

# GOOD PRACTICE EXAMPLE

**Marketing platform of  
forest owner association Styria**



**holzcluster**   
steiermark gmbh

**WALDVERBAND**   
• steiermark •

## 1. General

The collaborative marketing of wood from small-scale forest owners has a long tradition in Styria. In 1955, forest owners founded the first forest management community with support from the Chamber of Agriculture and Forestry in Hartberg/Eastern Styria in order to jointly market round wood. Throughout the years, similar forest management communities were established all over Styria. In 1990, the forest owner association Waldverband Steiermark<sup>1</sup> was founded as an umbrella organization for all regional communities. The main tasks of Waldverband Steiermark are the support of its members, support of the regional forest owner associations and lobbying.

In 2005, the Waldverband Steiermark GmbH was founded as a complementary legal entity to Waldverband Steiermark with focus on round wood marketing on behalf of the members of Waldverband Steiermark. The shareholders of Waldverband Steiermark GmbH are the 11 regional forest associations and Waldverband Steiermark. The business of Waldverband Steiermark GmbH is directed by the manager, a directorate was installed as a controlling body, consisting of representatives from all regional forest associations and the Waldverband Steiermark as well. The business year of Waldverband Steiermark GmbH ranges from October 1st to September 30<sup>th</sup> of the following year.

## 2. Services of Waldverband Steiermark GmbH

The Waldverband Steiermark GmbH<sup>2</sup> regards itself as a timber marketing platform for the members of Waldverband Steiermark. Accordingly, the services offered by the Waldverband Steiermark GmbH are orientated towards:

- Timber marketing for members
- Selling timber on the stump/standing tree (organization, marketing and invoicing of wood harvesting)
- Forest management contract (a year-round management service for forest stands is offered to forest owners)
- Silviculture plan (offers a general overview of the current forest condition and its potential value creation)

## 3. Service focus of timber marketing by Waldverband Steiermark GmbH

The optimal timber marketing for its members is the main task of the Waldverband Steiermark GmbH. The main service features are:

- **Collateralized delivery:** Every wood delivery carried out by Waldverband Steiermark GmbH is 100 % collateralized for the forest owner, which is ensured through equity capital, bank guarantees and insurance.

<sup>1</sup> Translation: Private Forest Owner Association Styria [Waldverband Steiermark] is a registered voluntary association under Austrian law

<sup>2</sup> Translation: Private Forest Owner Association Styria Ltd. Is a private limited company registered at the Austrian Commercial Register

- **Marketing of all assortments:** Due to its broad acceptance spectrum, Waldverband Steiermark GmbH is able to market all assortments in the best possible way. Ultimately, the price for the whole assortment is the crucial point for the member.
- **Transparent execution:** Transparency is an important principle for long-term cooperation and mutual trust. Therefore, Waldverband Steiermark GmbH provides an online platform for its members on which every step in the timber marketing is comprehensibly documented.
- **Average wood price:** Continuously, the sorting of the buyer is controlled and the current average price per solid m<sup>3</sup> wood is determined for each member that markets its wood through the Waldverband Steiermark GmbH.
- **Control measurements:** Waldverband Steiermark GmbH continuously conducts control measurements at buyers and sawmills for the members.
- **Qualification:** Already 2-5 days after the selling, the member is informed about quality and assortment of its timber. Therefore it is possible to promptly react to an incorrect production of assortments during wood harvesting.
- **Swift payment:** 5 days after the round wood acceptance at the industry, the payment to the member is commissioned.

## 4. Forest assistants

Trained forest personnel such as forest workers or forest wardens employed in Waldverband Steiermark are referred to as "forest assistants" ("Waldhelfer"). These assistants guarantee a direct contact between the member and the forest owner association on regional level.

Main tasks of forest assistants:

- Admittance of new members to Waldverband Steiermark GmbH
- Advising members regarding silviculture
- Marking of trees for wood harvesting
- Organization of logging companies for wood harvesting
- Monitoring of wood harvesting and sorting, securing a quality-oriented harvesting (remaining trees must not be damaged)
- Organization of round wood transport
- Monitoring of wood transport
- Organization of operating resources for members
- Organization of forest plants for members



Forest assistants are an important link to forest owners and service providers

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## 5. Member platform

The member platform of Waldverband Steiermark [www.holzabrechnung.at](http://www.holzabrechnung.at) is an internet-based software tool. It provides the essential instrument for member administration of Waldverband Steiermark as well as for the billing of the marketed round wood through Waldverband Steiermark GmbH.

