



Australian grown Indian Sandalwood timber attracts lucrative Asian markets

Australia's largest producer of Indian sandalwood has found a buyer for the timber from its plantations and it's fetching top dollar.

Tropical Forestry Services (TFS) says it's selling its wood to Asia and some of it is proving more lucrative than the oil itself.

The oil from the timber is still the company's main focus however the timber itself is attracting international attention.

In the last few months, it was announced TFS had signed a deal worth half a billion dollars for its oil with pharmaceutical company Galderma.

But in some cases, the timber was fetching double the price of the oil.

TFS head of global products Mario Di Lallo says it's a much desired product.

"There's a huge demand in China for the good solid 'heartwood' as we call it, to make carvings and bracelets like the beaded types.

"Typically the wood sells for \$200 a kilo and above."

Currently TFS sells the heartwood to the Middle East and Asia.

Mr Di Lallo says TFS is trying to tap into the market further.

"We are engaged with them, we have supplied samples of products already that have been made into finished products.

They certainly want to deal with us on a long-term basis."

To be suitable for carving, the wood needs to be free from imperfections like markings from termite activity, which means only five to 10 per cent of the plantation is suitable.

TFS has also found a buyer for the wood from which the oil has already been extracted.

This by-product is called 'spent charge' and is also being sold to Asian buyers.

"They mill it into a fine powder and blend it with some other powders and essential oils and ingredients to stick onto the bamboo stick which makes an incense stick."

TFS would not disclose the amount it's receiving for the spent charge. However, the company did say it's selling hundreds of tonnes per year.

The limbs of the sandalwood tree are yet to have a definite use, but Mr Di Lallo says TFS is looking to try to sell this product also.

"We have started to engage with global markets which might be able to use them.

"It will take us a few years, I believe, to get some demand for the branches and the sap wood, but we've started working on it now."

Source: <http://www.abc.net.au/news/2014-09-17/sandalwood-timber-sells-for-big-bucks/5751096>

18 September 2014

