

Tropical forests generally consist of a wide range of tree species, of which just a few are exported at the international market. Most companies only focus on these species, e.g. Sapelli, Okoumé, Azobé and Ayous in the Congo Basin. Little attention is paid to other species that are lesser used but abundantly available.

Being able to sell species that are formerly not accepted can increase the efficient use of the forest resource considerably (e.g. Ilomba, Fraké, Alep). This will directly impact harvest and transport costs, as less distance has to be taken from tree to tree and log to log. The marketing of lesser used species (LUS) is a real challenge that should not be underestimated. It should be thoroughly prepared and perseverance is necessary when introducing LUS into the market. A strong commitment from management is crucial.



Lessons learnt from the Congo Basin

A company operating in the Congo Basin experienced that the focus should be on regular supply and quality when introducing a new species. If not delivered on a regular basis, the attention fades away. Quality is extremely important as LUS are generally substitutes for established commercial species, and are therefore considered as secondary (second choice) and only accepted if quality is superb. Due to the secondary character, prices of LUS are generally 15% lower than commercial species. Deliveries should be carefully planned and accurately done.

This company did not succeed to introduce a certain LUS on the Western timber markets. They however experienced that the Asian market is more and more open to LUS, and currently they sell this species for flooring into the Chinese market. In total 5% of their harvested volume consists of this species. Based on the current developments it is expected that this will increase to about 20% of total volume.

Successful price development in the Amazon

A company operating in the Amazon forest successfully introduced a LUS on the international market. Within four years the price for this species increased from less than 200 US\$/m³ to almost 800 US\$/m³ for primary products.

Introducing lesser used species

To develop markets for LUS, the following recommendations are made:

- Identify the most promising species, based on characteristics and availability (also for the next couple of years) of certain LUS;
- Develop technical information about the species;
- Provide clients with technical data of the species (specifications and characteristics) and explanation for what end used the species can be used;
- Investigate with current clients which options would be promising, and engage the client in the introduction process;
- Do not create (large) stocks of LUS before the sales department have positively explored the possibilities in the market;
- Ensure continuity in the supply of the LUS;
- Ensure high quality of the product. Do not accept deficiencies during the introduction of the LUS;
- Do not give up.



Additional profits

Expanding the number of species to be processed does make the company more complex, however, it will also result in less extraction costs, additional income, less dependency on certain species, and likely a wider range of products and eventually additional clients. These effects together have a considerable effect on reducing risks that are related to sales of a limited number of species. Furthermore, forest operation costs generally tend to decrease, as:

- Costs related to pre-harvest inventories remain the same, whereas planning costs per harvested m^3 will reduce as the selection of trees per ha does increase;
- Less forest is needed to harvest the same volumes (higher volumes per ha), this reduces costs related to e.g. road construction and maintenance, transport costs, establishment of facilities in the forest;
- Costs related to the establishment of skid trails reduce, as most trails will be used for more logs. However, this should not be overestimated, as additional trails are needed for part of the trees. The main trails however can be used more efficiently.