



Teaknet Bulletin

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INSIDE THIS ISSUE

A glimpse of the international conference and exhibition on Art and Joy of Wood 2

The world teak conference in Costa Rica— A synthesis report 4

Teaknet Partner Event- Meeting the global demand for hardwood—A case for teak 7

Editorial

Over the past quarter, TEAKNET has been involved in a series of conferences and events with an overall aim to promote the cause of the organization. The first one has been the participation in the Art & Joy of Wood Conference at Bangalore during 19-22 October 2011. Dr. Illias Animon from FAO, Rome one of the organizers of this conference kindly forwarded a short report on this conference which is published in this issue. In addition to a presentation made on the networking activities being accomplished on teak, TEAKNET also set up an exhibition stall at the conference site which attracted much attention.

At the Bangalore conference, there was a talk on fourth dimension of wood which is about the spiritual, aesthetic and cultural aspects of wood. For instance, wood is extensively used in the expression of cultural heritage of a region. In line with this proposition, one more dimension that could be thought of is the dimension of networking which is about relationship, cooperation and sharing.

Networking is also about optimization of resources. If two people do two different things

and share their output, it would be a more optimal arrangement than both of them working on the same thing and competing. A network also acts like a virtual institution linking several real life institutions many times having synergistic effects. TEAKNET was rediscovered to be such a network.

The international conference on teak happened during 31 October-5 November 2011 at San Jose, Costa Rica. Dr. Walter Kollert of FAO, Rome has kindly made a short report on this conference in this issue. More details of this conference can be found in the conference website, http://web.catie.ac.cr/conferencia_teca/presentaciones/presentaciones.htm.

One of the important developments that happened at the Costa Rica conference is that TEAKNET got two additional members in its Steering Committee. The first one is Dr. Markku Kanninen who is a Senior Scientist and Professor of Tropical Silviculture of the University of Helsinki, Finland. He is also the Director of the Viikki Tropical Resources Institute (VITRI). He is presently on deputation to CIFOR in Indonesia. Dr. Kanninen is an expert in climate change research, forest ecology, silviculture and forest management. He was a member of the IPCC which won the Nobel Peace Prize in 2007. The next addition is Mr. Hugh Brown from Ghana representing Africa. Hugh Brown is currently the Operations Manager of the Forest Services Division of the Forestry Commission of Ghana. His responsibilities include the development and management of forest plantations country-wide. Mr. Brown has over 18 years' extensive experience in tropical forest management. He was also involved in the establishment and management of various exotic and indigenous commercial and community-based hardwood timber plantations - teak being the most prominent.

One other accomplishment on account of the international conference in Costa Rica is the great tie-up of TEAKNET with OLAT. OLAT stands for Organization of Latin American Teak which is an association of around 85 teak growers distributed throughout the Latin American Countries. The two networks have agreed to share information and work jointly on matters of mutual interest.

At the conference in Costa Rica, Lars Graudal announced the next conference of TEAKNET in Thailand. TEAKNET had initial discussions in this regard with the representatives from Thailand during the Steering Committee meeting held at San Jose.

TEAKNET also conducted a Partner Event at Beijing during the Asia-Pacific Forestry Week that was organized by FAO RAP Bangkok. A short description of the partner event is also provided in this issue.



Christmas Teak

Continued from page 1

One of the objectives of attending/organizing these conferences was to get the message of TEAKNET to as many people as possible. The participation also resulted in a large increase in TEAKNET membership. It is worthwhile noting that a majority of the current members are either growers or traders. The requirements and expectations of these groups are entirely different from that of researchers. Accordingly, the future activities of TEAKNET will be more oriented towards the two former groups mentioned. Even otherwise, what is found is that it is hard to find independent researchers working on teak. They are invariably part of some well established research institutions. Moreover, research on crop like teak requires heavy input and long gestation period. Growers and traders are less organized and require many kinds of services which they expect from TEAKNET. However, TEAKNET has the contentment that major research institutions like CIFOR, IFGTB, KFRI and Forest & Landscape are in its list of members already.

!!! Happy New Year and Happy Networking !!!

K. Jayaraman,
TEAKNET Coordinator



A glimpse of the international conference and exhibition on Art and Joy of Wood

A unique event in a special year: The International Conference and Exhibition on Art and Joy of Wood held in Bangalore, India (19-22 October, 2011) attracted about 300 delegates from more than 30 countries representing all the continents (Photo 1). The four-day exhibition portrayed the diversity in art and joy of using, working and living with wood to about 5,000 visitors. This unique event, in the International Year of Forests, targeted also the participants outside the foresters' domain like designers, architects, artefact makers/entrepreneurs among others. They deliberated to rediscover wood as an indispensable constituent for sustainable development. Decision makers gathered new ideas, especially on the increasing significance of wood under emerging trends in economy and lifestyles.

