ITTO-BMEL
Teak in the Tropics

Bi-monthly online

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Inside this issue

Teak Mekong Newsletter is now re-named as *ITTO-BMEL Teak Newsletter* to reflect changes in the start of 2nd phase of the project in November 2023 for 3 years for implementation in 6 countries of Asia Pacific and Togo in West Africa. The newsletter support and facilitates teak and other tropical species networking and information dissemination in the Asia Pacific and West Africa through ITTO member countries and partners, and support sharing lessons of the project through short news release, occasional papers, project related research and development information. The bi-monthly newsletter is released online through TEAKNET webpage www.teaknet.org and co-hosted by Kasetsart University, Thailand.

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1st Regional Workshop on

Enhancing Smallholder Plantations Towards Quality Timber Production of Teak and Other Valuable Species and Carbon Neutrality in the Tropics

18-21 September 2024, Best Western Hotel, Bangkok, Thailand

Delegates and participants of the Regional Workshop

The 1st Regional Workshop on *"Enhancing smallholder plantations towards quality timber production of teak and other economic species and carbon neutrality in the tropics"* held in Bangkok during 18-21 September 2024 as part of ITTO-BMEL Teak project phase II advocated greater supportive role by the government and policy makers in the Asia Pacific and West African regions to smallholders by extending viable financial schemes to promote cultivation of teak and other economic species in their small woodlots and agroforestry systems and produce quality timber in long rotations. About 60 participants from 12 countries (Cambodia, Germany, India, Indonesia, Japan, S. Korea, Laos, Myanmar, Thailand, Togo, UK, and Vietnam) attended the PSC meeting and workshop.

The regional workshop was organised in conjunction with the back to back Project Steering Committee meeting held on 17 September 2024 at Best Western Hotel, Bangkok to review ITTO-BMEL teak phase II project (PP-A/54-331A) implemented in six participating countries in Asia Pacific and W. Africa funded by the Federal Ministry of Food and Agriculture (BMEL), Govt. of Germany for 3 years starting November 2023. The participating countries are Thailand, Cambodia, India, Viet Nam and Indonesia in Asia Pacific and Togo in W. Africa.

Welcome remarks by Dr. M. Nurudeen Iddrissu, Director of Trade & Forest Industry Division, ITTO, Japan

Dr. M. Nurudeen Iddrissu, Director of Trade and Industry Division of ITTO, Japan in his welcome remarks lauded the BMEL for supporting the 2nd phase with the proven track record of the successful implementation of the ITTO-BMEL 1st phase of teak project in Mekong sub-region. It is at the right time, the marginalised smallholders are targeted in the 2nd phase to improve the timber quality of teak and other valuable species production systems, support communities to build sustainable and resilient local economies as well as contribute towards carbon emission reduction through promoting tree plantations.

Dr. Nurudeen continued to emphasize that the development of management models for smallholder value chains in teak and the economic species plantations and providing supportive financial mechanisms will definitely encourage smallholders to plan the sustainable management of plantations resources and quality timber production in longer rotations and efficient timber processing technologies for value added timber products that attract domestic and export markets. Thereby the local livelihood economies of smallholders are improved and reduce the pressure on the sustainable use of forests.

Mr. Stephen Wagner, the BMEL representative from the Federal Ministry of Food and Agriculture, Germany in his welcome remarks said, the 2nd phase was built on the successful outcome and achievement of the project phase I to mainstream the production of high quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia Pacific and Togo in W. Africa. In addition, the project will address the pending issues facing the smallholders such as access to optimised financial mechanisms to promote longer rotations, value addition, and improved silvicultural practices, timber processing and legality throughout the supply chains of smallholders and community based teak and other tree species plantations.

Welcome remarks by Mr. Stephen Wagner, BMEL

Box 1

1st PSC Meeting
17 September 2024, Best Western Hotel, Bangkok

Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)

The Project Phase II builds on the excellent achievements of the project phase I, and aims to significantly improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in 5 countries in the Asia-Pacific and Togo in West Africa. Key activities include promoting policies to secure high quality planting stock, adoption of best silviculture practices, access to financing schemes to promote longer rotations, value addition, and improved timber legality.

