



# Teaknet Bulletin

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### Editorial

We are here again with the issue number 2 & 3 of our TEAKNET Bulletin. In this combined issue, we focus on the highlights of World Teak Conference 2013 successfully held at Bangkok during 25-30 March, organized in association with RSPG and FAO-RAP. Teaknet organized a series of conferences/ seminars during the last 5 years on different topics relevant to teak cultivation, management, marketing of teakwood products that attracted worldwide attention and recognition for this species. The WTC 2013 was successful as evidenced from the active participation of more than 200 delegates from all the continents deliberated on all aspects of teak right from genetic improvement to socio-economics and lastly on carbon credits. This shows the potential of the species for livelihood support to small holders in the form of incentives for cultivation, return on investment for shorter rotations, adoption of improved processing technologies for quality assurance to the end-user etc.

The Summary Session entitled '*Bangkok dialogue: Ways Forward to Teak Plantation Opportunities*' was presented by the chairpersons of each concurrent symposia that can be read under the highlights of each symposium given in this bulletin.

The Teaknet Steering Committee meeting was also held during the conference and the future plan of action in the coming years was charted out, including the proposal to organize the next teak conference in 2015, although the venue yet to be decided. Dr. K. Jayaraman who served as the Coordinator of TEAKNET was relieved of his duties on retirement from the host institution.

As you are aware, 90% of the teakwood harvested around the globe are targeted to Indian ports for supply. There are wide variations in the quality and price of teak being imported to India and in this issue we bring you the prices of teak imported to India based on the recent ITTO's TTM Report.

TEAKNET invites the enlightened readers to contribute articles or news items of interest regarding teak for publication in this bulletin.

Our best wishes to all who are honoring us with your reading.

P.K. Thulasidas  
TEAKNET Coordinator



## Farewell to Dr. K. Jayaraman

Dr. K. Jayaraman, who was coordinating the Teaknet activities at KFRI, relinquished the charge after the successful completion of World Teak Conference in March 2013. He retired on superannuation from the regular service of KFRI in 2012. In the farewell talk in the Teaknet Steering Committee meeting held during the Conference in Bangkok, Dr. Walter Kollert (FAO) lauded Dr. Jayaraman's efforts to make the TEAKNET's activities vibrant and visible among the teak community by periodically organizing seminars/ conferences in different parts of the world ever since he took charge as Teaknet Coordinator in 2009. The Steering Committee along with members of Teaknet wish him a very happy retired life.



Dr. K. Jayaraman receiving memento from Dr. Walter Kollert

## Dr. P.K. Thulasidas is the new TEAKNET Coordinator



The International Steering Committee of Teaknet unanimously nominated Dr. P.K. Thulasidas, Scientist, Kerala Forest Research Institute as the next Coordinator. He took charge in early September after Dr. K. Jayaraman relinquished the charge, and Dr. M. Sivaram who served as Coordinator for a short period, left KFRI to take up a higher position. Dr. Thulasidas has served in KFRI for 29 years, specialises in Wood Science and has a special interest in anatomy and wood properties of teak and other tropical timbers. He is also the Coordinator of IUFRO Teakwood Working Party (D5.06.02).

# World Teak Conference: Highlights

25-30 March 2013, Bangkok, Thailand

*"Sharing Our Planet: Teak Model Development towards the Improvement of Mankind"*

World Teak Conference 2013- *Sharing our Planet: Teak Model Development towards the Improvement of Mankind* took place in Bangkok Convention Centre at Central World, Bangkok, Thailand, from 25-30 March 2013. The Conference was jointly hosted by TEAKNET, The Plant Genetic Conservation Project under the Royal Initiative of Her Royal Highness Princess Maha Chakri of Thailand (RSPG), Plant Genetic Conservation Foundation, FAO, ITTO and the IUFRO Teakwood Working Party D5.06.02 and co-hosted by a total of 31 agencies. This conference followed the successful 2011 conference held at Tropical Agricultural Research and Higher Education Center (CATIE), San Jose, Costa Rica on the topic *"Planted Teak Forests- a Globally Emerging Forest Resource"* organized by FAO in association with TEAKNET and CATIE. (Visit [http://web.catie.ac.cr/conferencia\\_teca/presentaciones/presentaciones.htm](http://web.catie.ac.cr/conferencia_teca/presentaciones/presentaciones.htm))

Substantial experience has been gained in the management of teak resources for sustainable teak wood production from tropical plantations worldwide. Teak was found to cover only a small proportion of world timber and its natural occurrence is limited to India, Myanmar, Thailand and Lao PDR in about 29.035 million ha and the planted teak in 38 tropical countries covers 4.346 million ha. The superior qualities of teakwood make it a preferred species for ship building, construction, furniture making and other multiple end-uses. The estimated market share of teak logs in the total tropical round wood production is less than 2%, however, teak is part of the high-value hardwood market, and is a major component of the forest economies of many tropical countries.

