

ITTO Tropical Forest UPDATE

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The prospects for plantation teak

TEAK has a centuries-old reputation as the king of timbers. It is highly durable, easily worked, attractive, strong and relatively light. It has been used as both a structural and decorative timber in the temples, palaces and houses of the Indian sub-continent for perhaps 2000 years, where its durability has been proved: though popular with priests, princes, carpenters and the common man, termites and fungi tend to shun it.

Nor is its popularity limited to its Asian home ground. Teak plantations are being established throughout the tropics as growers are attracted by

the high prices that (natural) teakwood can fetch in global markets. The rotation lengths of these plantations vary—from 20 to about 80 years—but the trend is towards the shorter end of the time scale and short-rotation plantation teakwood is entering the market in increasing volumes.

Is it as good? As Bhat and Ma (page 3) and Oteng-Amoako (page 6) point out in this edition, short-rotation teakwood cannot hope to match mature-aged teak for beauty or durability, although it



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does possess some valuable properties. Nor is it available in the large dimensions of old-growth teak.

Nevertheless, teak plantations have many proponents because of the reputation of teakwood in the marketplace, the vast amount of information available on its management, and the apparently excellent market prospects. Saw Eh Dah (page 12) reports on a program in Myanmar to double the area of teak plantations there over the next few decades; if managed on a 40-year rotation as planned, this new resource will produce a minimum of 600 000 m³ of teakwood per year. Keogh (page 8) suggests that private-sector/community partnerships in teak plantation establishment and management could be a powerful development tool. Sylvio de Andrade Coutinho (page 10) tells of efforts by his company, Floresteca, to provide profits to shareholders and benefits to local communities via well-managed teak plantations in Brazil.

Profitability will indeed be an important factor in the future role of plantation teak as an agent of sustainable development: efforts to provide social and environmental benefits will be wasted if the operation flops through bad management or adverse market conditions. One of the determinants of profitability will be price, which will depend on the extent to which such wood can be differentiated in the market from other commodity-grade timber; this in turn will be determined mostly by wood quality. Measures such as correct site selection, the use of high-quality seed sources, and attentive silviculture will all help increase the quality of this new resource. Genetic improvements could also provide significant gains, as could advances in processing technology. But, almost certainly, fast-grown, short-rotation teakwood will never match old-growth teak for the price it can command.

Longer rotations will generally produce better timber and should therefore earn higher prices. But longer rotations also mean a longer wait for a return on investments (of time, money and labour). Some small-scale growers are adopting a dual approach: growing some trees for early returns and others for the longer

term, to benefit not only themselves but their children and grandchildren—a smart solution to a problem that has vexed foresters for centuries.

Other articles in this edition take a look at broader forest-sector developments in India. Bose and Saigal (page 16) sketch out the economic role of small-scale forestry enterprises there and say that understanding and facilitating this role should be a research and policy priority. Muthoo (page 32) enthuses about the general prospects for the Indian timber-processing sector, suggesting that the country's strategic location for in-transit milling and its enormous wealth of human resources place the sector in an enviable position to exploit high-value markets in the US, Europe and elsewhere—with possible benefits for the tropical timber trade. To take full advantage of this position, he says, the sector needs to become better organised and more visionary. He advocates building multi-stakeholder, private-public partnerships as part of a strategy for the development of a sustainable sector. A fast-grown timber sector, perhaps, faces similar risks to fast-grown timber; without due care, the gains could be of little value. Well-managed, there are many social and economic benefits to be won.

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