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Branch out with CALM

and profit from a tree crop



Department of Conservation and Land Management

PAM00185

CALM sharefarming with bluegums

Bluegums are one of the cash crops of modern day farming, offering an ongoing, competitive income plus many other benefits. They produce the world's best woodfibre for paper, so the demand for this crop is strong, secure and increasing.

CALM has specialised tree cropping units and has been growing bluegums with landowners in the south-west for more than eight years.

In that time we have developed our unique sharefarming scheme with about 300 landowners

and secured agreements with investors who will fund further crops.

Following the successful establishment in 1993 of South Coast Sharefarms in the Albany region, CALM Sharefarms, Lower West* was set up in 1994, based in Collie. Their combined target is to establish 55,000 hectares of fast growing bluegums in the south-west over the next 20 years—a target that's expected to increase still further.

Overseas investment of \$150 million will fund this work and another \$200 million will be paid to landowners over the life of the projects.

The investors are major Korean and Japanese trading houses and paper companies.



*“Yes, tree cropping is
definitely worth
considering. I didn’t realise
the money you could make
– I thought it was just good
for landcare.”*

**Formerly Wellington Sharefarms*

How it works

Hundreds of south-west landowners are now earning income for providing the use of their land while CALM grows bluegums on behalf of investors who take delivery of the harvest.

Landowners provide land in exchange for annual fees and/or lump sum payments on harvest.

The trees are grown for two rotations, from six to 14 years each according to productivity and market conditions. This means the term of the contract can run up to 28 years, but will average about 20 years.

We can plant your land in a block or integrate trees around other crops and pasture, working out the best planting design for your property.

The Lower West and South Coast Sharefarm teams—together with CALM's scientists, geneticists, fire protection unit and forest management branch—will all be working to help make your bluegum crop a success.

“You can certainly use bluegums with crops and stock — as shelter belts and to provide an alternate income.”

Why bluegums?

Eucalyptus globulus, or the Tasmanian bluegum, is not only one of Australia's fastest growing native trees, but produces premium wood fibre for the paper industry.

CALM scientists have bred bluegums grown especially for Western Australia. Seedlings with the registered name “Western bluegum” thrive in our conditions, growing much faster than native bluegums from Tasmania and Victoria.

The first Western bluegums made commercially available in 1995 will be 12% more productive.



This improvement will rise to 18% and then 40% over the next couple of years as CALM's new seed orchards start producing. Further improvements are being researched.

Cash payments

The cash payments you receive depend on the contract option you choose.

Receive annual payments, wait for your investment to grow until harvest time, or combine an annuity with a lump sum payment.

You can also choose to invest in the establishment costs of the crop to increase your share and gain tax benefits, or even be paid contract rates for carrying out additional duties such as fertilising or planting.

The payments below are based on an 80 ha tree crop 50 km from Bunbury or Albany port, yielding an average harvest over a 10 year rotation, and are given in 1996 dollars.

- **Full crop share** (33%)—\$260,000 after each harvest.
- **Crop sharing with annuities**—\$7,200 per year plus a lump sum of \$160,000 after each harvest.
- **Annuities only**—\$15,200 per year until the end of the contract.



- **Landowner investment**—with \$1,000 per hectare invested towards costs, crop share increases to around 60% or \$470,000 after each harvest, plus tax benefits at planting time.

*"The CALM people have been great.....
and they can see the big picture."*



Agricultural, environmental & other benefits

Bluegum tree crops offer much more than profits. The list of direct and indirect benefits reported to us by researchers and landowners is significant, and includes increased farm productivity, reduced erosion and salinity and more shelter for stock and crops.

Bluegum crops can also improve the value of your property and provide a diversified farm income.

Fire risk management

CALM managed bluegum crops are less of a fire hazard than native bush, or even ungrazed pasture. Records have shown there is less fuel on the ground to burn and less wind to carry the fire.

Is my land suitable?

Basically, you'll need a minimum total area of about 20 hectares of cleared land which has been pastured for at least five years, in an area that receives at least 600 millimetres rainfall a year and is no more than 200 kilometres by road from Bunbury or Albany.

The land should have a good fertiliser history and suitable soils, based on a comprehensive land evaluation carried out by CALM.

"Pasture growth adjacent to the trees has absolutely astounded us. We didn't believe the property could grow that amount of feed."



How can I find out more?

For further information or a free appraisal of sharefarming with CALM on your land, please contact us at:

CALM Sharefarms, Lower West
39 Throssell Street
Collie WA 6225
Phone: (097) 341 688
Fax: (097) 345 649

CALM South Coast Sharefarms
120 Albany Highway
Albany WA 6330
Phone: (098) 424 530
Fax: (098) 425 279



Acknowledgement:

Our thanks to the many sharefarm partners who offered feedback on their involvement in bluegum sharefarming with CALM. Their comments have been included in this leaflet.



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