## Objectives

The major objective of the programme was to examine the multiple aspects of teak cultivation and management in the context of sustainable development with social, ecological and economic implications.

## Participants and target beneficiaries

The WTC 2013 received overwhelming response as evidenced from the active participation of more than 200 delegates from all the continents who converged at Bangkok and deliberated on all aspects of teak right from silvicultural, genetic improvement, socio-economics, teak investment options and lastly on carbon credits. About 45 oral papers, 5 plenary and 8 keynote papers, besides 52 posters were presented during these 3 days.

## Opening Ceremony

The conference was formally inaugurated on 25 March at the Bangkok Convention Center by Her Royal Highness Princess Maha Chakri Sirindorn, who also opened the World Teak Conference 2013 Exhibition. Thailand has initiated massive teak planting programme and distributed about 8.4 million saplings to the villages in the country with people's participation to commemorate the 84<sup>th</sup> birthday of their beloved King.

After the formal inauguration and opening address, HRH Princess Maha Chakri Sirindhorn visited the exhibition and poster area.



Inauguration by HRH Princess Maha Chakri Sirindorn

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In the opening remarks by Mr. Hiroyuki Konuma, Assistant Director-General, FAO-RAP, Thailand highlighted the importance and support given to the management and utilization of this high value species in plantations and farm lands in Asia-Pacific region. He pointed out that teak is an excellent crop for timber production in small farms, agroforestry, and with rehabilitation of degraded lands. These developments can potentially lead to small and medium industries in rural settings. However, in most instances, the policies, regulations and institutional setups are not adequately developed to foster such positive changes. FAO has been actively seeking countries to implement these prerequisites, so rural communities can benefit from forestry, their livelihoods are raised, and urban migration can be stemmed. Simultaneously, FAO is also exploring other win-win strategies whereby farm and agro-forestry developments can also address climate change mitigation while contributing to sustainable development. Teak can be an anchor species in all such initiatives.



Mr. Hiroyuki Konuma, FAO opening address



Dr. Lars Graudal, TEAKNET opening address

Dr. Lars Graudal, Chairman, TEAKNET, in his opening address stressed the role it had played in the past by organizing events of this kind, the last one being organized in association with FAO of the United Nations at CATIE, San Jose, Costa Rica in the year 2011. RSPG Opening Remarks was given by Prof. Thira Sutabutra, Advisor, who stressed the importance of teak plantations and the role of RSPG in promoting teak cultivation in Thailand. A personal message from HSH Prince Albert II of Monaco was delivered by Ms. Jacqueline Deromedi, Honorary Consul of Monaco.

## Panel Discussion

The Conference began with a panel discussion on the topic “Why Teak?” moderated by Dr. Dennis Neilson, CEO, DANA Limited, New Zealand on 24<sup>th</sup> March. Participating in the Panel Discussion, Professor Neils Elers Koch, IUFRO President outlined IUFRO’s greater role to promote global cooperation among the forest related research of this kind and to spread the message and dissemination of scientific knowledge to the stakeholders and to decision makers that contribute to sustainable management of forest resources. IUFRO also have a very active Teakwood Working Party under Division 5 (Forest Products) collaborated with this event.



Prof. Neils Elers Koch, IUFRO President

Mr. Sylvio A. Coutinho, Managing Director, Floresteca Plantation, Brazil focused his talk on ‘Why Teak’ from a grower perspective level. Based on an institutional investors view, Mr. Marc Hiller, Managing Director of Acquisitions, Greenwood Resources Inc, USA stressed the goal of maximize risk-adjusted returns at the asset level while providing portfolio-level benefits. Mr. Jirawat Tangkijngamwong, Thai Timber Association, Thailand emphasized the general outlook of wood as a ‘green material’. He outlined the current timber situation, teak plantations, supply chain in Thailand and highlighted the importance of green mindset in utilizing the important resources.

*Read more on page 4*

## Technical Sessions: Symposiums

The World Teak Conference covered four main topics relevant to the teak timber sector:

- I. Genetics, Silviculture and Utilization,
- II. Environment, Climate Change and Carbon Trading,
- III. Economics and Investments, and
- IV. Rural development.