Read more (1st PSC minutes)

Mr. Bannarak Sermthong, Deputy Director-General of Royal Forest Department, Thailand in his opening remarks highlighted Thailand's recent initiatives to increase the forest cover in the country and amended the Article 19 of the Forestry Act 2019, changed the status of teak to economic species and allowed farmers to cultivate teak and harvest it with the permission of FD that attracted the smallholders to invest in small-scale and large-scale plantations in the country. However, productivity and quality of timber produced by the farmers are of poor quality largely due to inadequate management practices followed by them and it is anticipated that they will largely benefit from the deliberations and expertise available from this workshop.

Opening remarks by Mr. Bannarak Sermthong, Dy. Director General, RFD, Thailand

Dr. Kobsak Wanthongchai, Dean of Forestry faculty, Kasetsart University in the opening remarks informed the gathering that the phase II project supports the Thailand policies to implement the National Forest Policy and bio-circular green (BCG) economy model, which is a main strategy to drive the economy of the country after the COVID-19 pandemic. Besides, smallholder plantations can contribute to other benefits such as carbon storage, provide ecosystem services, etc through Nature Futures Framework or NFF.

Dr. Kobsak, Dean, Faculty of Forestry, Kasetsart University, Thailand

Prof. Yongyut Trisurat, Regional Project Manager, Phase II project, presented the highlights and importance of convening the 1st Regional Workshop of the ITTO-BMEL teak project that aims to harnessing existing experiences and knowledge from relevant ITTO projects on teak and other valuable species through South-South Cooperation in the two tropical regions, Asia Pacific and West. Africa that focus on smallholder farming systems that integrate valuable native multifunctional species to provide alternate income sources to the farmers and enhance livelihood alongside teak planting for long rotations. The project explores recent incentive programmes to improve smallholder's access to finance and long-term investments to meet timber market specifications of harvested wood products that lock carbon for longer periods.

Prof. Yongyut Trisurat, Regional Project Manager on project objectives

The august gathering

Keynote presentations:

The opening remarks was followed by Keynote presentations by four speakers. In the keynote address by Dr. Khwanchai Duangsathaporn, Member of Thailand's National Boards on Forest Policy, whose talks on Thai Government Policy on economic tree plantations, informed that the National Forest Policy of Thailand comprises 4 objectives and 24 policies focussing on three main aspects of development: forest management; utilisation of forest products/forest ecosystem services and forest industry development, and effective forest administrations system and organisational development. Thailand aimed to increase the forest cover to at least 40% (20.70 million ha) of the land area by 2037. In this context, the national forest policy related to economic species plantations are: to promote

- ✓ Commercial tree plantations on public lands with permitted user rights, as well as on privately owned lands, to increase timber supply based on demand across all sectors.
- ✓ To support forest-based industries at all levels, and optimize forest resource-based economies
- ✓ To promote forest certification system for wider acceptance and accreditation at both national and international levels.
- ✓ To develop appropriate economic and marketing mechanisms to support the country's forest resource development efforts in line with current market norms.
- ✓ Government facilitates and issue permits and other services to the public, enabling them to perform their tasks more efficiently through the application of suitable information technology
- ✓ To establish strategic research guidelines for the forestry sector and include them in the National Research Policy and Plan, and consider establishing the 'Thailand Forestry Development Research Institute.
- ✓ Review, improve, and propose amendments to forestry laws and relevant cabinet resolutions in earnest, aligning them with social contexts and changing circumstances, and use them as tools for law enforcement in overall forest management

