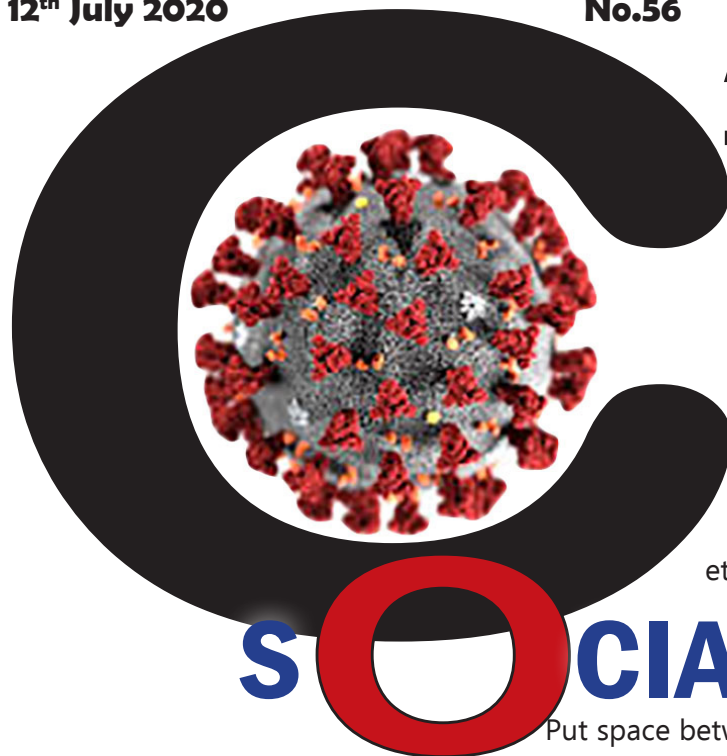


12th July 2020

No.56

ADVISORY TO TREE GROWERS



Forestry is an essential service. The forest sector is more resilient and has broad functions across other aspects of everyday life. While COVID19 is still with us, forestry is going to play an important role in the economic and social recovery in the aftermath of the crisis. Forest products will continue to support livelihoods throughout the crisis delivering essential items including timber wood for construction, hygiene and sanitary products, biomass for heating, ethanol for sanitizers, paper and packaging materials.

SOCIAL DISTANCING

Put space between yourself and others. Since people can spread the virus before they know they are sick, it's important to stay at least two meters away from others even if you or they do not have any symptoms.

Economic developments of COVID19 on Forestry

The COVID-19 pandemic has had an unprecedented impact on the world since the start of 2020. Being compared to the Great Depression, slated as being more destructive than the 2008 financial crash and defined as a once in a century event, the pandemic continues to inflict severe social and economic harm around the world. In its latest forecast, the IMF expects the global economy to contract sharply by 3%

VISOR/MASK

Don't touch your eyes, nose or mouth. Wearing a mask when physical distancing is not possible may help. Wearing a mask decreases the spread of the virus by individuals, decreases the spread of new infections by uninfected people and limits hand to face contact. Always have your mask on when going to public places and leave your home only if you must.

SANITIZING

Clean your hands with an alcohol based sanitizer because it kills viruses, including corona. Avoid close contact with anyone with a cold or flu-like symptoms. Seek medical advice if you have a fever, shortness of breath or any other of these symptoms.

Regular HANDWASHING

Using soap
19
By washing your hands frequently, you help protect yourself and others against COVID19 and other infectious diseases

As many of the commercial tree growers approach harvesting, they seem to be at cross roads. The market for timber and other forest products being largely unregulated leaves the grower at cross roads. Many are torn between selling trees as standing, harvesting and selling logs, selling the entire forest or harvesting and processing on their own. Although there are several efforts particularly planned through FAO/SPGS III in regard to supporting downstream processing and value addition, some growers seem impatient and prefer to dive in singularly. It is however important the growers learn how to attach an actual monetary value to their