Synergies that powered up the show: The Indian Ministry of Environment and Forests hosted the event and jointly organised it with the Food and Agriculture Organization of the United Nations. The Institute of Wood Science and Technology and Indian Plywood Industries Research and Training Institute provided logistic support to the conference and exhibition respectively. The co-organisers were the International Union of Forest Research Organizations, Forest Research Institute (India) and International Wood Culture Society (China). The major sponsors were PEFC, CFA and AHEC.

Exchange of innovative thoughts transcending boundaries: Sixty participants presented orally in 15 sessions while about 25 presented posters depicting the role of wood in the sustainable development landscape. The popular sessions included wood culture, aesthetic and artistic aspects of wood use and design, wood in architecture, selling the art and joy of wood products, wood and handicrafts industry development, sustainable wood supply among others. The lively presentations and follow up discussions by the world's leading thinkers unravelled the hidden potentials of wood in a changing social paradigm (Photo 2). The attendees' feedback revealed the usefulness of the ideas garnered and many of them promised to propagate them in their countries and thus magnify the impacts of the event.

Exhibition with a visual impact: Display of diverse and exquisite wood products at the exhibition like furniture, musical instruments, handicrafts among others generated a great visual impact. Diverse artisans, who occupied more than 50 per cent of the exhibition space, caught the eyes and mind of the visitors. They transmitted the positives of wood to the students, public and media (Photo 3). About 20 artisans from India, China, Japan, Indonesia, Turkey and Cameroon demonstrated their skills during hourly shows (Photo 4). The highly skilled artisans exhibited exemplary value addition to small pieces of wood using their creativity (Photo 5, see the link <http://www.youtube.com/watch?v=2N8WICBpzRE&blend=21&lr=1&ob=5>). Visitors thus took home the message of the International Year of Forests and why "wood is good". Display of creative entries of the winners of the international photo competition, Indian poetry and pencil drawing competitions at the exhibition also provided take away ideas.

Two outstanding side events: WWF- India led a side event on challenges and opportunities of responsible wood trade while the Forest Research Institute, Dehradun organised a Students' Conference on the career

Read more on page 3

Continued from page 2

Seeing is believing

The field trip was an exceptional learning experience. In Channapatna village, conference participants met the wooden toy makers who survive using their skills amidst cheaper alternatives and thereby exposing the livelihood dimensions of wood. The participants also got a bird's eye view of the industrial dimensions of wood at Mysore Sandal factory and the aesthetic and artistic dimensions at the Mysore Palace.

Other special bits and pieces

A B2B dinner enabled the entrepreneurs to learn from each other's experiences. Likewise, the conference dinner showcased the Indian cuisine to the participants and the "music from wood" concert made them ecstatic.

Towards carving a wood-based future

This event attempted to bring the relevance of wood to limelight and uncover its hidden potential. The participants who carry innovative ideas from here may craft a better future for their economy, society and environment.



Flags indicating the participants' countries



Dr Michael Martin (FAO) at the discussion on the outcomes of the conference



School children at an informal learning environment with artisans



A Japanese artisan demonstrating with wooden masks



A Cameroonian artisan carving a small piece of wood

For more information, contact Dr. Illias Animon, Forestry Officer, FAO, Rome (illias.animon@fao.org)

The world teak conference in Costa Rica – A synthesis report

Walter Kollert, FAO, Rome

Teak takes a minor position in the total volume of world's timber production and trade. Yet it competes in the high-value hardwood markets and is a major strategic element in the forestry economies of many tropical countries. Planted teak forests have attracted large investments from the private sector in Africa, Asia and Latin America. Globally, they constitute the only hardwood resource that is growing in terms of area.

"Planted Teak Forests – a Globally Emerging Forest Resource" was the topic of the first world teak conference held in San José, Costa Rica, in the beginning of November 2011 followed by a field trip to Guanacaste, the central region for teak cultivation in Costa Rica. The conference attracted more than 220 participants from 36 countries of 5 continents, the biggest delegation being from Brazil with 28 persons. Approximately two thirds of the participants were from the private sector with ample experience in growing and marketing teak, operating teak nurseries, and processing teak wood. They gave a very positive feedback on the organization and contents of the conference as well as the significance of the emerging teak sector.



The plenary session at the opening ceremony of the conference



Mr. Win Myint giving his presentation on teak resources in Myanmar

The conference was co-organized by CATIE, an agricultural and forestry research institute in Costa Rica, the Forestry Department of the Food and Agriculture Organization of the United Nations (FAO) and TEAKNET, an international teak information network hosted by the Kerala Forest Research Institute, India. The conference programme comprised nearly 40 presentations from around the globe on the policy framework, structural obstacles and financing barriers for teak investments, environmental and social challenges, silvicultural and management practices, genetics and tree improvement, the evaluation of teak investments, and the markets and utilization of teak. The conference presentations are available online at http://web.catie.ac.cr/conferencia_teca/presentaciones/presentaciones.htm. A brief summary is provided here.