Dr. Khwanchai Duangsathaporn on Thailand's Forest policy

ITTO Projects Manager Dr. Tetra Yanuariadi who spoke next on the topic *'Promoting sustainable wood use in ITTO producer countries'* gave the audience the alarming situations of pandemics, continuing armed conflicts, broken supply chains, inflation, extreme weather events and ecosystems degradation. We need higher awareness and more attention towards sustainable forest management for sustainable development and follow International commitments on sustainability related to forests. Nonetheless, deforestation, and forest degradation continue unabated at alarming rates. The world lost an estimated 10 million ha of forest per year between 2015 and 2020. This is mainly due to illegal logging, unsustainable forest management, land-use changes to agriculture purposes and encroachments resulting in climate change and biodiversity loss. He said, this can be offset by sustainable harvesting, processing and trade of tropical timber and other forest products. When sustainably managed, the forests are healthy, productive and renewable ecosystems that contribute to nature-based solutions. The sustainable management of forests (SFM) is of critical importance to the 2030 Agenda for Sustainable Development and meet almost all SDGs.

Dr. Tetra Yanuariadi, ITTO, Japan on trends in international trade of tropical timber & timber products

Dr. Tetra then gave an overview of recent trends in international trade and market access for tropical timber and timber products. Dr outlined the case for SFM and trade in legally and sustainably produced tropical timber and wood products, noting the ecosystem services and economic benefits provided by forests, and the need to value them properly. He underlined ITTO's mission to support member countries – with work including policy guidance, market information, capacity building, and field projects – to master the challenges of SFM and to expand and diversify trade in sustainable, legally harvested wood.

Describing trends on tropical timber production, consumption and trade (2000–2023), Dr Yanuariadi reminded the audience of how major crises had impacted the sector like the COVID-19 pandemic which severely affected supply chains, demand and prices for tropical timber and wood products, including teak. The global financial crisis of 2008–2009 hurt demand for tropical wood products, though the damage was offset by demand from China and India. A major trend has been the growth in roundwood production from plantations in tropical producer economies and a decline in production from natural forests. India's import of teak logs and sawn timber increased all time high due to heavy demand from the booming housing sector and the trend will continue in the foreseeable future. Growth in the value of exports of secondary processed wood products (SPWPs) export from tropical countries is rapidly growing up from USD 1.7 billion in 1990, to USD 14.7 billion in 2000, to USD 36.1 billion in 2022.

Dr Tetra further explained the critical issues surrounding market access and market requirements, including the new European Union Deforestation Regulation (EUDR). Dr Yanuariadi said it would be a challenge for producers to meet the requirements of the EUDR, which is to be implemented starting 30 December 2024. The challenge is the evidence that the wood is legally harvested and sustainably sourced. However, he said forestry enterprises in the tropics were well prepared to meet the regulation, given that many already use GIS systems to define geolocation, can provide compliance documents, and have experience under the existing European Union Timber Regulation.

Dr. PK Thulasidas, Steering Committee member of TEAKNET who was the Regional Coordinator for Asia Pacific and Oceania for the global teak resources and market assessment (TRMA 2022) report, made a detailed presentation on the collaborative study undertaken by IUFRO, TEAKNET and FAO after the FAO report of TRMA 2010, published a decade ago. The Global Teak Resources and Market Assessment provide country-level information on teak for the year 2022. Teak resources were assessed using a standardized questionnaire sent to qualified experts with access to the required data. International trade in teak logs and sawn timber was assessed using the UN COMTRADE database, which publishes teak data based on official customs records since January 2022. He gave a glimpse of the salient findings as:

* Teak grows in nearly 80 countries in tropical regions and natural teak forests in India, Lao PDR, Myanmar and Thailand combined was estimated at 30.215 million ha, of which more than half is in Myanmar. Over a decade, natural teak forests have increased by 1.180 million ha globally (+4.1 percent). Asia holds more than 97% of the world's natural and planted teak resources, and holds 80 percent of the world's planted teak.

* The global area of planted teak forests is estimated at 4.854 million ha, of which 80% is in Asia, 13% in Africa and 7% in Latin America. The global area of planted teak forests has increased by 507 thousand ha compared to 2010. Significant increases were recorded in Asia (+261 thousand ha) and Africa (+156 thousand ha).

* Among the top ten countries accounting for the 88 percent of the planted teak, India top the list (1.693 million ha) followed by Indonesia (1.269 million ha) and Myanmar (0.447 million ha).

