

HFIA Association News

Volume 2, Issue 7

September 2007



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Value Added to Hawai'i Forest Industry Tradewinds Veneer Mill: A New Eco-friendly Manufacturing Facility

Hawai'i's forests are vitally important to our state's economy, its environment, its people, and to Hawaiian culture. According to the study, *Economic Value of Hawai'i's Forest Industry in 2001* (Yanagida, J. F., J. B. Friday, P. Illukpitiya, R. J. Mamiit, and Q. Edwards), the Hawai'i forestry industry entered a new phase in the 1990s with the planting of tens of thousands of acres of eucalyptus plantations on Hawai'i Island and Kauai. When Tradewinds Forest Product's veneer mill is constructed, it will accelerate this new phase of growth and add greatly to the value of Hawai'i forest industry.

Tradewinds Forest Products Inc. was formed for the purpose of establishing a value-added forest products industry in Hawai'i. Their facility will include a wood-fired co-generation plant, which will provide power and steam for the manufacturing process as well as the sale of surplus power to the Hawai'i Island grid. They will manufacture and market veneer made from eucalyptus logs for use in plywood and laminated veneer lumber. The company is located in the town of O'okala on Hawai'i Island's Hamakua Coast.

Tradewinds designed its project to utilize 15,000 of the nearly 40,000 acres of existing eucalyptus plantations on Hawai'i Island. Harvested timber will be replanted and forests managed to optimize growth and conserve soils. The project will be a net consumer of carbon dioxide, reducing the amount of greenhouse gases released into the atmosphere. As veneer is produced, carbon consumed by the trees will be trapped in the mill's finished products.

Trees will be harvested from several different locations, including Pahala, the Waiakea Timber Management Area, and the Hamakua Coast. Loggers will use state-of-the-art equipment to safely remove the trees with the least amount of impact. The trees will be cut by machines that will grab the tree by the trunk, cut it from the stump, and strip the branches.

Tradewinds recently signed a long term Timber Supply Agreement with Cambium, a Timber Investment Management Organization traded on the London Stock



Exchange, to purchase the timber on plantations at Pahala. They now have enough timber under contract to start up and run for the first six or seven years.

The Tradewinds veneer mill will provide many benefits to the state and the local community. Its annual revenue is

Tradewinds veneer mill will provide family wage jobs for men and women on the Hamakua Coast.

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Tradewinds continued from page 1

projected to be \$20 to \$30 million. This income represents new income for the State. The Department of Land and Natural Resources (DLNR) has already received \$67,500 from the Waiakea Timber Management Area lease. Over the next ten years, approximately \$500,000 per year will come to the State under the terms of this lease. This money is coming from a virtually untapped and renewable resource that has been sitting idle for decades.

The existence of this new world-class manufacturing facility will demonstrate that it is possible to start a new manufacturing business in Hawai'i; an endeavor that has been a challenge here. In addition, the veneer mill will support an open log yard, which will buy and sell logs to woodworkers and other local enterprises. The yard will also buy trees from local growers.

Tradewinds expects to employ about 100 people. Jobs will range from groundskeepers to computer operators to electrical engineers. Wages will range from \$14 to \$22 an hour plus benefits. Another 50 people are expected to be employed indirectly in trucking, planting, and service jobs. Reforestation and continued silviculture of plantation areas will also provide sustained employment.

The co-generation facility will produce green power to supply the mill and sell surplus energy back to the grid. The energy generated will replace the need for 83,000 barrels of oil each year! Diverting clean processed biofuels from the waste stream takes a huge burden off the already overworked landfills. Burning biomass in the cogeneration facility releases carbon, which is captured and stored in the timber plantations—a carbon neutral process. Hawai'i Electric Light Company (HELCO) recently signed an agreement to purchase renewable energy produced by this biomass-powered generation facility.

Tradewinds has committed to meet or exceed all local, state, and federal regulations affecting the environ-



Eucalyptus stands along the Hämäkua Coast.



