

Hello and welcome to the first Greenco Newsletter for 2010. In this edition we discuss joining the ETS and what it may mean for you if you are a forest owner.

ETS – Join or Not?

If you are a post-1989 forest owner you may not be sure how to go about joining or in fact whether or not to join the ETS at all.

Here is an example of what you could expect if you own a block of trees and are thinking of joining the ETS.

This example is based on 50ha of Radiata pine planted in 2005:

Initial Costs - consultation, ETS application.	\$1,500
2008 - 2010 credits immediately available (3,800 NZUs)	\$76,000
Income per year (average of 1,500 NZUs per year)	\$30,000

This is the potential income if all carbon credits are sold at a price of \$20/NZU. There will be a liability at harvest, the cost of which will be offset by harvest revenue. Depending on your circumstances it is recommended that a portion of your units are kept as insurance and to reduce liability at harvest. The actual proportion kept will depend on your attitude to risk. Greenco can put together a Carbon Management Strategy for your specific situation.

ETS Applications

The deadline for emissions returns for 2008 & 2009 is 31st March 2010. If you miss the deadline this year the next round is 31st March 2011. Credits from 2008 – 2010 can be claimed next year if you miss this year's deadline. The cut off date for ETS registration is the start of February, but it is a good idea to start the process early to avoid the rush or possibly miss out.

Carbon Market

The current price of an NZU is steady at around \$20. There has been little movement in the price for NZUs/AAUs on the international market since Copenhagen. Due to the recession, the European ETS is considered to be oversupplied at the moment, however, units can be 'banked' by emitters for the period 2013 – 2020 and this may be holding the price up. The EU has a target of 20% reduction of emissions by 2020 so the price is expected to increase significantly leading up to that date.

For more info on carbon markets see www.pointcarbon.com

Greenco Staff Changes

Greenco would like to welcome their latest staff member Paul Andrews. Paul comes from a strong forest management background. He has spent the last 2 years working in the Solomon Islands as harvesting manager for an FSC certified plantation forest. Before that he spent 12 years working for NZ Forest Managers doing operational supervision and planning.



Clayton and Paul from Greenco on a site visit in North Canterbury.

Did you know...

That Greenco now offers a full range of forestry services beyond carbon management? Our services include establishment of new forests, tending, maintenance and harvesting.

Contact us today for more information.

