

Teaknet Bulletin

Volume 13 | Issue 2

April 2020

INSIDE THIS ISSUE

Important Announcement: 4th World Teak Conference 2020 Postponed to 23-26 August, 2021 1

International teak trade to adopt new Harmonised System (HS) Codes from 2022 3

Lao Teak Forum: Sustainable Teak Value Chains for Sustainable Local Development, 19-20 February 2020, Vientiane and Luang Prabang, Lao PDR 4

Forest Product Conversion Factors 9

Prices of Plantation Teak Imported to India 10

Editorial

The world is going through an unprecedented challenge in the form of the COVID - 19 pandemic. In the light of the ongoing worldwide effects of COVID-19 pandemic and the ensuing lockdowns and travel restrictions, the Organizers (TEAKNET, Forestry Commission of Ghana, ITTO, IUFRO, FAO) of the 4th World Teak Conference 2020 (WTC 2020) have decided to postpone the conference to 23-26 August, 2021. Please follow the conference website www.worldteakconference2020.com for the updates.

In this issue, we bring you a brief report of the new Harmonized Nomenclature System for international trade of teak developed by the World Customs Organization. The international trade of teak roundwood and sawnwood will be recorded in the new Harmonized System from 1st January, 2022. Thanks for the FAO initiative to get the new HS Code exclusively for teak. A brief report of the Teak Workshop organised as part of the ITTO Teak Mekong Project held in Lao PDR during 19-20 February 2020 is given in the bulletin. Teaknet is a project partner in the Teak Mekong project. A New Release titled 'Forest Product Conversion Factors' developed as a collaborative effort of FAO of the United Nations with International Tropical Timber Organisation (ITTO) and the United Nations Economic Commission for Europe (UNECE) is also given in this bulletin.

We invite your continued support and feedback on issues related to teak and enrich us with articles/news items of interest/research papers etc of non-technical nature for inclusion in the bulletin.

With warm regards,
S. Sandeep
TEAKNET Coordinator



GHANA 2021

Accra
23-26 August 2021

Important Announcement !

4th World Teak Conference 2020
Postponed to
23-26 August, 2021



Dear colleagues and friends,

In the light of the ongoing worldwide effects of COVID-19 pandemic, the Organizers (TEAKNET, Forestry Commission of Ghana, ITTO, IUFRO & FAO) of the 4th World Teak Conference 2020 (WTC 2020) decided to postpone the conference to **August 23-26, 2021 in Accra, Ghana**. The event will still take place with the same programme in the same venue in Ghana. The change is only in the dates.

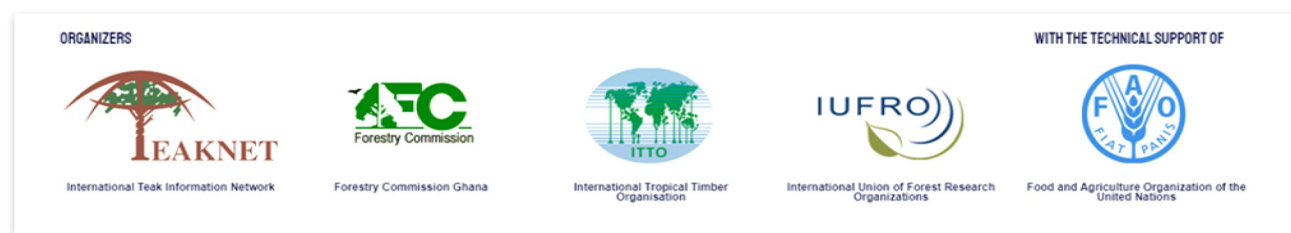
We thank our co-organizers, supporters, sponsors, media partners, and all our friends for their immense support towards this conference so far, and express our sincere apologies for the inconvenience caused under these unforeseen circumstances. The organizers and conference Secretariat will be in touch with our speakers, sponsors, registrants, and all other stakeholders involved for proper follow up arrangements. The revised schedule of activities will be announced soon.

Thank you again for your understanding and support, and we look forward to seeing you in Accra, Ghana in August next year.