The Magnificent Waipio Valley: Encouraging green industries like Tradewinds veneer plant helps ensure that Hawai'i's environment is protected.

ment. They are dedicated to protecting the air, water, and soils of the community. They will be utilizing the existing well on the site, which is located downstream from O'okala's water supply. The veneer production process does not use chemicals, so everything going through the plant is clean, organic matter.

Air quality is protected by the EPA, whose regulations are enforced by the Hawai'i Department of Health. In addition to the federal regulations, the State of Hawai'i has even more stringent rules to protect air quality. The new facility will generate less than one percent of the emissions produced by the Kawiki Sugar Mill in O'okala. Smoke from the wood-fired boiler will go through five different processes to remove particulates before being released to the atmosphere. The goal is no visible smoke from the stack.

The next step in the process of making this state-of-the-art facility a reality is attaining an air permit. Tradewinds has received its draft air permit, which will go out for public comment for four weeks and then a public hearing will be held. The public hearing is scheduled for Tuesday, October 30th at 6 PM at the Laupahoehoe School cafeteria, 35-2065 Old Mamalahoa Highway. Tradewinds is asking for your support in the form of written testimony, supporting statements at the hearing, or just showing up and wearing a Tradewinds T-shirt. Those who wish to testify should submit two copies of their testimony before or at the hearing. Written comments will be accepted until November 6th at: Clean Air Branch, Department of Health, 919 Ala Moana Boulevard, Room 203, Honolulu, HI 96814.

Passing this important step in the approval process is critical to the future of the Hawai'i forest industry. To learn more, go to tradewindsforestproducts.com.



September 2007 ITTO Tropical Timber Market (TTM) Report

SNAPSHOT

Indonesian and Malaysian markets were rather quiet due to the effects of the U.S. subprime mortgage and housing fallout. At the same time, some owners of timber products companies had been trying to shore up prices of their company's stocks in the media. Prices were generally flat or slightly down for more expensive species and products in both countries. In Latin America, Brazilian furniture producers were attempting to retain their share of the U.S. market by turning to more competitive products for export, such as wooden flooring.

Japan is in the midst of a political transition, with Prime Minister Abe having announced his resignation, triggering fears that the Japanese economy may weaken with new leadership. Japan's plywood imports and housing starts had also fallen, an effect of the weak building materials market and changes in the domestic production of plywood.

The Chinese plywood industry, on the other hand, showed its strength over the last few years, as a cause of growing reliance on high yielding plantations. To view full report, go to http://www.itto.or.jp/live/Live_Server/3607/mis20070901.pdf.

***Puccinia psidii* (Pucciniaceae)** **ohia rust, eucalyptus rust, guava rust**

Puccinia psidii is a rust (a type of plant pathogen) native to Brazil with a very broad host range in the myrtle family (Myrtaceae). *Puccinia psidii* can have very serious consequences to various species of plants in the Myrtaceae family. This family includes [guava](#) (the original host of this rust in Brazil), [eucalyptus](#), [melaleuca](#), and a number of species native to Hawai'i, including some endemic species (found nowhere else on Earth) as well as at least one important native forest tree.

There are numerous strains of the *Puccinia psidii* rust--some known to be established in Florida, and at least one reported from California. It is feared by some concerned scientists that strains may exist, or could mutate into existence, which could be devastating to ohia [Metrosideros polymorpha](#), one of Hawai'i's dominant native trees. Ohia is a foundation species for many remaining Hawaiian native ecosystems. Source: www.hear.org/species/puccinia_psidii/.



[Syzygium jambos](#) - Rose apple (Myrtaceae) Young leaves with *Puccinia psidii* damage at [Hana Hwy](#), Maui, [March 21, 2007](#). Photo # starr-070321-6144 by Forest and Kim Starr.

Place Your Ad Today!

