

# FACT SHEET



MID NORTH COAST  
REGIONAL DEVELOPMENT BOARD

## The Furniture Industry as a Timber Market



This fact sheet is designed to provide general information to help growers and saw millers identify and access the right market for their timber. Plantations and native forests produce timber suitable for many products. By knowing various timber market requirements, growers and saw millers can better deliver a product that meets market specifications while improving their timber returns.

This fact sheet outlines the major aspects important to buyers of native hardwood timber for the manufacture of production furniture ranges. It does not consider pine or custom made, one-off furniture.

## The Native Hardwood Fine Furniture Industry

### The Market

The Native Hardwood Furniture Industry is a small, high value market for native timber. Nationally the hardwood furniture manufacturers generate \$1.5 b and use an estimated 100,000 m<sup>3</sup> of timber per year. In this Region (Mid North Coast) there are currently eight native hardwood furniture manufacturers using approximately 500 m<sup>3</sup> of timber a year.

The industry's product branding and market position is built around the unique qualities of native hardwood timbers. Colour, feature, texture durability, workability and sustainable production methods are an integral part of this industry's product. These elements are important for furniture makers when selecting timber and are, therefore, important considerations for timber growers wanting to successfully access this market.

Because the furniture industry is a small market for timber, the local furniture industry should be considered as one of a number of potential marketing options. There may, however, be opportunities to widen distribution by supplying state or national furniture manufacturers with Mid North Coast timber.

### Preferred Species

Distinctive red or coloured timbers are currently preferred over the white timbers and include Red Mahogany, Sydney Blue Gum, Rose Gum (Flooded Gum), Tallowwood, Spotted Gum, Blackwood and Brush box. Blackbutt yielding a honey coloured timber is also in increasing demand for fine furniture.

### Quality Issues

Manufacturers require consistent timber supply and quality because variation in colour, feature and workability can detract from the utility of the timber for mass production. Each piece of furniture produced should generally be interchangeable with every other piece in a furniture range. Because native hardwoods are celebrated for their variability, the processor may have to procure large quantities of raw material to meet manufacturer specifications. This can represent an opportunity for private growers to supply adequate and consistent timbers lots including plantation timbers.

### The Processing Chain

Growers feed timber into a processing or value adding chain that transforms logs into timber suitable for the furniture industry.

**Stage 1.** The grower arranges for harvest either by independent contractors for on-site milling or sale to a mill or by the mill purchasing the timber. Harvest methods are prescribed through a forest or plantation management plan.

## The Processing Chain

**Stage 2.** The logs are milled into green, rough sawn boards. The green sawn dimensions will vary with species, age and timber quality based on mill and processor experience with the expected radial and tangential shrinkage during processing. These dimensions may be as much as 30% greater than the final product.

**Stage 3.** A processor purchases the timber and dries and dresses it into dimensions preferred by the furniture industry. These are generally 5cm or 7.6cm thick by 15.2cm wide and up to 4 metres long. Dressing for cupping, splitting and defect are best carried out after drying to reduce waste and improve recovery. The processing time to finished timber may vary from three months to one year to allow for seasoning and will depend on species and timber dimension.

**Stage 4.** Once finished, dried and dressed the timber is sold to the furniture manufacturer. Portable mill material could serve to supply the mill or processor who may be interested in a supply of timber that has been rough cut.

## Prices (Unprocessed Timber)

Timber growers may receive \$100 m3 and upwards for their trees depending on species, quality, locality and demand, distance from the mill and access to the site. The cost of logging and distance to haul will affect the price a mill or logging contractor is willing to pay the landowner.

## Prices (Processed Timber)

In the 2002/03 market;

- The mill may receive \$500 to \$800 m3 from the processor
- The processor can expect to receive an average of \$2,000 m3 for finished timber from the furniture manufacturer.

## Finished product

The wholesale furniture price varies with the item and quality but might range, for example, from \$3,500 for a dining suite to \$700 for an outdoor table with chairs.

## Market Outlook

The Region's Hardwood Furniture Industry is at the beginning of a targeted industry development phase designed to boost sales and position regional furniture manufacturers as key national and international players. The recent launch of the Native Hardwood Furniture Manufacturers Co-operative Limited, featuring a range of contemporary fine furniture is an important part of the growth strategy. Internationally recognised designers based at the Australian Native Hardwoods Furniture Design Centre in Coffs Harbour are in the process of linking with the co-operative to design new ranges of contemporary fine furniture.

These approaches could have a dramatic effect on the demand for furniture timber. A one percent increase in furniture sales, to the national market can treble timber input needs. In turn, efficient and established supply chains, which are in tune to client needs, are also an important factor in market growth. To this end the manufacturing co-operative is to be complemented with a group of processors and mills to support the expansion of furniture manufacturing on the Mid North Coast.

## Contacts

The Forestry Investment Program is supported by the Development Board and



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