



BedRock MS forestry estate, White River.



Solid as a Rock

BedRock Mining Support has taken its mining support business to the next level with the purchase of 30 000 hectares of prime timberland in Limpopo and Mpumalanga. CHRIS CHAPMAN reports



BedRock MS CEO, Derick Kruger.

There's a new owner of forestry land across Limpopo and the Mpumalanga Lowveld with the unlikely but highly appropriate name of BedRock MS (Pty) Ltd. This relatively new company has emerged in a few short years to become one of the biggest private owners of forestry resources in South Africa. They successfully outbid a host of local and international companies for Mondi's Letaba, Numbi and De Kaap estates in Limpopo and Mpumalanga provinces, totalling 30 000 ha of land with around 21 000 ha planted.

BedRock has assembled a highly competent forestry team to complement their expertise in mining support. Like true entrepreneurs, they have shown that they are prepared to make huge financial commitments, they move fast and they're prepared to innovate.

Prior to the purchase of the timberland from Mondi in 2010, BedRock had no fibre resources of their own; they were dependent upon long-term supply contracts from major pulp companies and private farmers. In a country where demand for suitable fibre is escalating, and where there is no or little opportunity to expand the size of the national timber estate, this is not an ideal situation. So

gaining control of a fibre resource that provides a measure of self-sufficiency is a sound strategy. The company's pay-off line, 'solid', is well chosen.

However, it hasn't all been plain sailing and it has taken commitment and tenacity on the part of the company's owners to achieve their goals. The purchase of Mondi's three BU North timber estates was initially prohibited by the competition authorities on the grounds that it would place BedRock and Reatile Timrite (Pty) Ltd in a position to collude over raw material prices, given that BedRock would take over an existing contract to supply timber to Reatile Timrite. BedRock and Reatile Timrite are leading suppliers of mining timber in South Africa.

Following an appeal process and commitments given by BedRock to existing timber customers, including Reatile Timrite, the Competition Tribunal approved the acquisition in July 2010.

On 1 September 2010, BedRock took ownership of the plantations, which are made up of 28 farms concentrated in three areas, around Louis Trichardt and Tzaneen in Limpopo, and White River, Hazyview and Barberton in Mpumalanga. Each estate has a forestry manager reporting to the Director: Fibre

“Our products are used to keep people safe underground and safety runs like a golden thread through our business.”

– DERICK KRUGER, CEO

Resources, Louis Terblanche, based at their regional forestry office in White River.

All their silviculture operations, including fire prevention, are performed in-house, which has created some 600 permanent jobs. There are two own operations harvesting teams working in the White River area, but the rest of the harvesting and extraction is outsourced to contractors.

BedRock currently produces just over 1 000 tons of timber a day, or 350 000 to 400 000 tons a year. Chris Els, COO of BedRock, maintains that the company is around 50% self-sufficient at the moment and is aiming for 75% self-sufficiency. Additional timber is sourced from other major timber owners through the maintenance of strong relationships and a number of timber swop deals.

Harvested timber is utilised for a wide variety of markets, including dunnage, mining timber, special mining poles, building, fencing and transmission poles, saw timber and pulp.

This makes heavy demands on harvesting teams to cut, sort and stack timber with the correct dimensions and characteristics for the different markets. By utilising the whole tree in this way, BedRock is able to optimise its standing value, and it is this aspect that gave them the edge over the rival bidders for the plantations.



The chipper saw at Glenhorpe Mill, used to cut logs on both sides.

Deep gold and platinum mines

“We are in the diameter business,” quips BedRock CEO, Derick Kruger, a mining engineer with considerable experience in the timber industry who has a rather unique perspective on forestry. “Our primary market is the mining industry and specifically deep gold and platinum mines. Our products are used to keep people safe underground and safety runs like a golden thread through our business,” he said.

BedRock’s customers are world-class leaders in their field and include the likes of Anglo Platinum, Gold Fields, Lonmin Platinum and Northam Platinum. All of their products are subject to stringent quality assurance testing, as mine safety is a top priority. The mining authorities are empowered to shut down an unsafe mine at a moment’s notice, so standards have to be high.

Derick maintains that timber is still the cheapest and best material available for mining support, and it isn’t likely to be substituted by another material anytime soon. Timber’s unique ability to absorb energy, much like a shock-absorber, gives it the edge over other materials in mining support applications.

The company has invested in the technical side of their business, and has established a network of service centres close to the mines that are equipped to provide innovative solutions and comprehensive and efficient service to customers. The company operates eight sawmills close to the plantations which process the timber into mining support products, including matt packs in various configurations, as well as a variety of elongates ranging from mine poles and pencil props to high-yielding engineered elongates.

Bedrock also supplies various composite packs



A Bell extracting tree-lengths, White River.



Top: Loading product at Glenhorpe Mill. Above: Pencil props doing the job they were designed for underground.



Wikus Bieldt manages BedRock's own harvesting teams at White River.



Local communities are allowed access to plant groundnuts between the trees.

which combine the compressive strength of concrete with the tensile strength of timber.

Derick says that the company's 'manneljie' logo symbolises the heads, hearts and hands of every employee, and is aligned to a value system based on respect, honesty, self-belief and discipline.

FSC accreditation of the plantations is imminent with the first surveillance audit coming up soon.