Special Offer! Only \$5 for 25 words. This newsletter goes out to 215 members. Promote your business and help support your Forest Industry Association at the same time!
Email wording to: hawaii.forest@hawaiiantel.net

Hawai'i's Forest Industry: Where We've Been, Where We're Going...

Hawaiian forests represent one of Hawai'i's magnificent treasures. They protect our islands' watersheds; provide habitat for a wide variety of plants and animals; offer many economic benefits; and provide recreational, cultural, and spiritual experiences for residents and visitors. Hawai'i's forests are unique in that many of our native species are found nowhere else in the world.

Well-managed forests can help Hawai'i develop a sustainable and diverse economy based upon a renewable resource with minimal impact on the environment. When a forest is healthy, it is capable of producing many resources. A thriving forest industry can create thousands of employment opportunities. The industry provides jobs for foresters, woodworkers, sawyers, growers, environmentalists, millers, researchers, and manufacturers, just to name a few. Like the cycle of life, a healthy forest that creates employment opportunities can generate income; this income can then be used to manage the forest for health - thereby perpetuating its own existence¹.

History tells us much about what we see today. Hawai'i's forests have changed dramatically from the time humans first arrived, the result of many events occurring over a long period of time. Native plants and animals have been harvested, new plants and animals have been introduced, and forests have been altered by many causes including fires, hurricanes, land clearing, cattle grazing, and feral animals.

As we progress further into the 21st century, Hawai'i will certainly look different than it does now and as it did 100 years ago. What it will look like will depend on the decisions we make today. Hawai'i is now poised to fully realize the significant investments of time, money, and effort over years past to create and augment healthy and productive forests throughout Hawai'i.¹ When this realization occurs, we will see a diversified industry that represents a full range of forest products, from veneer made from eucalyptus logs to

handcrafted koa furniture. We will see new processing facilities, which are competitive in the international market, exporting excess product. Landowners will see the results and join in the expansion of commercial forests, diversifying both the landscape and the array of potential products.¹ With demand will come the supply of research, education, and job training necessary to support the industry.¹ Perhaps, most importantly, many people will once more enjoy the full range of products and services the land can provide – aesthetics, recreation, income, wildlife habitat, and clean, abundant water¹.

The 2004 survey "Economic Value of Hawai'i's Forest Industry in 2001" revealed that over 900 workers were employed in the Hawai'i forest industry, with a

corresponding payroll of \$30.7 million.³ This places the average wage rate for forest industry employees at over 50% higher than the average for farm labor.² The survey also showed that the forest industry as a whole held steady during the 1990s. The value-adding capability of the industry is significant, as only \$800,000 of raw material is processed into products worth over \$29 million.²

It is clear that on a per acre basis, the production of forest products, and the value that the current industry adds to those products, is highly competitive with other

agricultural industries.² If plantation forests were actively managed as farms, productivity per acre could probably be doubled or even tripled.² Therefore, forestry is a viable agricultural alternative in Hawai'i for many land owners.

The 2004 survey suggests that Hawai'i's forest industry will expand in the next five to ten years.³ The major driver for future growth in the short-term will primarily be fast-growing, non-native plantation tree species.³ This began in the mid 1990s with the planting of tens of thousands of acres of eucalyptus plantations on Hawai'i Island and Kaua'i.³ Kamehameha Schools is planning to begin commercial timber harvests of koa and of high value plantation species from their Hōnau forest in Kona.³ This project has received sustain-



Our forests create jobs and a variety of forest products that help diversify Hawai'i's economy. Photo by Rick Noyle.

Continued on next page

Announcements



Awesome Marketing Opportunity! HFIA display cases at the Honolulu Inter-island Terminal provide a great opportunity to display your woodwork. With over 10,000 people walking through the terminal every day, visibility is high. Members who have items on display have reported increased sales and marketing exposure. Contact Heidi at hwild728@aol.com or 587-7048 for more information.



