to sell such timber as there is by auction at which anyone could bid, thus ensuring that the market is not undermined. There would need to be a realistic floor price in the context of the value of good quality timber. The point must be made that the Government is losing huge amounts of money by 'selling' mature timber at far below the market rate, apparently in return for certain preferred Sawmillers, certainly Timsales and Comply, and probably Raiply as well, carrying out replanting. Most of the replanting done by Comply above Sachangwan since 2004 has been to a very low standard, and thus of little value.
- C4.** Sale proceeds to be exempt from tax provided the cost of establishment has not been claimed as a cost against profits.
- C5.** Grants, whether from donors or Carbon Credits not to be taxed.

Note No: 2

THE GUM GROWERS' GROUP G3

1. Prior to 2002 no private farmer had invested in commercial forestry. Since then some 700,000 hectares, mostly gum, have been planted usually with the help of Friends of the Mau Watershed, Fomawa, around the Mau, mainly within in the areas of Nakuru, Njoro, Elburgon, Mau Summit, Rongai, with some planting in Bomet District. James Finlay, the tea company based in Kericho has planted some 500 hectares at Londiani.
The total 'new' planting amounts to some 750,000 hectares and is far larger than any planting in any other part of Kenya.
While most planting has been gum, G3 is open to ALL commercial forestry including pine and cypress.
2. The investors in commercial forestry are concerned that while it has not been difficult to grow the trees to a high standard, much higher than anything done by the Government, there has been a lack of knowledge about the market and how to get the best price for timber/poles, and that the Government's current policies are a hindrance to the investment in forestry that the country needs and must be changed, so that the 'investor in forestry' is helped not hindered.
3. The Gum Growers' Group or G3 has therefore been formed under the umbrella of Fomawa with a view to achieving good prices for what they grow, and persuading the Government to adopt policies that make sound commercial sense. Thus far the Government has adopted its usual stance of refusing to have any dialogue with Private growers, and when the Provincial Forest Officer has been asked for the extent of the land which has not been replanted, and which might be leased by private investors, he has refused to disclose any figures. It is the opinion of G3 members that the Government has a duty to carry out sound

and productive husbandry, and marketing policies, and to be open and 'accountable' to the people of Kenya.

The failure of the Government to act sensibly should be a worry far beyond the Ministry of Environment. For instance huge sums are being lost because mature stands are being 'sold' far below the real market rate, and that should be of concern to the Treasury/Ministry of Finance.

4. G3 will try to coordinate its marketing efforts with KPL for poles, and timber merchants, so that the growers get a fair slice of the end market value.
5. While G3 has been formed by commercial growers around the Mau it welcomes the involvement of growers from other parts of the country who have a common concern about the Government's unhelpful policies.
6. It is G3's intention to air its ideas and concerns as widely as possible and welcomes the opportunity to discuss matters with the Government. As a first step this might be by educating the newly formed KFS about the real problems, and the solutions to them. Most Nairobi based bodies learn what is happening 'out in the bush' by sitting at their desks being very reluctant to learn from those with the appropriate experience and knowledge.