Irish Timber Growers Association submission on the Forestry Programme 2014 – 2020 Mid Term Review

28th April 2017

The Irish Timber Growers Association (ITGA) was established in 1977 and is the national representative body of private woodland owners in Ireland. The membership of the Association mirrors the wide range of different timber growers in the country and current membership includes farm forest owners, forestry co-operative members, private woodland estates, forestry investors and forestry pension funds. This wide range of membership allows the Association take a broad view of the industry and issues facing the sector.

The Irish Timber Growers Association welcomes the opportunity to make this submission on the Forestry Programme 2014 – 2020 Mid Term Review.

There are significant opportunities for the forestry sector that should be considered in undertaking this mid-term review of the Forestry Programme. Aside from its substantial contribution to climate change mitigation, renewable energy, recreation and biodiversity, the forest industry comprising of growing, harvesting and processing of forest products makes a significant and growing contribution to the Irish economy with the output valued at €2.3 bn per annum.

The forestry sector plays a critical role in climate change mitigation and this role must be prioritised in this mid term review of the Forestry Programme. Given the marginal cost per tonne of carbon abated which is calculated as c.€20 for the Forestry Programme as against c.€550 per tonne for the Rural Development Programme as outlined in the draft National Mitigation Plan (page 91), the Forestry Programme can pay significant dividends to the state in Climate Change mitigation into the future. It should be noted that many of the additional benefits of forest products and forestry’s potential contribution to renewable energy through increased use of forest residues as biomass may not be reflected in these marginal cost of carbon abatement figures.

Mid Term Review – Forestry Programme measures:

Measure 1: Afforestation and creation of new woodland & Measure 2: NeighbourWoods

Given the targets as set out in the Forestry Programme, a potential alternative Environmental Afforestation Scheme should be considered which would be additional to and not necessarily replace any of the existing suite of afforestation related schemes. The objective of this new scheme would be to facilitate the planting of suitable and appropriate environmentally sensitive areas.

A significant land area in Ireland is designated under the Habitats Directive as environmentally sensitive but which has the potential to grow trees. A new scheme is proposed that would allow registered foresters to propose an afforestation scheme tailored to a particular designated area which would accommodate the environmental sensitivities and constraints of that area and could potentially enhance the environment for the designated habitat. For example, where the current afforestation scheme would not be permitted in such areas, SACs, SPAs, etc, and where there is flexibility allowed with spacing, stocking rates, size of minimum planting areas, etc a registered forester could draw up alternative planting
specifications, outside those permitted in standard schemes, to accommodate the particular environmental sensitivities of the area. This proposal by the forester could be drawn up in consultation with the local NPWS Officer and this alternative planting plan/proposal could then be submitted to Forest Service for consideration. Where the planting plan is considered to have merit by the Forest Service then the forester could be asked to cost the proposal for further consideration and potential approval. Where the proposed costings are deemed acceptable by Forest Service then the plan could be approved. Such alternative planting plans could focus on broadleaved afforestation which would be in keeping with the objective to increase the proportion of broadleaves being planted and in particular native woodland creation.

Encouragement to plant broadleaves within the current suite of afforestation schemes may require further incentivising given the longer rotations for broadleaves, the lower economic returns and the perceived potential vulnerability to disease (of the twelve high risk forest pests listed in the UK Plant Health Register (UKPHRR) ten are broadleaved tree pests). Planting of Broadleaves must be economically sustainable for growers. Markets for broadleaves – both commercial timber and high calorific value biomass and firewood – should be encouraged. Increased premium payments recognising the public goods/benefits of broadleaved woodlands should be considered as part of this mid term review (see article, ‘Valuing woodland ecosystems and public benefits’ taken from the ITGA Summer Newsletter in Appendix). In this regard, a multipurpose approach to broadleaved forestry should be taken in the mid term review with broadleaved afforestation schemes attracting higher premium payments in recognition of the considerable public goods/benefits of such woodlands.

