



(10<sup>th</sup> July 2010)

## **‘Pre-1990 Forest Land’ Allocation Plan New Post-1989 Indigenous ‘Look up’ tables.**

This is the third in a series of articles relating to the ETS as it affects land owners and forest growers. In this, I discuss the Pre-1990 Forest Land Allocation Plan which is expected to open for applications on the 1<sup>st</sup> August 2010, and the new look-up table for post-1989 indigenous forests.

### **Pre-1990 Forest Land’ Allocation Plan**

MAF expects that the Pre-1990 Forest Land Allocation Plan will be in force in late July, and that they will open for applications for compensation credits on 1 August 2010.

There will be a solid information push from MAF, and hopefully other land management associated organisations (Federated farmers?), to advise land owners of their opportunities/obligations. With all this information, that provided here, and that in my previous article in the last Tree Grower, land owners will hopefully be able to make informed and beneficial decisions.

There will be a limited time of about 14 months to make applications and although MAF have invested in a team dedicated to processing these and providing an online mapping service (not available initially), do not underestimate the ability for the system to be ‘choked’; leaving your application to the last month of the available period may not be a wise thing to do.

### **What can you do NOW?**

If you do not have an NZEUR account open in the name of the ‘Land Owner’ then you could do this now.

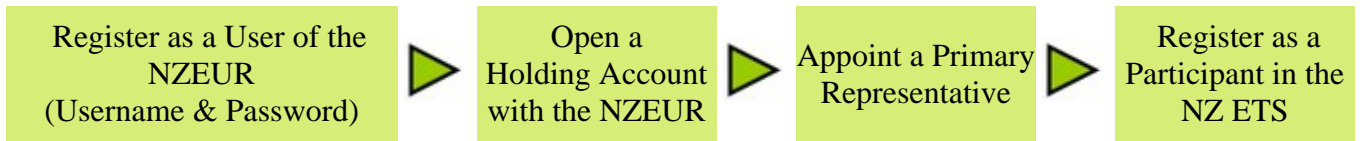
### **Opening an NZEUR account** at <http://www.eur.govt.nz/>

This is a two stage process:

- 1 Secure a User Name
- 2 Open your NZEUR account on line

The following diagram shows the process for requesting a holding account in the NZEUR:

## **The NZEUR Process (Order of Events)**



You will need this account so that any Pre 1990 Compensation (or post 1989) credits you are allocated can be given to you – MAF cannot start to process either a Pre 1990 or Post 1989 application without this in place.

Currently the plan intends to allocate:

60 units to land owners who owned the land on or before the 31<sup>st</sup> October 2002  
 39 units to land owners who have purchased the land on or after the 1<sup>st</sup> November 2002.

Approximately 38% of these credits will be allocated on confirmation of an approved application (check the Plan for the close off date once it is made public) and the balance in the next Commitment Period, as soon as early 2013 if still applicable.

### **Example**

40 Ha of Pre 1990 forest land that has been in the same ownership since 2002.

40Ha * 60 Units/Ha	=	2400 NZU
23 allocated now	=	920 Units * \$20 = \$18,400.00
37 allocated in 2013(?)	=	1480 Units * \$20 = \$29,600.00
<b>Total Compensation (@\$20/Unit)</b>		<b>\$48,000.00</b>

If only 39 units are allocated then the numbers reduce accordingly.

40 hectares at 39 units per hectare		1,560 NZU at \$20 a unit	
15 Units/Ha allocated now		600 NZU	\$12,000
24 Units/Ha allocated in 2013		960 NZU	\$19,200
<b>Total compensation @ \$20 per unit</b>			<b>\$31,200</b>

Further information can be obtained from the MAF web site and/or help line – Ph. 0800 CLIMATE

Alternatively, we would be happy to help complete the process with you.

## New Indigenous Forest Look Up Table.

The new 'indigenous' sequestration numbers when combined with potential revenues such as honey or managed grazing retirement, could appeal to many owners of phosphate deficient Class 6 and 7 hill country with a passion for returning land to its original forest state.

Initially MAF were allocating the equivalent of three carbon units per hectare for indigenous forest growing on Post-1989 eligible forest land through either the ETS or PFSI.