Please follow the conference website for the updates www.worldteakconference2020.com and feel free to contact the WTC secretariat at infowtc2020@gmail.com

Stay safe.

with warm regards
Dr. S. Sandeep
 TEAKNET Coordinator, India



International teak trade to adopt new Harmonised System (HS) Codes from 2022

As of January 1st, 2022, the international trade of teak roundwood and sawnwood will be recorded in the Harmonized System nomenclature 2022 Edition (HS 2022) under the new customs codes 4403.42 and 4407.23 respectively. Link: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2022-edition.aspx>

The Harmonized Commodity Description and Coding System (in brief, the Harmonized System, or HS) is an internationally standardized system of codes and names for classifying traded products. It has been developed by the World Customs Organization (WCO), an independent intergovernmental organization based in Brussels, Belgium. The HS is applied by more than 200 countries to facilitate customs tariff and as a means for collecting international trade data.

At the moment international teak trade is difficult to assess as teak is currently recorded as “other tropical roundwood and sawnwood” (HS 2017 codes 4403.49 and 4407.29). New codes for teak and other wood products in HS 2022 were created upon request submitted to WCO by the Food and Agriculture Organization of the United Nations (FAO). For more information on FAO’s and its partner agencies’ contribution to HS see: <http://www.fao.org/forestry/statistics/80572/en/>

After 1st January 2022, the assessment of the international teak trade will be considerably improved and will give policy and decision-makers, investors and managers a better understanding of the important role that teak resources play in the provision of wood products for the national economies of many countries.



Walter Kollert * and Arvydas Lebedys **

* TEAKNET Steering Committee

** Forestry Officer (Statistics), FAO, Rome



Lao Teak Forum: Sustainable Teak Value Chains for Sustainable Local Development

19-20 February 2020, Vientiane and Luang Prabang, Lao PDR



Participants in the National Teak Forum at Vientiane (Photo: NAFRI)

In Lao PDR, teak is a priority native species and the area of natural teak forests is estimated to be approx. 68,500 ha in 2010. In addition, teak plantations have been established by private companies and rural communities. The country has banned export of natural teak logs. The Department of Forestry has been promoting community-based teak plantations. An estimated 36,000 ha of teak plantations are mainly located in northern provinces (Luang Prabang and Boeko). The goals of the Forest Strategy 2020 include increasing transparency of natural resource policy and disseminating information on forest cover, forestry revenues, harvesting levels, plantation establishment and management actions. Many rural people in the northern provinces of Lao PDR depend on planted teak forests for their livelihoods. They gain employment and income from teak forestry and consider this as a most economically viable land-use option particularly in remote and under developed areas. The multiplier effect on local employment at small-scale wood processing and service sector levels is significant when value-added activities are developed in the local economy and among the forest-dependent work force.

The Lao Teak Forum was convened as part of the ITTO project, “*Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region*” (ITTO PP-A/54-331), financed by the Government of Germany through Federal Ministry of Food and Agriculture (BMEL). The workshop, *Lao Teak Forum: Sustainable Teak Value Chains for Sustainable Local Development* was convened on 19–20 February 2020 at Vansana Riverside Hotel, Vientiane capital. Project partners include Cambodia’s Forestry Administration, Lao PDR’s National Agriculture and Forestry Research Institute (NAFRI), Myanmar’s Forest Department and Forest Research Institute, the Thai Royal Forest Department and Kasetsart University of Thailand and the Vietnamese Academy of Forest Sciences (VAFS). A field excursion was also arranged by NAFRI to Luang Prabang province on 20th February after the Teak Forum in Vientiane.

In the Opening ceremony, Dr. Hwan-ok MA, ITTO Project Manager said that smallholder teak plantations have the potential to be a driver of sustainable development in the lower Mekong by improving the livelihoods and landscapes of rural communities. This will be crucial for tapping into high-value markets, such as in Europe. In Germany and in other parts of Europe, teak is still highly valued and continues to have a great potential on the timber market, provided its legal and sustainable origin can be securely verified, Mr. Stephan Wagner, the representative from BMEL said in his opening remarks. According to forum participants, the creation of smallholder teak groups will enable the integration of farmers into supply chains for higher value-added teak products. Speakers at the opening ceremony hoped that the National Teak Forum will come up with recommendations for supportive policies for smallholder teak plantations and for local value addition that can contribute substantially to sustainable supply and establish value chains to address the rising demands for wood products in developing countries with growing populations and economies.