* The majority of planted teak (94%) is less than 40 years old resulting in a significant increase in the supply of small diameter logs to the international market as a general utility timber.

* The TRMA 2022 report suggest that the supply of high quality teak from natural forests is declining to below 0.5 million m^3, while the supply of teak from planted forests is estimated to be around 2 million m^3 annually.

* Majority of planted teak are young, 80% fall under 0-20 years old. Nearly 14% falls within the age class 21-40 years, indicating increased planting efforts for short rotation management over the past 30 years. This pattern is likely to continue in future. The reported

rotation periods is short between 20-30 years in most countries leading to production of small diameter logs and these logs have high demand on the international market as multi-purpose timber for less demanding construction sectors, furniture, flooring, reconstituted wood products and transmission poles.

* Concerning log removals, Asian countries reported the highest log volumes removals of about 835,443 m^3, of which the largest volume is cut in Indonesia followed by Brazil and Ghana. These three countries account for 65% of the globally harvested teak.

* In 2022, the international trade in teak roundwood was governed by India that imported 97% of the total trade volume from 43 source countries. The second largest importer is China with 2.5% of the total. All other importing countries together account for less than one percent. More than two thirds (72.5%) of India´s import volume was sourced from Latin American countries and African countries covered the remaining one quarter (25%). The roundwood quality of the imports appears to be good with average values (CIF) ranging from 363 USD/m^3 for logs imported from Latin America to 458 USD/m^3 from Africa.

* India imports sawn timber from 39 countries, mainly from Africa and Latin America. Singapore is an important trading hub for teak roundwood and sawntimber, and Netherlands serve as trading hub for teak sawntimber to European markets; without having teak resources on their own.

Dr. Thulasidas concluded the talk by saying that an increasingly important issue affecting the trade in plantation teak is forest management certification and legality. Meeting consumer expectations and legal requirements significantly influence growers and processors, particularly those dependent on the markets in North America and Europe.

The TRMA 2022 report is a useful reference for assessing country situations and trends, which are further explored in brief profiles of the major teak-producing countries in Africa, Asia and Latin America. There is currently no better source of up-to-date information on teak resources and markets. The TRMA 2022 report is available for download from IUFRO, TEAKNET and FAO websites
https://www.iufro.org/publications/series

Dr. Thulasidas, TEAKNET SC member on global teak resources and markets

The next speaker Dr. Osamu SAITO from the Institute of Global Environmental Strategies (IGES), Japan presented a highly simplified model of the complex interactions between the natural world and human societies on the topic 'Nature Futures Framework (NFF): Tool to support desirable futures for people, Nature and Mother Earth'. NFF was developed by Intergovernmental Science-policy Platform on Biodiversity and Ecosystem Services (IPBES) to facilitate building future scenarios and models desirable futures for people, Nature and Mother Earth as a flexible tool for researchers, policy makers, and local stakeholders. The NFF presents three value perspectives of nature in a triangle; Nature for nature; Nature as culture/one with nature and nature for society. In short, NFF is conceptualised to generate narratives/storylines, to simulate different futures by modeling, and to monitor indicators for global, national and local policy frameworks.

Dr. Osamu SAITO, IGES, Japan on Nature Futures Framework

Technical session highlights:

Other speakers in the event which was nested under the **Technical Session 1**: ***Smallholder plantations towards quality timber production*** that include Mr. Say Sinly, Forestry Administration, Cambodia who spoke on the Cambodian component of the project activity; Dr. Narongchai Chonlapap, Forest Industry Organisation (FIO), Thailand who presented on Long-term teak plantations towards good quality timber; Mr. Boonlert Srisikai, Technical Advisor to Sri Trang Rubber Plantation Ltd., Nan province, Thailand presented a model commercial teak plantations using intensive silvicultural practices; Dr. Dang Thinh Trieu, Vietnamese Academy of Forest Sciences (VAFS), Hanoi on development of smallholder teak plantations in Viet Nam; Mr. Vongvilay Vongkhamsao, National Agriculture and Forestry Research Institute (NAFRI), Lao PDR on natural teak forests and plantations in Lao PDR, and Dr. Zar Chi Hlaing, Forest Department, Myanmar talked on management of natural teak forests and teak plantations in Myanmar. The session was chaired by Mr. Suchat Kalyawongsai, Senior Expert of RFD, Thailand.