trees and plantations at large. Many of the market players are providing unrealistic and unjustifiable payment methods for trees and forests. Many prefer to buy trees in terms of acreage, tonnage, and truck loads etc., which are all unfair to the growers. A time has come for growers to learn how to value their trees in relation to market demands in order to tap into the best offers on the market. Today timber is generally sold in terms of volume (cubic meters) and this is why any buyer would pay for timber based on its dimensions for example the prices of timber planks with dimensions, 9*1*14, 4*2*10, 4*3*14 all have different prices on the open market and different number of pieces per cubic meter. Determination of tree prices should also be done the same way. The price per tree should be based on the standing volume in cubic meters or volume per hectare for the entire forest. It is therefore important to always be aware of the standing volume in our forests which can be obtained from the tree heights and diameters at breast height. It is also possible to develop relationships between simple indicators like diameter and the price ranges of a tree. This kind of valuation however incorporates some key price

Valuing Trees and Forests

determinants. Some of these include.

- The market prices of timber
- Transport to the markets
- Harvesting and handling costs
- The cost of credit e.g. if one borrows money for harvesting operations
- Management & overhead costs including risks like thefts of timber
- The age, height, diameter at breast height and tree form or taper
- The type of processing facility, this affects the volume recovery

The above considerations make it clear that the longer the trees are left to reach maturity, the higher the price per cube of wood. Just four years of additional growth can almost double the price per tree since wider and more valuable planks will be obtained. For example one cubic meter of planks of 12 * 1 * 14 (inch*inch*feet) comprises of 30 pieces/m³ and goes for about UGX 984,000/m³ whereas a cube of 4*2*14 (inch*inch*feet) will have 45 pieces and goes for 590,000/m³. The former may be obtained from trees with diameters at breast height ranging between 18 cm to 25cm whereas the latter can only come from trees with ≥ 35 cm. Such considerations empower the tree grower with a starting point to bargain for better prices.

Its Fire season!

It is fire season and herebelow is a checklist that tree growers can use to help fire management in plantations:

- **Communication is key**
Collaborating with neighbours and people in the community creates a supportive environment during what can be a very stressful time. It is also more likely to help in a well-coordinated response to any fire emergencies that may arise.

- Familiarise yourself with common regulations set out on starting fires.
- If you can and have an insurance policy, keep it up to date. If you note any changes to risk, communicate these to your insurer.
- Check weather forecasts daily and only conduct burning when it is safe to do so.
- Identify high risk areas on your property, and those of immediate neighbours, and

To page 3

Just before the lockdown due to COVID19, UTGA held its 13th Annual General meeting on 19th March, 2020 amidst the Presidential directives on Covid 19 Pandemic restrictions.

UTGA 2020 AGM



Growers meet at Silver Springs Hotel just before COVID19 outbreak

The UTGA General Manager Dennis Kavuma addressing members at the AGM

Attendance

85 participants were registered, 19 female and 66 male. There were 20 members that had confirmed and were expected but possibly because of the growing fears of COVID19, had decided to stay away.

The 7th Annual Forestry Fair also took place and it registered 11 exhibitors with 26 Officials who attended to the Fair goers. Presentations were made by the Office bearers while the Auditors' report

was read by an auditor from PKF Uganda. The UTG-Sacco Officer also made a summarised presentation on the Sacco activities and progress of 2019.

The issues

The issues discussed during the meeting included:

1. Electricity Regulation Authority (ERA) challenge of power distribution where the use of concrete poles was now being promoted other than wooden poles. The Chairperson told members that UTGA was continuously lobbying government

The day's agenda included items below;

1. Prayer and adoption of the Agenda,
2. Communication from the Chairperson,
3. Review of the 2019 AGM Minutes and Matters Arising,
4. Presentation and Consideration of the Annual Report 2019,
5. Presentation and Consideration of the 2019 UTGA Audited Accounts Report,
6. Presentation of the Justification to Amend the UTGA Memorandum and Articles of Association (MEMARTS) articles 9(i) and 24(A) and adoption,
7. Presentation and Consideration of the 2020 Activity Work Plan,
8. Presentation and Consideration of the 2020 Activity Budget,
9. Visit through the Forestry Fair exhibition.

in order to get realize a solution.

2. NFA challenge in accessing land in CFR. Land continues to be a sticking thorn but with the problem of encroachers, NFA asked the growers to be patient with them.