Tropical Reforestation and Ecosystems Education (TREE) Center Hawai'i is recruiting a Horticulture and Restoration Coordinator. For more information, go to www.treehawaii.org to download the position description.



Coming Soon! Look for a special edition of the HFIA Association News showcasing our incredible Woodshow 2007. Mahalo to all attendees and participants who made this year's show such a huge success!



Hawai'i Forest Institute's second edition of the Hawai'i Forest Journal will be available for distribution in October. This issue focuses on native forestry and forest products.



Show your support for Tradewinds Veneer Mill pending air permit on Tuesday, October 30th at 6 PM at the Laupahoehoe High cafeteria, 35-2065 Old Mamalahoa Highway. You can help by providing written testimony, giving supporting statements at the hearing or just attending the hearing and wearing a Tradewinds T-shirt. Those who wish to testify should submit two copies of their testimony before or at the hearing. Written comments will also be accepted until November 6th at the Department of Health's Clean Air Branch in Honolulu at: Clean Air Branch, Department of Health, 919 Ala Moana Boulevard, Room 203, Honolulu, HI 96814. For more information about this project or to learn how you can provide support for the air permit, go to tradewindsforestproducts.com.

For more information, call us at 808-933-9411 or email us at hawaii.forest@hawaiiantel.net. If you would like to place an announcement in the *Association News*, please send us your information.

Hawai'i's Forest Industry continued

ability certification by the International Forest Stewardship Council. When harvests of these plantations commence, the total value of the timber will dwarf today's harvests and could likely double the value of the forest industry.³ When Tradewinds Forest Product's proposed veneer mill at Ō'ōkala on Hawai'i Island's Hāmākua Coast is constructed, significant strides will be made in increasing the value of Hawai'i forest industry.

Benefits of Hawai'i's forests go well beyond wood and fiber products and include aesthetic value, recreational enjoyment, specialty non-timber forest products, water conservation, improved air quality, and many other amenities.⁴ It is important that future directions of the industry consider forest management that sustains the growth and health of Hawai'i's forests over the long term.

Sources:

¹ Robinson, M.E. February 2007 President's Message.

² Robinson, M.E. Hawai'i's Forestry Website, 1989, www.hawaii.gov/dlnr/hfciforest.

³ Yanagida, J. F., J. B. Friday, P. Illukupitiya, R. J. Mamiit, and Q. Edwards.

Economic Value of Hawai'i's Forest Industry in 2001, <http://www.ctahr.hawaii.edu/oc/freepubs/pdf/EI-7.pdf>.

⁴ Yanagida, J. F., J. B. Friday. Directions for Hawai'i's Forest Industry for the Next Century, 2007 Hawai'i Forest Journal.



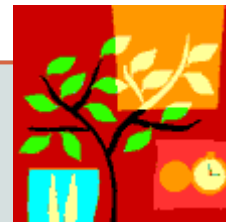
Photo by Rick Noyle

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Mahalo



Mahalo New and Renewing Corporate Members

Joyce H. Dotty-CEO, Na Aina Kai Botanical Gardens.

Mahalo New and Renewing Business Members

J. Michael Castillo-Manager, Hawai'i Natural Resource Services; Bill Cowern-President, Hawaiian Mahogany Inc.; Lance M. Dunbar-Owner, Kainalu Ranch; Mats Fogelvik-Fogelvik Furniture; Terry and Carole Wells-Owners, Kahili Makai Ranch and Supply.

Mahalo New and Renewing Individual Members

Tom Alexander-Drum Maker, Volcano Percussion; Mike Blanken; R.W. Butts; Stewart Chow-Owner, Forgotten Wood Custom Woodworking; Arnold Hori; Jim Van Houten; Betsy Miskho; Josephine Oishi-US Fish and Wildlife Service; Robert Osgood; Frederic J. Peel-Partner, Giving Trees; Hans Rieche-AFIA, H R Architect Inc.; Dave Rinell-President, Rinell Wood Systems, Inc.; Milton Rollins-Turning Out; Jay Sasaki; Jim Van Houten; Logan White-Owner, Pai'ea Millwrights; Keith Zeilinger; Freddie Zollinger-Sculptor.