Teak resources, trade and markets

Data and information on teak resources and markets are incomplete and fragmented, though several attempts have been made in the past to provide information on the global teak sector. FAO presented the preliminary results of a new global teak resources assessment conducted in 69 tropical countries, the complete results of which are in the process of being published at the FAO webpage. The results clearly indicate that Asia continues to dominate the production and trade of teak as it holds more than 90 per cent of the world's teak resources. India alone has over 45 per cent of the world's planted teak forests and is the number one teak importer in the world. Hence, the teak market will continue to be governed by trends in the Asian market. Myanmar, India and Indonesia will maintain their market position on premium-quality teak though this market is limited by supply. The growth in international demand however has broadened the traditional teak supply base from Asian countries to include plantation-grown teak from Brazil, Costa Rica, Ecuador, Ghana, Nigeria, and Panama, among others.

Read more on page 5

Genetic resources

The available old-growth, high-quality teak resources are under threat due to over-exploitation and conversion to other landuses. In Myanmar the production from native teak forests exceeds the annual allowable cut for many years. In India the share of grade-A teak in timber auctions is on the decline. Hence, it is imperative in the near future to plan, organize and implement a programme for the genetic conservation of native teak resources.

Environment and socio-economic impacts

Planted teak forests face a number of challenges in terms of environmental impacts and biodiversity, which must be further investigated by research institutes and private stakeholders. Teak is not currently a priority species in community forestry, although there are a number of cases of smallholder teak plantations which have contributed to the improvement of rural livelihoods. Unfortunately, the forestry departments in many countries do not assume an active role in teak cultivation or provide a forestry extension service to smallholders who have embarked on teak cultivation.



Planted teak forests as long-term investment for the benefit of future generations

Growth performance

Teak is primarily planted and managed for timber production. Hence, growth performance, size and dimensions play a decisive role in determining silvicultural practices and the harvesting age. Teak is not a fast growing species *per se*. Its growth performance depends very much on the quality of the planting site, the genetic improvement of the planting material, and the applied silvicultural practices. Further, good nursery and establishment techniques, such as site preparation, pest and disease management, weed control and the judicious use of fertilizer can influence the growth of teak considerably. Costa Rica has established itself as one of the key regions in Latin America for the provision of high-quality planting material.

Wood production

The current enthusiasm by many investors for planted teak and the economic necessity for a high rate of return are likely to lead to a significant increase in the supply of small-dimension logs grown in short rotations. This plantation-grown teak does not yet have a high-quality image in the international market. Yet, this lesser-quality teak is suitable as a multi-purpose timber for less-demanding building purposes, furniture, flooring, reconstituted wood products, and utility poles for transmission lines.



Good nursery techniques are essential for high growth performance and good-quality production



Adapted technology in wood processing ensures an optimized utilization of teak plantation logs with high recovery rates.

[Read more on page 6](#)

Networking

The two major teak information networks in the world are TEAKNET and OLAT. TEAKNET was established in 1995 with the support of FAO and is governed by an international steering committee consisting of representatives of FAO, ITTO and other organizations. At the conference TEAKNET managed to obtain 22 new membership applications and has expanded its steering committee to include new members from Africa and Latin America. TEAKNET will also contribute to organize the 2012 teak conference in Thailand.

OLAT (Organización Latinoamericana de la Teca) is a Latin American teak information network that was established in 2010 in Costa Rica. It represents growers from fifteen Latin American countries representing over 100,000 hectares of planted forests. At the conference, first steps were made to establish a formal working relationship between TEAKNET and OLAT in order to enhance worldwide networking, to gather and distribute up-to-date information on teak cultivation, management, marketing and trade of teak. Such exchange of information will be of mutual advantage to both the importing and exporting countries.



The TEAKNET and FAO bookstand at the conference



Closing ceremony of the conference



Group photo of the participants of the conference

TEAKNET Partner Event

Meeting the global demand for hardwood - A case for teak

Thursday 10 November, 2011

Organizers

TEAKNET, Kerala Forest Research Institute, Forest & Landscape Denmark and FAO

Objectives

- To explore ways and means by which the huge global supply deficit for high grade tropical hardwood could be met by teak.
- To find out how TEAKNET could be of use to the stakeholders of the global teak sector.

Proceedings

The event started with a welcome note by Dr. S. Appanah, National Forest Programme Adviser, FAO RAP, Bangkok. Dr. Appanah remarked about the origin of TEAKNET and its objectives and further reviewed briefly about its functioning. He further elaborated on how FAO has been of support to this important network on teak in the region. Dr. Appanah then invited Mr. Dede Rohadi, Scientist of the Centre for Research and Development on Climate Change and Policy, Indonesia, to chair the sessions.