3. On financial support for the sector, members agreed that lobbying government, key stakeholders and partners will continue to be done accordingly.
4. On the issue of volunteers, they agreed to look for such help at cluster level.

The Secretariat was asked to share information on the districts that are contained in each cluster.

Its Fire season!

From page 2

ensure that adequate firebreaks are in place around the plantation.

- Firebreaks cannot be left uncleared ; they need to be regularly checked and maintained to be effective.

- Extinguish all smouldering material before leaving a firebreak/fire site.

- Train and equip your fire-fighting teams and use protective clothing and tools like fire beaters.

- If you have access to water, your water tankers should be filled, strategically positioned and ready at all times.

- Ensure that access roads are in good condition to facilitate fast, safe escape routes in the event of uncontrolled fires and familiarise all staff with these escape routes.



Major achievements of 2019

UTGA members at a cluster meeting for growers in Northern Uganda

- *Members elected a new Board*
- *UTGA Group now FSC certified*
- *Growers meetings in 3 clusters*
- *Timber Standard drafted*

2019 was a landmark year for UTGA. Apart from receiving rains for more than 8 months in different parts of the country which was good for trees, a number of milestones were reached. 2019 was an election year for UTGA and at the year's Annual General Meeting (AGM) in March, a new Board was elected.

ICGU training

Owing to the fact that UTGA is a member of the Institute of Corporate Governance, it organised a training retreat for its

new board, at Lake Heights Hotel in Entebbe on 20 to 21 June 2019. Board members were trained and given tips on how to conduct board business, promote moral and ethical practices to help transform UTGA and help to address present day challenges it faces. They were taken through a number of training modules that included: board effectiveness, dynamics & group think, policy communication & strategy formulation, corporate governance and business strategy. **FSC group certification** Responsible forest management

is one of UTGA'S core beliefs. We strive to ensure that our forests are managed responsibly, in a socially, environmentally and economically sound manner.

After nearly 7 years of hard work and training, internal assessments, self audits & analyses, knowledge & information sharing, documentation and detailed preparation, the UTGA Group Scheme now has a mark of essence. It has got an FSC Certificate, a label of responsible forestry management.

UTGA also worked tirelessly with the Center for Modernization of Operations (CMO) to prepare six pioneer Forest Management Units (FMUs) for FSC certification.

Six FMUs applied to be a part of the pilot Scheme yet after rigorous internal assessments, only three were ready. It was these 3 that became pioneers in this journey

2019

and were assessed in December 2018. This is the first certificate using Uganda National Forest Stewardship Standard (NFSS). It's also the first certified group scheme for plantations in East Africa. UTGA will now embark on an extension of scope to include other forests within Mubende and other clusters.

Cluster meetings

UTGA also organised a number of cluster meetings for growers in various parts of the country in 2019.

Forestry Financing

Commercial forestry being a long-term investment, it is financially very demanding. It requires a sustainable source of funds for operations and so Individual commercial tree plantation investments shall in future require a steady flow of funds beyond the Sawlog Production Grant Scheme (SPGS).

UTGA mobilized banking institutions and credit giving facilities to interact with commercial forestry investors in an organized meeting/dialogue session. The purpose of the meeting was to link tree growers with financial institutions to forge ways of developing appropriate financing schemes to sustainably support commercial forestry investment. The event attracted 24 participants who included representatives of banks

To page 6

UTGA MOBILISING WOOD PROCESSORS TO FORM NATIONAL BODY



A value addition workshop in Rubirizi district

UTGA in partnership with the SPGS III project under the Food and Agriculture Organization (FAO) and in partnership with the Ministry of Water and Environment has been conducting a mobilization initiative of wood processing Small and Medium Enterprises (SMEs) across the country. The mobilization will result in a series of regional meetings that will be patronised by representatives from districts in the country. The regional meetings will agree on structure, form and process of the formulation of a national association of wood processing and value addition enterprises. Bringing together these Wood Processing SMEs into an association will;