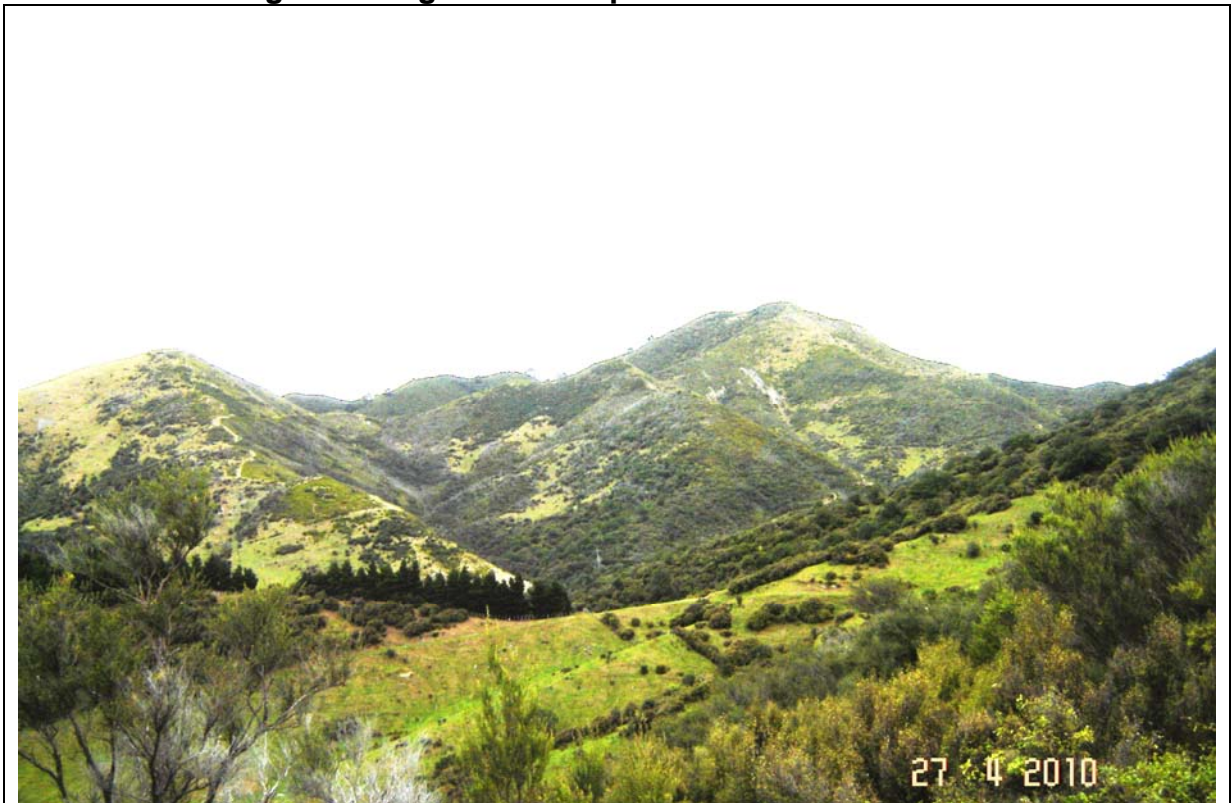
As a result of further work confirming NZ Indigenous sequestration trends, these numbers will increase significantly from October this year.

The table below discusses potential carbon volumes and returns for carbon sold from effectively 'reverting' eligible land. The accrual figures come from the MAF 'look up' tables for Indigenous Forest and can be found on the MAF web site.

Years since planting or since regeneration began)	Cumulative Sequestration	Annual carbon sequestration/Yr	Indicative value/Ha/Yr. @ \$20.00/Unit	Comment
1	0.6	0.6	\$12.00	Eligible land that reverts after the 1 <sup>st</sup> January 1990 is able to accrue carbon credits under either the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative(PFSI).
2	1.2	0.6	\$12.00	
3	2.5	1.3	\$26.00	
4	4.6	2.1	\$42.00	
5	7.8	3.2	\$64.00	
6	12.1	4.3	\$86.00	
7	17.5	5.4	\$108.00	
8	24	6.5	\$130.00	
9	31.6	7.6	\$152.00	
10	40.2	8.6	\$172.00	
11	49.8	9.6	\$192.00	
12	60.3	10.5	\$210.00	
13	71.5	11.2	\$224.00	
14	83.3	11.8	\$236.00	
15	95.5	12.2	\$244.00	
16	108.1	12.6	\$252.00	
17	120.8	12.7	\$254.00	
18	133.6	12.8	\$256.00	
19	146.3	12.7	\$254.00	
20	158.7	12.4	\$248.00	
21	170.9	12.2	\$244.00	
22	182.6	11.7	\$234.00	
23	193.9	11.3	\$226.00	
24	204.7	10.8	\$216.00	
25	215	10.3	\$206.00	
26	224.6	9.6	\$192.00	
27	233.7	9.1	\$182.00	
28	242.2	8.5	\$170.00	
29	250.1	7.9	\$158.00	
30	257.5	7.4	\$148.00	
31	264.3	6.8	\$136.00	

32	270.6	6.3	\$126.00	tables indicate that 1. 40.2 NZU have been previously accumulated 2. 8.6 units were sequestered in that calendar year 3. At \$20.00/unit the carbon sold would generate \$172.00/Ha
33	276.3	5.7	\$114.00	
34	281.6	5.3	\$106.00	
35	286.5	4.9	\$98.00	
36	290.9	4.4	\$88.00	
37	295	4.1	\$82.00	
38	298.7	3.7	\$74.00	
39	302	3.3	\$66.00	
40	305.1	3.1	\$62.00	

**Is Your Reverting Land Eligible for the post-1989 ETS or PFSI?**





In the top photo the reversion today is still in its initial stages or in gorse, and on 31 December 1989 it is likely the area would not already have been forest land under the ETS rules. -As such, it will almost certainly be eligible for entry into the Emission Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI). The bottom two photos show evidence that can be used to support an application: the size of forest species typically present (a manuka bush), their age (count the growth rings), and the location obtained by GPS – a process we use to help Clients and MAF with confirming land eligibility.

As noted earlier further information can be obtained from the MAF web site and help line Ph 0800CLIMATE or by contacting the author at Woodnet on [stuart@woodnet.co.nz](mailto:stuart@woodnet.co.nz) or Laurie Forestry on [allanl@laurieforestry.co.nz](mailto:allanl@laurieforestry.co.nz)