The above topics were discussed in the four concurrent symposia held in the first three days of the conference, 25-27 March. There was Plenary talks by leading organizations like FAO, ITTO, TEAKNET, IUFRO followed by Keynote address every day in each of the 4 topics mentioned above, followed by oral presentations.

### Symposium I: Genetics, Silviculture, and Utilization

Chairman: Mrs. Mingquan Wichayarangsaridh, Deputy Permanent Secretary, MNRE, Thailand

A total of 12 oral and 27 posters were presented in this session. The major discussion was on the future activities to meet the actual need and practical application and drawn the following conclusions:

- Under the present situation, a strategy for genetic improvement of teak should be formulated with more consideration given to the genetic conservation of existing gene pool.
- Mutual cooperation among international, regional and national agencies under the auspices of TEAKNET and IUFRO need to be strengthened.
- For practical application, the delineation of provenance zones is suggested.
- Seed production of clonal seed orchard requires more urgent research to overcome the existing problems.
- Biotechnological tools in conjunction with intensive breeding programs need to be developed.
- Risk assessment should be taken into consideration in conjunction with insurance package.

### Symposium II: Environment, Climate Change and Carbon Trading

Chairman: Dr. Damrong Sripraram on behalf of Mrs. Prasertsuk Chamornmarn, Acting Executive Director, TGO, Thailand

In this symposium, a total of 9 oral and 5 posters were presented. The session focused mainly on the following four key issues.

- Sustainable carbon sinks of teak plantation concerning sustainable forest management, as a tool to maintain or increase carbon stocks and to meet eligibility for sustainable forest management standards (e.g. Forest Stewardship Certification: FSC and ISO) and as a screen for forestry mitigation projects.
- Low carbon teak products can be proposed through reducing emission from wood products of teak, carbon capture and storage (CCS) in teak wood products and assessment of carbon profile and carbon foot print of teak wood products.
- Potential of teak plantation in carbon trading includes new facilities or crediting opportunities under the UNFCCC (e.g. REDD+, Nationally Appropriate Mitigation Activities (NAMAs) and sectoral crediting opportunities); incentives for teak plantation in carbon markets (e.g. government subsidies or tax incentives to stimulate carbon market in forestry sector); voluntary carbon market (VCM) and CSR with high quality standard and other sustainable forest management standard e.g. FSC.
- Recognition of co-benefits of teak plantations refers to benefits from trading carbon other than carbon benefits, such as biodiversity conservation, environmental services and their significance for local livelihoods in REDD+, VCM and other forestry projects.

*Read more on page 5*

### **Symposium III: Economics and Investments**

Chairman: Dr. Twatchai Yongkittikul, Secretary General of The Thai Bankers' Association, Thailand

A total of 12 oral and 12 poster papers were presented. The symposium discussed the experience of investors in teak in different countries. Investors have shown high Return of Investment (ROI) on the teak plantations. The major issues in teak investments are as follows:

Based on the aesthetic qualities, strength and durability, teak has been utilized for centuries in high-end furniture and ship building and the mindset of the consumers were based on tradition and preference is for natural forest teak that has been matured with age. One significant difference between the natural teak and plantation teak is the relatively lower levels of tectoquinone (anti-termite) or lapachol (antifungal) which contributes to decay resistance, in the latter. However, there are some ways to improve it to make it closer to that of natural teak.

- The prices of natural teak and plantation teak are very much different at the moment. This will definitely affect the ROI depend on which prices are in use. A number of investors got into the investment by looking at the high prices of the natural teak in the market.
- Teak is excellent for carbon trading. Compared to other investments, wood is becoming important as it is renewable and considered most eco-friendly. The investment in plantation means they are also investing in carbon trading which shows the organization's Corporate Social Responsibility (CSR) to the world.
- Based on the investment criteria, there is no evidence of successful cases among the small holders. Investing in the forest is long-term oriented and involves fringe benefits. Studies have to focus on successful options for the small scale investments for the small holders to be profitable from the teak plantation as well.
- Extensive research has gone into the genetic improvement, raising tissue culture plantations and manipulation of nature to improve the dimension, straightness, and percentage of heartwood and to reduce the rotation years to 20 years, focusing on the yield.
- Research on teak has been done extensively on silvicultural aspects but very limited on production and improvement of plantation teak especially the aesthetic attributes were not covered as driven by market demands in the high-end categories.