1. Create a collective voice for lobbying for a better work environment.
2. Facilitate the regulation of processors & promote legal timber trade.
3. Strengthen the collectively lobby for and encourage investment in the wood processing industry
4. Foster quality and standards of timber.
5. Benchmark compliance to best practices.
6. Create market linkages and manage pricing dynamics.
7. Link the SMEs to beneficial partners in the public and private sector.
8. Link processors to products & services at affordable & competitive cost.
9. Promote cooperation amongst members & other business networks.
10. Serve as an instrument of negotiation in the best interests of the wood processing industry.
11. Promote the common interests of members and the industry.
12. Create an organized body that encourages networking and information sharing among stakeholders.
13. Contribute to professionalization of the industry through research.
14. Help achieve Product Price leveling and Collective Bargaining for inputs.
15. Enable members to access a wider market base.
16. Create linkages to high-level discussions with key stakeholders.
17. Allow an aggregation of efforts in addressing the challenges facing the industry.

EMERGENT: Financial support to Forestry

Commercial forestry being a long-term investment is financially very demanding and therefore requires a sustainable source of funds to finance its operations. Individual commercial tree plantation investments startups require a steady flow of funds beyond the current SPGS III grant payments.

UTGA mobilized banking and credit provision institutions to interact with commercial forestry investors at a dialogue whose purpose was to link tree growers with financial institutions and to forge ways of developing appropriate financing schemes to sustainably support commercial forestry investment.

The event organised in Kampala attracted 24 participants.

The meeting commenced with opening remarks from Dennis Kavuma, the UTGA General Manager who outlined the purpose and outcomes of the meeting.

A UTGA grower, Mr Douglas Kabenge made a key note presentation on the subject matter. He provided background information about UTGA, the need to develop commercial forestry products for the sustainability of investments in the sector and the evident gap at credit giving organizations to be more aware about opportunities for financial institutions in forestry, to allow Uganda to build a sustainable forestry industry. From the discussions, it was highlighted that.

- Private sector working with government mainly through SPGS and NFA has been key in establishment and maintenance of a resource that is estimated to be about 80,000ha. There's now an outstanding role in sustaining these investment and financial

institutions need to get on board.

Some growers including the big companies have started to harvest their initial plantings and they need to re-invest, which is an opportunity for these institutions to get involved now. The institutions were encouraged to identify individuals among their staff to study this growing business of forestry

- The need to interest more government and development partners to develop products for credit financing for forestry

- Each of the actors was challenged to find where they could contribute or benefit from the opportunity.

- The need for actors in the commercial banking sector to understand the commercial forestry value chain entirely

- There need for a fund for the sector through interesting the government and the central bank.

- Specialized credit offices could be a good consideration for banks just like it is for other agricultural products. Participants from the finance institutions applauded UTGA for the initiative agreed on the need for a small steering committee that would push the idea further.

They advised that commercial banks mostly depend on short term credit. The end of the value chain is majorly short term so the banks have an opportunity but understanding the value chain would align their facilities towards developing services for the commercial forestry sector.

From page 5

2019

and other financial institutions and some tree growers.

Forestry trip to South Africa

Growers have been establishing and managing their plantations. Some are nearing maturity yet many medium and small are at the stage where they do not know what to do and the implications of actually engaging in harvesting, extraction, transport, seasoning, milling and marketing. The market place is informal and disorderly and there's need to fill that knowledge/information gap in downstream processing.

Draft Timber Standard

UTGA participated in the development of a Timber Standard for Uganda. The purpose of this Standard is to set nationally accepted levels of timber for a classified range of usage and thus to promote and extend the use of graded timber.

The Sawn softwood timber draft was divided into 4 parts:-

1. Structural timber
2. Brandering and battens
3. Industrial timber and
4. Framewall construction.

It is expected that the Timber Standard is going to be instrumental when it gets to facilitating timber exports in the near future.

UTGA News is a digital newsletter for the Uganda Timber Growers Association. It is published monthly to briefly summarize forestry-related publications, projects, activities, news and forestry information. Do you have news, content, or ideas that you want to share in upcoming newsletters? Please send us your articles, views on your organization, partnerships, projects, group, field stories, successes, challenges, fact sheets, papers, books, guides

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