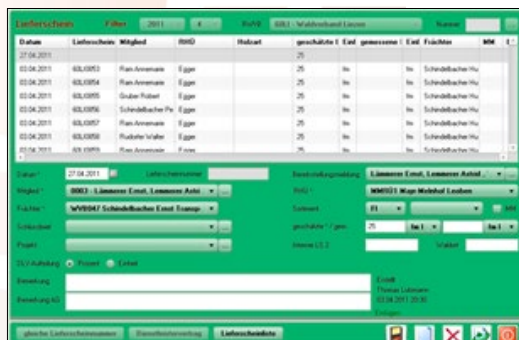
The entire administration of members is accomplished through the member platform. Regional forest associations capture their members through the platform. This data provides the basis for both the mailing of the member newspaper "Waldverband Aktuell" and the billing of the membership fee. The membership fees are paid to the regional forest associations whereas the regional associations pay a fixed amount per member to Waldverband Steiermark.

The platform also provides a number of instruments for the members:

- Announcement of the planned harvesting amount per year (these announcements provide the basis for the contracting with round wood buyers for Waldverband Steiermark GmbH.)
- Announcement on ready-to-transport wood (Basis for forest assistants for organization of wood transport)
- Electronic transfer of wood billing from Waldverband Steiermark GmbH to member
- Different possibilities for analysis of wood deliveries
  - ◆ Single stem protocol
  - ◆ Comparison of wood deliveries – also if delivered to different buyers
  - ◆ Capture of overall deliveries to Waldverband Steiermark GmbH
  - ◆ Summary of overall deliveries (according to EU-regulation regarding operators who place timber on the European market)

For Waldverband Steiermark GmbH the member platform provides the basis for billing:

- Overview of planned wood deliveries
- Overview of how much wood is currently on the way to buyers
- Creation of service contracts (if wood is bought on the stump/ as standing tree)
- Assigning wood deliveries to members
- Billing of wood deliveries
- Interface to automatic data transfer, to accounting and to domicile



Delivery note in member platform of Waldverband Steiermark © WV Steiermark

## 6. Technical data

Technical data	
Number of forest owners in Styria	42.000
Members of Waldverband Steiermark	13.000
Share of forest owners which are member in Waldverband Steiermark	31 %
Forest area in Styria	1,0 mio ha
Forest area owned by members	302.000 ha
Share of member area of total forest area in Styria	30 %
Annual wood harvesting in Styria	5,0 mio m <sup>3</sup>
Annual marketed timber quantity by Waldverband Steiermark GmbH	1,0 mio m <sup>3</sup>
Number of wood buyers of Waldverband Steiermark GmbH	60
Number of members who market timber through Waldverband Steiermark	6.700
Number of shareholders in Waldverband Steiermark GmbH	12
Founding year of Waldverband Steiermark GmbH	2005
Founding year of Waldverband Steiermark	1990
Founding year of first forest management community in Styria	1955

## 7. Economic data

Economic data	
Equity capital of Waldverband Steiermark GmbH	150.000 €
Annual turnover	70 mio €
Marketing fee per solid m <sup>3</sup> round wood	1,5 €
Costs for member support and organization of timber marketing by forest assistants and regional forest associations	1,0 € / m <sup>3</sup>
Costs for billing and collateralization of wood deliveries	0,5 € / m <sup>3</sup>
Total cost for marketing of round wood (including organization, billing and collateralization)	1,5 mio €
Average transport costs from forest site to buyer	10 € / m <sup>3</sup>



For small buyers, wood is usually measured on site © WV Steiermark

## 8. Environmental data

A special task of Waldverband Steiermark GmbH consists in the supply of the regional wood industry (saw mills, paper and pulp mills, wooden board manufacturers and several biomass heating plants) in Styria. Despite round wood being also sold to bordering federal countries as well neighboring countries (mainly Germany for strategic business reasons) the average transport distance from forest site to buyer only amounts to 60 km. Round wood trucks usually consume 40 liters of diesel per 100 km. Considering an average load of 25 solid m<sup>3</sup> per truck and considering the empty trip back (which isn't always the case due to availability of return freights) the transport of 1 solid m<sup>3</sup> takes up 1,9 liters of diesel. The total costs for the transport of 1 solid m<sup>3</sup> over a distance of 60 km amount to 10 € on average.

## 9. Socio-economic data

Waldverband Steiermark GmbH employs 6 full time and 2 part-time employees in the head office in Graz. In the regional forest associations, 5 part time employees are engaged in billing of round wood deliveries. Additionally, around 40 forest assistants work on commission basis as interface between Waldverband Steiermark and its members (usually on forest/agricultural sideline). For tasks such as member support, lobbying, event management and support of regional forest associations, 3 full time workers are employed at Waldverband Steiermark.

## 10. References

Waldverband Steiermark (2013): Waldverband Steiermark [online]. Graz: Waldverband Steiermark. Available at: <http://waldverband-stmk.at/Waldverband-Steiermark> [Accessed Dec 2013].