### **Symposium IV: Rural Development**

Chairman: Mr. Luck Wajananawat, President of BAAC, Thailand

In this session a total of 12 oral and 8 posters were presented. The highlights were:

- Awareness of intercropping methods among farmers and small holders is needed due to the long-term returns from teak cultivation. Ownership of land is also essential if teak is to make significant contribution to livelihood of rural communities.
- Make available quality teak germplasm to avoid planting of poor quality seedlings by the farmers.
- The role of Government, support agencies and policy makers for adopting improved silvicultural and marketing management systems to the smallholders.
- Need for collaborative research and partnership with teak growing countries to enhance the livelihood of small holders through sustainable forestry.

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- Establishment of community Tree Bank as a model of self-sufficiency for rural people to encourage them to plant trees which has great potential for mitigating greenhouse gas emissions leading to global warming and also creating investment opportunities.

The Summary Session, “*Bangkok Dialogue: Ways forward to Teak Plantation Opportunities*” was led by the chairpersons of the four concurrent symposia on 27<sup>th</sup> evening. Awards for the outstanding posters were given away by Dr. Lars Graudal, Chairman, TEAKNET. Final remarks on behalf of FAO-RAP, TEAKNET and RSPG were delivered by Dr. Patrick Durst, Dr. Lars Graudal and Prof. Thira Sutabutra, respectively. Accompanying persons programme and post-conference tours for delegates to visit the largest teak tree in the world (“Mahesak”), teak industrial provinces, tissue culture plantations and visits to fascinating tourist destinations were arranged by the organizers during the last 3 days of the Conference.

### Teaknet Steering Committee Meeting

The Steering Committee Meeting of TEAKNET was held at 2.00 PM on 24 March 2013 during the World Teak Conference. The Meeting was attended by 7 Steering Committee members.

#### Members present

Dr. S. Appanah, FAO- RAP, Bangkok  
Dr. Walter Kollert, FAO, Rome  
Mr. Ramon Carrilo Arellano, ITTO, Yokohama, Japan  
Dr. Markku Kanninen, VITRI, Helsinki, Finland  
Dr. Sadhardjo Siswamartana, Perum Perhutani, Indonesia  
Mr. R.T. Somaiya, Timber Importers Association of India  
Dr. K. Jayaraman, TEAKNET, India



Dr. S. Appanah chairing the meeting

Dr. S. Appanah, TEAKNET Steering Committee Member, chaired the meeting in the absence of Dr. Lars Graudal, Chairman of TEAKNET Steering Committee, Denmark. The Chairman welcomed the Members to the meeting and Dr. K. Jayaraman, TEAKNET Coordinator, from Kerala Forest Research Institute, India made a detailed presentation on the activities and initiatives taken after the last Steering Committee meeting held in Costa Rica during November 2011. He expressed his desire to be relieved as Teaknet Coordinator with effect from 1<sup>st</sup> April 2013. The Steering Committee approved the request and entrusted the Chairman to get nomination of a suitable candidate from the host institution for approval.

### Photo Gallery of World Teak Conference 2013



WTC Registration



Opening remarks by Prof. Thira Sutabutra, Thailand



View of audience



Poster session



Conference exhibition



Outstanding poster award winners



WTC Gala Night



Field trip

## Prices of plantation teak imported to India

Fluctuations in the Rupee exchange rate continue to worry importers but plantation teak import volumes are virtually unchanged as India's requirement for teak is remarkably consistent.

Current C & F prices , Indian ports per cubic meter are shown below.

	US\$ per cu.m		
Benin logs	350-650	Nicaragua Teak logs	330-535
Colombia logs	350-750	Panama logs	350-550
Congo logs	450-550	PNG logs	400-575
Costa Rica logs	350-650	Sudan logs	400-700
Côte d'Ivoire logs	450-750	Thailand logs	350-450
El-Salvador logs	350-650	Togo logs	350-500
Ghana logs	300-650	Trinidad and Tobago logs	400-550
Guatemala logs	350-550	Uganda logs	450-650
Guyana logs	300-450	Benin sawn	700-800
Kenya logs	450-600	Tanzania teak, sawn	350-700
Laos logs	300-450	Brazil squares	350-650
Malaysian Teak logs	250-500	Ecuador squares	300-540
		Nigeria squares	300-450

Source: ITTO TTM Report 17(17): 1-15 September 2013

Price variations are based on quality, length of logs and the average girth.

### Editorial Committee

Dr. P.K. Thulasidas  
 Dr. Mammen Chundamannil  
 Dr. E. M. Muralidharan  
 Dr. S. Sandeep

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