



## **Tropical Forestry Services prepares for first Indian sandalwood shipment to China**

*The world's largest producer of Indian sandalwood is gearing up for its first shipment of processed wood, with a ship due out of Darwin Port next month.*

Tropical Forestry Services (TFS) manages over 12,000 hectares of sandalwood trees in northern Australia and has just completed its 2016 harvest in Western Australia's Ord Irrigation Scheme.

The company harvested around 32,000 trees from 104 hectares, which is expected to yield about 300 tonnes of heartwood, which is up tenfold on last year's harvest.

TFS managing director Frank Wilson said additional supply agreements had been signed with wood buyers in China and India in the past six months, and the timber being shipped from Darwin is being sold for \$US150,000 a tonne.

"There's very strong demand out of both China and India for high-quality wood or oil-bearing heartwood, that can be used in a variety of applications such as fine furniture, jewellery and traditional Chinese medicine," he said.

"We've found some good markets and we'll soon start supplying these markets with our first shipment heading to China."

In its full year report, released on Friday, TFS said its cash profitability (EBITDA) had risen 8 per cent to \$62.2 million, which Mr Wilson described as a "solid result".

### *Demand for 'legal and authentic' sandalwood drives TFS expansion*

TFS planted an extra 1,600 hectares during the last financial year and sold its Indian sandalwood oil to a range of markets for an average price of \$5,202 per kilogram.

Mr Wilson said TFS was positioning itself to be the world's major supplier of "legal and authentic Indian sandalwood oil", with an aim to have 80 per cent of the market share by 2030.

He said the company would continue to look for opportunities to grow more Indian sandalwood in northern Australia.

"In five years' time we'd like to have another 7,500 hectares in the ground," he said.

"We're very keen on building off our base in Kununurra [WA], but most of our growth is in the Northern Territory at the moment.

"For the first time, we're also going back to plant on land that we've harvested from, so we're beginning to recycle our land in Kununurra."

The tenfold increase in the size of this year's harvest in the Ord Valley is expected to deliver over \$40 million of extra revenue from product sales.

Source: <http://www.abc.net.au/news/2016-08-26/tfs-prepares-for-indian-sandalwood-shipment-to-china/7789600>

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