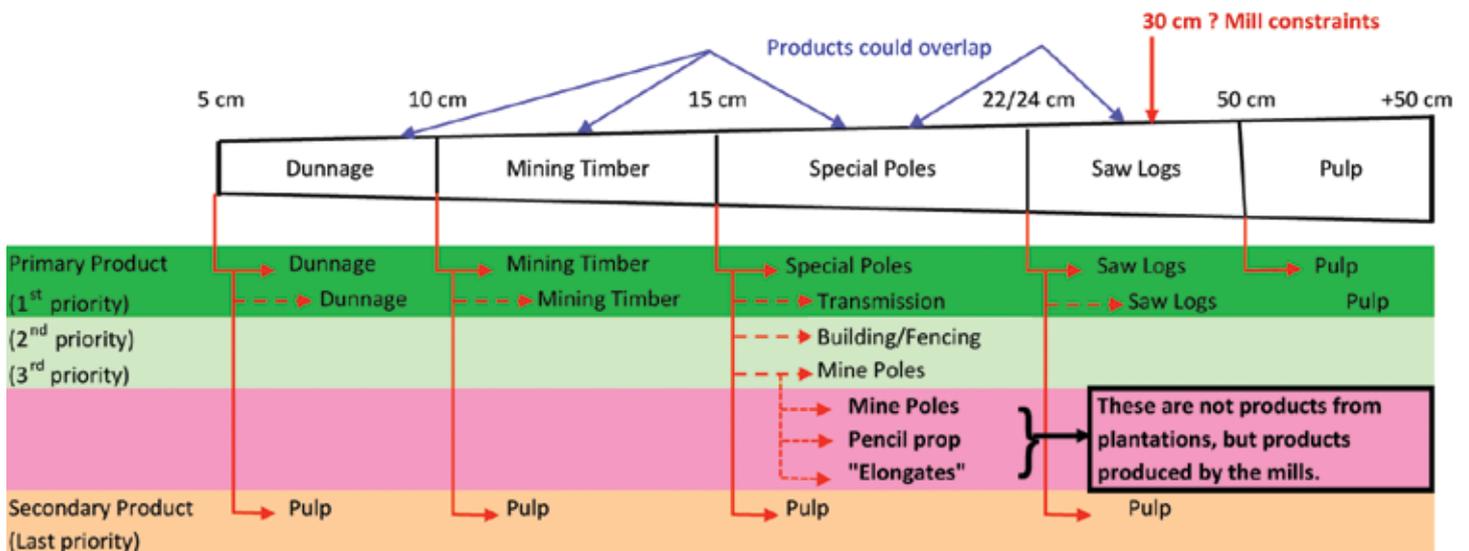
Engaging with local communities

The company has opted to engage with local communities in a number of innovative programmes. Community members are allowed access to certain plantations during re-establishment of clear-felled compartments so they can plant groundnuts in between the seedlings. The groundnuts provide cover for the soil and inhibit the growth of weeds until the canopy closes. They also fix nitrogen in the soil which is beneficial to the growing trees. A plan to allow grazing of community cattle on unplanted areas is also in the pipeline.

BedRock is an active member of the local fire protection associations and maintains their own fire protection teams. The plantations are broken up into some 28 farms with the biggest single plantation being 2 000 ha. This is a challenge from a management and logistics point of view, but an advantage from a fire prevention point of view in the event of wildfires such as those that devastated the country in 2007 and 2008.

BedRock is associated with the Shalamuka Foundation through Shalamuka Capital, which controls a significant equity stake in Bedrock. The Shalamuka Foundation is an organisation that works to improve the quality and accessibility of education for teachers and pupils in disadvantaged rural schools. It is a broad based empowerment entity, with the beneficiaries being 100% black, 90% women and more than 50% rural dwelling.

How BedRock utilises the tree



A brief history of BedRock MS

BedRock was formed in August 2008 when SMT Mining and Shanyela Timbers merged. It was renamed BedRock Mining Support (Pty) Ltd.

SMT Mining originated from a management buy-out of Sappi Mining Timber in 2000 after Sappi decided to divest from its non-core activities.

Shanyela Timbers was established in 2005 when Chris and Phillip Els introduced an empowerment partner into their timber business. BedRock thus combined the strengths of the two businesses with expertise in timber growing and sourcing as well as manufacturing, distribution and mining applications.

BedRock's senior management team comprises Derick Kruger (CEO), Chris Els (COO), Frans Brewis (CFO), Rob Muntz (Marketing and Sales Director), Louis Terblanche (Fibre Resources Director) and Leon Graham (General Manager, Sawmills).

For further information, refer to the website www.bedrockms.co.za ■

Deep mine support products undergo stringent safety testing



Before ...



After ...



Pencil prop before and after testing. Total load is around 30 tons with a yielding of 250 mm. Initial length is 2.4m.

Composite underground pack (timber and cement bricks) before and after compression in a 1 000 ton press. The final load is approximately 400 tons on the pack dimension of 1.1 metre square.

High yielding engineered elongate (Saturn prop) being tested in a press. The final load is approximately 45 tons with a yielding of 450 mm.

A solid matpack in the testing press before and after compression. The final load is approximately 450 tons with a yielding distance of 400 mm on a testing height of 2.2 metres.



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