Hawai`i Forest Industry Association Fall Membership Drive

Spread the Word!

HFIA has been the voice of the Hawai`i forest industry since 1989 and is respected by many for its contributions to improving the health and productivity of Hawai`i's forests. Our strength, however, lies with our members. With increased membership we gain a stronger voice. We know that our membership blossoms when we personally reach out to our colleagues.

Benefits of Membership

- ✦ A monthly newsletter updating current happenings among HFIA's members and throughout the forest industry;
- ✦ Access to HMAA medical insurance;
- ✦ A special invitation to the opening night reception and an opportunity to exhibit at HFIA's annual Woodshow, which attracts thousands of woodworking enthusiasts as well as extensive media attention;
- ✦ An opportunity to participate in the "Hawai`i 'sWood" Branding Program and benefit from its PR program;
- ✦ A reduced rate for workshops including those for woodworking featuring nationally-known guest woodworkers;
- ✦ Subscription to the quarterly publication Agriculture Hawai`i;
- ✦ A copy of the Hawai`i Forest Institute's Hawai`i Forest Journal;
- ✦ A vote in the election for the Board of Directors and an invitation to mingle with your fellow members at an annual general membership meeting; and
- ✦ An opportunity to post your business contact information and photo on HFIA Website's Resource Guide and Directory.

\$35 individual member \$125 business member \$300 corporate member

Share our membership application with your friends and colleagues.

Also available online at www.hawaii-forest.org

**Hawai`i Forest Industry Association
Fall Membership Drive**



MEMBERSHIP APPLICATION INVOICE

Mahalo nui loa for your interest in HFIA! We thank you for your support of our many programs and activities in advocacy, forest science, information exchange, marketing, education, and training. Members also receive additional benefits including a monthly members-only newsletter, the quarterly Agriculture Hawai`i magazine, reduced event fees, and much more.

Date: _____

New Member

Renewing Member

Annual Dues (please mark one)

\$35 individual member

Individuals with an interest in HFIA's goals; professionals in related fields; students

\$125 business member

People who make their living from the forest and forest products; one and two- person businesses

\$300 corporate member

Multi-employee companies, organization, and government agencies

Name: _____ Title: _____

Organization/Company: _____

Mailing Address: _____

City/State/Zip code: _____

Telephone: (home) _____ (work) _____ (fax) _____

Email: _____ Web Address: _____

Affiliation with forest industry (please check all that apply):

- | | | | |
|--|---|--|--|
| <input type="checkbox"/> Arborist | <input type="checkbox"/> Architect | <input type="checkbox"/> Building Construction | <input type="checkbox"/> Consultant |
| <input type="checkbox"/> Ecotourism | <input type="checkbox"/> Educator | <input type="checkbox"/> Government Agency | <input type="checkbox"/> Harvester/Logger |
| <input type="checkbox"/> Landowner/manager | <input type="checkbox"/> Manufacturer | <input type="checkbox"/> Miller | <input type="checkbox"/> Non-profit Agency |
| <input type="checkbox"/> Nursery | <input type="checkbox"/> Professional Forester | <input type="checkbox"/> Researcher | <input type="checkbox"/> Retailer/Gallery |
| <input type="checkbox"/> Student | <input type="checkbox"/> Tree planter/Field labor | <input type="checkbox"/> Wholesaler | <input type="checkbox"/> Woodworker |
| <input type="checkbox"/> Other (please specify): _____ | | | |

Please make check payable to HFIA and return this form with your membership dues to:

HFIA

P. O. Box 10216

Hilo, HI 96721

HFIA Website Resource Guide & Directory

We are in the process of updating the Resource Guide and Directory on our website. The revised search categories are listed below. If you have updated contact information or photos, please email them to us at: hawaii.forest@hawaiiantel.net

Please indicate which categories you would like to be listed.