Mr. Say Sinly from Forestry Administration, Cambodia

Dr. Narongchai Chonlapap, FIO, Thailand on longer rotations for quality teak production

Mr. Boonlert Srisikai, Sri Trang Rubber Plantation Ltd., Nan province on model commercial teak plantations

Dr. Dang Thinh Trieu, VAFS, Hanoi on smallholder teak plantations in Viet Nam

Mr. Vongvilay Vongkhamsao, NAFRI, Laos on natural teak forests and plantations in Lao PDR

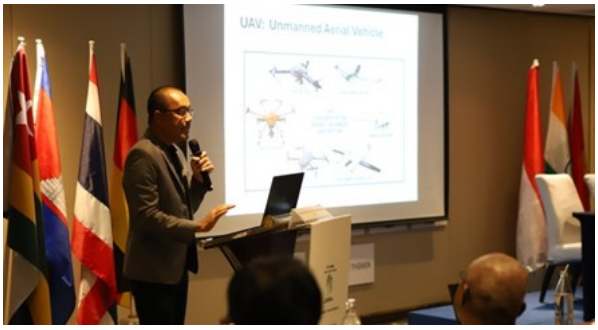
Dr. Zar Chi Hlaing, Forest Department, Myanmar on management of natural teak and teak plantations

Technical session highlights:

In **Technical Session 2**: ***Forest plantations and restoration contributing to carbon neutrality and teak value chains & microfinance***, five papers presented are: Enhancing teak value chains: challenge and opportunities by Mr. Nattawin Phongsphetrarat, Managing Director of TPS Garden Furniture Co. Ltd; Dr. Michael Jenke, Kasetsart University on Advancing the sustainability and quality of Thailand's forest through innovative silviculture and governance; Dr. Ponthep Meunpom, KUFF on Low-cost UAV as a tool for aboveground biomass assessment in teak plantations: Pros and Cons; Dr. Decha Wiwatwittaya, KUFF on Monitoring and prevention of pest insects in teak plantations; and Prof. Kokutse from University of Lome, Togo, W. Africa joined online talked on 'A comparative study of historical and newly introduced provenances'. The session was chaired by Dr. Suwan Tangmitcharoen, Director of Forestry Research and Development, RFD, Thailand.

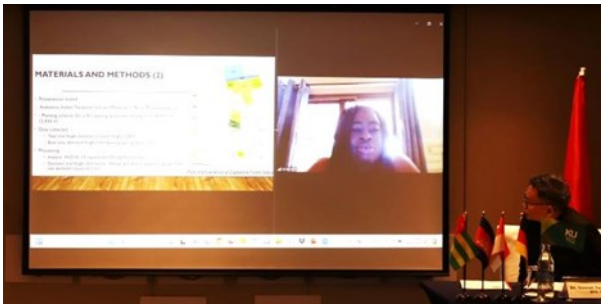
Mr. Nattawin Phongsphetrarat, MD of TPS Garden Furniture Co. Ltd on enhancing teak value chains

Dr. Michael Jenke, Dept of Siviculture, KUFF, Bangkok on innovative silvi-cultue and good governance for Thailand's sustainable forests



Dr. Ponthep Meunpom, KUFF on Low-cost UAV for aboveground biomass assessment in teak plantations

Dr. Decha Wiwatwittaya, KUFF on Monitoring, prevention and control of pest insects teak plantations in Thailand



Dr. Kokutse who joined online from University of Lome, Togo on health and productivity of teak plantations

Vote of thanks by Dr. M. Nurudeen Iddrissu, Director of Trade and Forest Industry Division, ITTO, Japan

The closing ceremony of the workshop was marked by vote of thanks by Dr. M. Nurudeen Iddrissu, Director of Trade and Forest Industry, ITTO, Japan followed by Prof. Yongyut Trisurat who acknowledged every participant and delegates for their valuable contributions to the success of the Regional Workshop. The delegates and participants travelled by flight to Nan province in the evening for field excursion starting 19 September.