Mr. Rohadi briefed the participants about the outline of the programme and opened up the sessions. The event was attended by 19 participants.

Session: 1 Teak - A potential species to meet the global hardwood crisis by Dr. K. Jayaraman, TEAKNET Coordinator

After a brief introduction about the versatility, quality, durability, strength and many other features of teakwood, Dr. Jayaraman drew attention to the prevailing crisis of high grade tropical hardwoods, which is expected to intensify further in the coming years. The global demand for tropical hardwoods was estimated to be 136 million m³ by 2050. It was pointed out that it will be difficult to meet even 10 per cent of the requirement for hardwoods with teakwood produced globally. With the result, there will be an unprecedented price rise for teakwood over the coming years.

The current international situation with respect to the species was reviewed. Indications were made on how the supply of teakwood can be geared up to meet the rising demand for hardwood and how the marketing of teakwood can be further facilitated through appropriate trading policies and standards. Reference to the recent study conducted by the Planted Forests Division of FAO, Rome on global assessment of teakwood resources was also made.

On request by the participants, the presentation made by Dr. Walter Kollert at the international conference held at San Jose, Costa Rica in October 2011, was given to the participants. This was followed by much discussion.

The participants had a high appreciation for the study conducted by the FAO on teakwood resources. The deliberations started with questions on optimal rotation age for teak. Dr. Jayaraman indicated that the rotation age varies with the site quality, management options and the pricing and referred to the software *Teak Planner* developed by the Kerala Forest Research Institute with which optimal rotation age, thinning schedule and several financial criteria like NPV, IRR and BCR could be evaluated.

Read more on page 8

Dr. Jayaraman further indicated that under the growing conditions and prevailing price structure in India, the optimal rotation age as indicated by the software is around 40 years. The uses of *Teak Planner* in valuation of teak plantations were also discussed.

Questions were also raised on international prices of teak and the variation over size grades. The study by FAO had shown clearly the prices fetched in the international markets, by small, medium and large sized logs. The study had brought out also the clear difference in prices between large logs from plantations (USD 600 per m³) and natural forests (USD 4000 per m³). The reasons for this difference also came up for discussion.

There were suggestions regarding the unification of log grading rules. Dr. Appanah commended on the need to bring uniform standards so that nobody suffers any loss in the international trading of teakwood. Some participants however argued that the unification of log grading rules will not work in the market. Clarification of grading rules applied in each country and sharing that information among the business entities around the Asia Pacific region would help for more fair pricing system.

Session 2: Future perspectives for TEAKNET by Sreelakshmy, TEAKNET Secretary

Ms. Sreelakshmy presented the current activities of TEAKNET and also indicated some of the future plans of the network. The description centered on the objectives of the organization, the various facilities for accessing information from the TEAKNET website, information dissemination achieved through *Teaknet Bulletin* and privileges for the TEAKNET members. She also invited suggestions on how the networking could be improved for the benefit of the stakeholders.

The major question was regarding the availability of information on profiles of companies associated with teak production and trade. In reply, Dr. Jayaraman requested for a format for gathering and reporting such information.

The benefits of the linking mechanisms initiated by TEAKNET were illustrated by referring to the recent tie-up established by TEAKNET with OLAT. It was explained how TEAKNET could act as a facilitator by getting the producers and traders in one platform. It was also mentioned that the next conference in Thailand would attract many stakeholders due to the largeness of the agenda. The inability of TEAKNET to facilitate the exchange of genetic material was referred to. However, there was general agreement on the value of what TEAKNET is doing currently. The forum also discussed that TEAKNET should pay better attention on the emerging smallholder teak producers within the countries.

At the conclusion of the discussions, Mr. Rohadi summarized the deliberations briefly. Afterwards, Dr. Jayaraman proposed vote of thanks and the event was concluded.

Conclusions/Recommendations

1. Teak, by virtue of its high quality timber and adaptive nature definitely qualifies to be considered as a potential species for meeting the escalating demand for high grade tropical hardwood.
2. The initiative shown by several countries on liberalizing governmental policies on growing teak needs to be continued so as to attract private investors in teak business.
3. Sharing of teak log grading rules applied in each country within the Asia Pacific is a felt need for fair trade across countries. When possible, a unification of these common rules could be initiated.
4. The networking activities of TEAKNET need to be continued so as to promote effective communication between stakeholders of the sector. New strategies need to be developed to expand the outreach of TEAKNET into wider users, such as the association of smallholder teak producers.

Read more on page 9

Photo Gallery



Dr. S. Appanah



Mr. Dede Rohadi



Dr. K. Jayaraman



View of audience

Editorial Committee

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