Search Categories and Subcategories

1. Education and Research

- Educational Institutions
- Private Sector
- Public Sector
- Non-profit Sector

2. Forestry Projects

- Alternative Energy Sources
- Eucalyptus
- Forest Restoration
- Koa
- Other Hardwoods
- Tree Farms

3. Ecotourism

4. Galleries

5. Heavy Equipment Operators

6. Loggers

7. Lumber Retail

- Hardwoods-imported
- Hardwoods-local

8. Lumber Wholesale

- Hardwoods-imported
- Hardwoods-local

9. Manufacturers

- Flooring
- Moldings and Doors

10. Nurseries

- Landscape
- Native Species
- Non-Native Species
- Plantation Forestry
- Reforestation/Restoration

11. Professional Services

- Accountants
- Appraisers
- Architects
- Attorneys
- Contractors
- Designers
- Foresters
- Forestry Management Consultants
- GIS/mapping
- Landscapers
- Nurserymen

12. Sawmills

13. Woodworkers

- Architectural Millwork
- Boxes
- Cabinet Makers
- Canoes and Paddles
- Finish Carpentry
- Furniture Makers
- Gifts and accessories
- Jewelry
- Marine
- Musical Instruments
- Picture Frames
- Sculpture
- Surf Boards
- Turners
- Other

HAWAI`I COUNTY RESOURCE CENTER

HAWAI`I 2050 COMMUNITY MEETINGS PRESS RELEASE

September 24, 2007

Media Contact: Patrick Williams
(808) 585-7931, x102
pwilliams@hipaonline.com

BIG ISLAND RESIDENTS CAN HELP SHAPE THE STATE'S FUTURE AT HAWAI`I 2050 MEETINGS

Draft Hawai'i 2050 Sustainability Plan Available Online at www.hawaii2050.org

Honolulu - What will the state of Hawai'i be like in 2050?

What kind of jobs will our children and grand-children have? Can they afford to live in our Islands?

How will we care for our lands and oceans?

Can we sustain the Aloha Spirit and our unique Island values for future generations?

The Hawai'i 2050 Sustainability Task Force invites the public to help answer questions like these about the future of the state at a community meeting about the draft Hawai'i 2050 Sustainability Plan.

The Hawai'i County meetings are scheduled for:

Oct. 3 - 6 to 8:30 p.m. at the Aupuni Center Conference Room, 101 Pauahi St.

Oct. 4 - 6 to 8:30 p.m. at the Gateway Center of the Natural Energy Lab of Hawai'i, 73-4460 Queen Ka'ahumanu Hwy.

Those planning to attend should RSVP to community coordinator Steve McPeck at edestiny@gmail.com or 808-989-1533.

The Hawai'i 2050 Plan is the state's first long-range plan for the state's economy, society and environment since the 1970s. Hawai'i 2050 is driven by community input and contains goals, strategic actions and indicators derived from outreach to Hawai'i citizens.

The public is strongly encouraged to download the draft plan at www.hawaii2050.org and read it before attending a meeting. Those who can't attend a meeting can offer their comments via the website. The draft Hawai'i 2050 Plan will be revised into its final form based on the comments received this fall. The final sustainability plan will make policy recommendations on the future of Hawai'i's economy, society and environment. It is scheduled to be presented to the public and state Legislature in early 2008.

About the Hawai'i 2050 Sustainability Task Force: The Hawai'i 2050 Sustainability Task Force is developing the Hawai'i 2050 Sustainability Plan—the state's first sustainability plan since the 1970s. Chaired by state Senator Russell Kokubun, the Task Force has 25 members from the public and private sectors who bring a balanced "triple bottom line" approach that recognizes the interdependence of the economy, society and the environment in creating the sustainability plan. The Office of the State Auditor provides oversight of the Task Force. To learn more, visit www.hawaii2050.org.