Chief guests in the opening ceremony: (L to R) Mr. Vongvilay (NAFRI), Prof. Yongut Trisurat (Kasetsart University), Dr. Chahnsmone, DDG (NAFRI) Dr. Hwan-ok Ma (ITTO), Mr. Stephan Wagner (BMEL)



View of Audience

Panel discussion: Sustainable value chains in Lower Mekong

Chairman: Dr. Hwan-ok Ma, ITTO, Japan

Panel members:

- Ms. Sopheap Lim , Forestry Administration, Cambodia
- Dr. Latsamy Boupcha, National University of Laos
- Mr. Thongsavanh Soulingamarth, President of Lao National Wood Industry Association
- Mr. Than Sint, Wood-based industry, Myanmar
- Dr. Nikhom Laemsak, Kasetsart Univeristy, Thailand
- Dr. Tran Lam Dong, VAFS, Vietnam

Following the short country presentations about sustainable supply and value chains of quality teak timber in Lower Mekong, a panel discussion with experts and country representatives from ITTO teak Mekong project deliberated on the main topic of discussion. The Chairman introduced the topic and the panelists heard the audience on the main topic in question.



Chairman and panel members (L to R): Dr. Tran Lam Dong; Dr. Nikhom Laemsak; Ms. Sopheap Lim; Mr. Thongsavanh Soulingamarth; Mr. Than Sint

Around 50 participants in the Lao Teak Forum reviewed opportunities and challenges for sustainable teak value chains in Lao PDR. The Forum participants noted that if a smallholder receives technical knowhow, high-quality planting material at lower cost and a modest financial incentives under secured land tenure and supportive policies, teak plantations can be well established for their sustainable livelihoods. The forum drawn up the following key messages.

1. Secured land tenure and user-rights are essential for teak plantations

Supportive tenure policies for smallholders teak plantations can be effective by eliminating over-regulatory burdens to small-scale plantations, management and harvesting as well as local transportation of harvested teakwood products.

2. Promote innovative certification systems to smallholder teak plantations

Forest certification is increasingly becoming important for timber, such as teak with strong demand in international market, however, smallholders are unable to bear the high transaction cost involved in the existing certification systems. The certification of smallholder teak plantations by local forestry authorities such as the scheme in operation under Luang Prabang Teak Program (LPTP) could help them in demonstrating the legal origin of planted teak and facilitate the local development of smallholders teak wood products.

3. Increase the productivity and quality of smallholder teak plantations by using quality teak genetic resources

Genetically improved planting stock may be used for raising teak plantations with appropriate spacing, pruning and thinning and provision of training and extension for smallholders in good silviculture practices that could significantly improve the productivity of plantations and the quality of teakwood.

4. Formation of smallholder farmer groups for effective value chain development

Farmers and traders have to work together to add value to teakwood and to set up community enterprises comprising smallholder farmer groups. Financial incentives in the form of agricultural soft loans and setting up of a tree bank program are encouraged to address the lack of investment resources with lower taxation systems for smallholders.

5. Promote value addition from teak thinnings

Product development from teak thinning materials will add value to the harvested teakwood for smallholders for their livelihoods. Local processing of harvested teak by farmers groups is giving more financial benefits than compared to selling teak logs to middlemen. However, training on wood processing technologies and its efficient use to minimize wastage and craftsmanship could improve the local manufacture of teak furniture and do-it-yourself furniture products while creating rural jobs.

6. Enhance networking between growers, processors and traders as well as public-private partnerships

Facilitating communication and information sharing among the stakeholders including research and academic institutions will strengthen teakwood supply and value chains in the region.

Field visit

After the Lao Teak Forum which concluded on 19 February at Vientiane, all the delegates and participants departed to Watty International airport in the evening to leave for Luang Prabang for field visit on 20th February. The field trip was arranged by National Agriculture and Forestry Research Institute to the following stations.