Field Excursions: 19-21 September 2024 to Nan, Phrae, Lampang and Chiang Mai Provinces, Northern Thailand

19-09-2024: Visit to Nan province: The field visit to the 18-year old smallholder teak plantation in Nan province has given the participants a deep understanding and insights into the varied livelihood challenges faced by the smallholders. Generally, the smallholder woodlots established by farmers are not productive and earnings depend on the middlemen who negotiate the price with the farmer and sold at low price at times of financial requirements. The small dimensional teakwood quality is poor since no silvicultural practices were undertaken by them.

A poorly managed 18- year old smallholder teak plantation in Nan province, northern Thailand

The visit to large-scale commercial teak plantation established in 2021 at Pua district in Nan province in about 180 hectares at a spacing of 7x4 meters managed by M/s. SriTrang Rubber Plantation Ltd., showcase the best example of intensive silvicultural practice with periodic fertilizer applications.

The farmers in the adjacent villages were allowed free access to plantations for intercropping agricultural crops. The company allocated land space below 10 hectares based on their capacity to each farmer for cultivating pumpkin, corn or upland rice as intercrops of their choice which they can harvest and sold in the market on their own 100 percent free, thereby support and livelihood of dependant farmers are ensured. The farmers built roads to carry the harvested crops to the market and the plantation owners used these roads for silvicultural management of their teak trees with fire protection measures taken during summer months. This intercropping pattern involving farmer groups is beneficial to both the parties and without incurring extra cost for weeding, the teak plantation owners were able to look after the teak silvicultural management more effectively. Farmers were not involved in the silvicultural practice of teak trees which is being done by the trained skilled manpower of the company alone. This commercial teak plantation is a kind of family commercial enterprise or win-win approach.

M/s. SriTrang Rubber Plantations Ltd presentation on their commercial teak plantation

A mosaic landscape view of 3.4 year-old commercial teak plantation in Pua district, Nan province

Teak intercropping with pumpkin and upland rice by farmers

The harvested pumpkin by farmers loaded in vehicle to the market

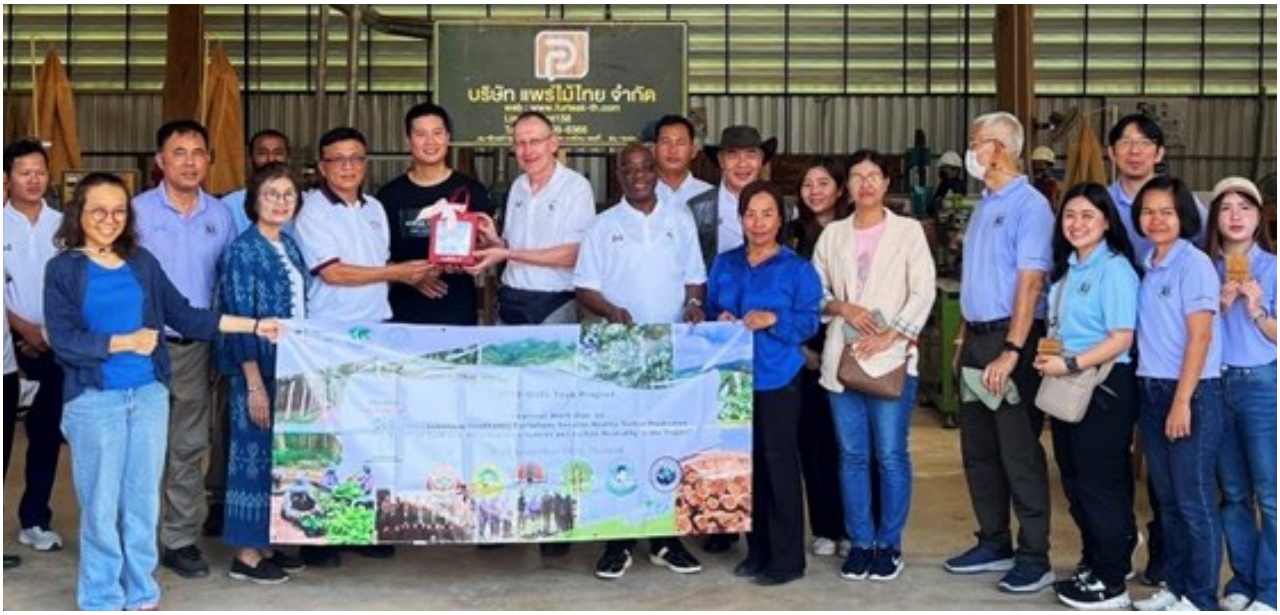
20-09-2024: Visit to Phrae province The visit to smallholder teak wood-based furniture factories in Phrae province on 20th September gave an insight into the working of small, and medium furniture manufacturing aimed for domestic market. They obtain teakwood partially sourced from FIO plantations in Phrae province in public auction/bidding and from farmer's woodlots. With limited resources and machineries available, quality furniture products are manufactured and sold in domestic markets with marginal profit that sustained the community-based enterprises set up as people's cooperatives with limited capital. There was no incentive mechanism available to farmers to keep the tree for longer rotations for quality timber production.

