

**Project Location:**

Ra province, Fiji

Project Start Date:

1 January 2009

Funding Source:

Australian Agency for International Development (AusAID) – 44.7%.

Future Forests Fiji (FFF) - 55.3%

Total grant funds approved:

A\$190,000

Updated December 2012

Future Forests– Teak Plantations In Fiji

ABOUT FUTURE FORESTS

Future Forests Fiji Limited was established in 2005 with the aim of developing a socially and environmentally responsible teak plantation business in Fiji.

THE PROJECT AND HOW IT WORKED

ECF support has enabled Future Forests to expand and improve its teak seedling nursery. These seedlings are used for new teak plantations on company and local landowner properties and later sold to other parties.

An ECF grant was approved to support the landowners in the Ra province of Fiji who were previously only engaged in subsistence agriculture. Benefits included:

- Long term contract employment and training opportunities in teak seedling growing, plantation management, harvesting and auxiliary services such as transport and supply contracts for landowners
- Ongoing incomes through leasing their land for plantations and from royalties or stumpage fees from trees harvested from plantations on their land.
- Technical extension services to landowners to plant and manage their own valuable teak plantations.

THE RESULTS

- Since receiving ECF support in 2009 the nursery has been upgraded, is commercially sustainable. This nursery is now the largest commercial nursery of its kind in Fiji.
- There are 10 men and women permanently employed in the business and 10-15 part time workers.
- Landowners are employed to plant and in maintaining teak plantations - equivalent to 250 part time jobs with cash payments of around \$A120,000 per year.

- Teak trees have been planted on over 200 hectares of degraded or unproductive land. At present, landowners have over \$A1.2 million capital in trees planted on their land. This can be secured at different stages over the next 18-20 years.
- Seedlings have been sold to a wide range of customers.
- Conservation International (a local non-government organization) purchased teak seedlings from Future Forests and paid between 500-600 landowners to plant and maintains plantations. All teak trees planted by these landowners remain their property and their long term value is substantial.
- In early 2012, the company successfully launched on the South Pacific Stock Exchange raising an initial \$F1.8 million (A\$1 million) towards the costs of the second stage of their project – expanded plantations and a small scale plantation timber processing operation.
- Future Forests' expanded plantation program will scale up the contract employment benefits for landowners in different rural locations and the timber processing operation will provide employment and flow on commercial benefits for communities in the Ra province by providing a market for plantation timbers.

HOW ECF FUNDS WERE USED

Future Forests was awarded a grant of A\$190,000 to partly fund the costs of the nursery expansion. Future Forests shared these costs contributing a further A\$210,000 to the project.

Commercial finance was not available for the project and ECF support came at a crucial stage of the business' growth.