Nedler Wheel Experiment Station

In the morning, the participants visited the Teak Silvicultural demonstration plot (Nedler Wheel Experiment station) established in 2008 with the support of ACIAR Agro-forestry Project. The Nedler experiment occupied an area of 0.78 ha with a total of 240 trees, including the inner and outermost rings. One can visualise the growth changes in length and diameter of teak as we move away from the centre of Nedler wheel towards the periphery of the circle as seen in the below picture. Teak trees are logged at 15-20 years in shorter rotations in Laos.



Nedler Wheel Experiment (*Image courtesy: Forest Ecol.Mgt Vol. 435:2019*)



Delegates at the silvicultural Research station

Ban XiengLom Teak Plantation Management Group

The next visit was to the farmer's plantation group established in 2013 as a cooperative venture of 32 families owning 62 teak plantation plots of approx. 4,306 ha. The group started a wood processing unit in 2015 by themselves and procure teak logs from plantations directly without the involvement of middlemen, manufacture different furniture products and supply it to the domestic market.

Ban Kok Ngiew (Teak Farmers Group)

This farmers group obtained FSC group certification in 2011, which is the first FSC certified smallholder plantation in Lao PDR. Over the past five years, Luang Prabang Teak Program (LPTP) has used FSC as a guideline to improve forest management. LPTP now do not follow FSC certification due to the lack of FSC markets in Luang Prabang and higher transaction cost and bureaucratic hurdles which is not profitable for the smallholders. LPTP are confident that they can provide benefits to local farmers without being certified by FSC.



Interaction with farmer group

A city tour was also arranged by the organisers to the Vientiane and World Heritage city of Luang Prabang.



Pha That Luang Temple, Luang Prabang



War Gate at Luang Prabang



Wat Xieng Thong temple at Vientiane

Report by

Dr. PK Thulasidas

**Former TEAKNET Coordinator & International Consultant
ITTO Teak Mekong Project**

New Release

Forest Product Conversion Factors

The publication, 'Forest Products Conversion Factors' is the result of a collaborative efforts of FAO of the United Nations with International Tropical Timber Organisation (ITTO) and the United Nations Economic Commission for Europe (UNECE). The forest sector has long used conversion factors as a tool for analyzing forests and forest product manufacturing facilities. The last study on conversion factors was published in 2010, although this covered only Europe, the Commonwealth of Independent States and North America.

This publication builds on the 2010 study mentioned above by broadening the geographical coverage to the global level, updating factors and adding some factors that were not included in the past. Differences in measurement standards and factors have also been identified. The publication provides analysts, practitioners and private enterprises with the most up-to-date set of available forest product conversion factors and a better understanding of the units used in the manufacture, trade and reporting of wood-based forest products.



[To know more, Download the publication](#)

Prices of Plantation Teak Imported to India

Country of Origin	US\$ per cu.m C & F
Logs	
Angola	389-574
Belize	350-400
Benin	290-714
Brazil	344-540
Cameroon	405-616
Colombia	478-743
Congo D. R.	450-761
Costa Rica	357-780
Côte d'Ivoire	289-756
El-Salvador	320-732
Ghana	294-452
Guatemala	324-646
Guyana	300-450
Kenya	515-876
Laos	300-605
Liberia	265-460
Malaysia	225-516

Mexico	295-808
Nicaragua	402-505
Panama	335-475
PNG	443-575
Sudan	358-556
Thailand	511-700
Togo	334-590
Trinidad and Tobago	603-753
Uganda	411-623
Sawn wood / Squares	
Benin sawn	530-872
Uganda sawn	680-900
Tanzania sawn	307-613
Brazil squares	333-556
Ecuador squares	333-454
Nigeria squares	434-517

Variations are based on quality, lengths of logs and the average girth.

Courtesy: ITTO TTM Report 24 (7): 1-15 April 2020

Editorial Committee

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

Teaknet Bulletin is a quarterly electronic newsletter of TEAKNET brought out through its website. It is intended for circulation among the members of TEAKNET and other 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 of value to teak growers, traders, researchers or others concerned with teak. However, TEAKNET reserves the right to choose the contributions for publishing and also to make necessary editorial modifications in the articles in consultation with the authors.

Address all communications to:

TEAKNET Coordinator
Kerala Forest Research Institute
Peechi-680 653, Thrissur, Kerala, India
Tel: +91 487 2690396; Fax: +91 487 2690111
Email: coordinator@teaknet.org