While at the same time, average teak based medium enterprise in Phrae province used sophisticated machineries imported from Germany and elsewhere, and quality teakwood products are manufactured for both domestic and export market alike. Design products are manufactured by qualified and trained skilled designers. Almost 60% quality teakwood are obtained from FIO plantations and often 40 percent sourced from smallholders woodlots as in the case of small, and medium enterprises.


Interaction with smallholder teakwood- based community enterprises in Phrae province



Visit to medium wood-industry and design products factories



Participants at teakwood manufacturing factory, Phrae province

The visit to the FIO's log yard at Lampang province showcased different quality class of teak timber graded according to Thai grading rules was a fascinating experience for the participants. It was informed that the harvested Class I teak logs (55-yr old) are sold approximately USD 700-800 per cu.m in the domestic and international (India) markets.

The delegates also visited the Thai Elephant Conservation Center in Lampang. The center is attraction for the tourists. Thai royal family gifted elephant named 'Muthu Raja' along with two other elephants to the Sri Lankan government in year 2001, and due to poor health they were rescued back home in 2013 and rehabilitated after medical treatment.

Participants at FIO teak log yard at Lampang province, Northern Thailand

Delegates at Elephant Conservation Cente, Lampang

Social hour during the last day of field excursion

Delegates visited unique mural wall painting of 1867 known as **"Whisper of Love"** at Wat Phumin, Nan province

Welcome dance: Northern typical music dance (Fon Ngiaw (Shan Dance) performed at teak historical teak house (right) in Phrae province for the benefit of visiting delegates, jointly organized by the Tourism department of Thailand and the Federal Thai Industries (Phrae province)

The participants travelled to Chiang Mai on 20th evening and stayed overnight.

21-09-2024: City tour to Chiang Mai. On 21st September after a city tour to important tourist destinations and historical places in Chiang Mai, they departed back to their home countries with the fullest information and knowledge.

The Abstract and PPT presentations of the Regional Workshop is available in the TEAKNET and ITTO-BMEL project websites (https://itto-bmel-project.com/) and can be downloaded here

Report by

PK Thulasidas I Yongyut Trisurat I Tetra Yanuariadi

Editorial Committee

ITTO - BMEL Teak Newsletter is a bi-monthly electronic newsletter of the Project Team which is intended for circulation among the stakeholders of global teak sector. The views expressed in the newsletter are those of the authors and do not necessarily reflect the views of the organization. The readers are welcome to express their opinions or pass on information concerned with teak. However, we reserves the information on the project and publishing through this newsletter for our esteemed readers.

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