The Forestry for Fibre Scheme and agro-forestry schemes are timely, however, they face the difficulty in that the lands would be classified as forest land after any planting and the provisions of forestry legislation would apply with the areas subject to the replanting obligation.

Further publicity and promotion of the above schemes is critical and will assist in the take up of afforestation schemes. Such publicity must also target the younger generation through the use of social media and information and communications technology.

As part of this mid term review and to further encourage afforestation, the following amendments to the tax regime are proposed by ITGA, as the current regime in relation to the below, disadvantage forestry as a land use.

**Capital Gains Tax**: the sale or transfer by Gift of forestry lands should be eligible for Retirement Relief on the same basis as farmland. This avoids any discrimination against forestry by the tax code.

**Capital Acquisitions Tax**: the Gift or Inheritance of forestry lands should be eligible for Business Relief. Currently Business Relief is available for farmland if the beneficiary of the Gift or Inheritance does not qualify for Agricultural Relief. Forestry lands attract Agricultural Relief but not Business Relief according to the website of the Revenue Commissioners. Extending the Business Relief to forestry lands will help avoid any such discrimination against forestry and help encourage afforestation and achieving the targets of the Forestry Programme.
**Measure 3: Forest roads**

The importance of getting thinnings and fellings to market has been stressed by the Irish Timber Growers Association for many years. In this regard, the absorption of costs for bellmouths, lay-bys, drying areas and non grant aided special construction works within the overall road grant allocation for potential sites are welcome additions to the scheme. The special construction works (SCW) grant for sensitive areas and the funding to connect to other existing forest road networks are also to be welcomed.

Due to the procedures required for new entrances and access to forests, it is strongly recommended that as part of this mid term review that an additional/new forest road access grant is made available at afforestation stage. It is proposed by ITGA that this would be available at any time up to first thinning stage to facilitate access and for constructing a formal entrance to the afforestation area. This earlier grant need not be to the amount available under the current forest roading scheme but its objective should be to facilitate basic access and a legal entrance to the forest so that this access/entrance is in place when the time comes to construct a suitable forest road to facilitate thinning in a forest.

**Measure 4: Reconstitution**

Support for forest owners to restore and retain forests following significant damage by natural causes is welcomed. The Reconstitution Schemes for Chalara Ash Dieback and the recent scheme for windblow are of importance to growers. The reintroduction of the reconstitution scheme for forests damaged by fire should be considered as part of this mid term review and is proposed by ITGA. This grant could be made available with an upper limit per applicant similar to the thresholds that were introduced for the recent windblow scheme.

**Measure 5: WIS**

The woodland improvement (Thinning and Tending of Broadleaves) scheme is of considerable importance to the management of the broadleaf estate. The provision of financial support to forest holders towards the cost of woodland improvement works associated with tending and thinning of forests under the Forestry Programme 2014-2020 is welcomed.

In this regard, the sector requires more trained competent forest operatives to undertake the thinning and tending of woodlands. There is a scarcity of such skilled operatives which will have a negative effect on the uptake of this scheme. This is a specialised operation and there are insufficient numbers of trained personnel to significantly improve the take up of this scheme and appropriate training schemes are required.

**Measure 6: Native Woodland Conservation Scheme**

The Native Woodland Conservation Scheme (NWS Conservation) in conjunction with the Native Woodland Establishment Scheme are necessary schemes within a national forestry programme.

**Measure 7: Knowledge Transfer and Information Actions**

The Irish Timber Growers Association welcomes the fact that the Forestry Programme 2014-2020 addresses these needs of forest owners. ITGA is well known and recognised for the information and representation services that it provides to the sector and industry and very much supports the ideas and initiatives behind the Knowledge Transfer Groups. There is a lot to be gained from accessing a wide knowledge base in the form of past experience, past
actions and performance. Organisations such as the Irish Timber Growers Association have
over 40 years of experience in organising field events, seminars, newsletters and more
importantly have driven major initiatives such as the Model Timber Sales Dispatch System,
the Template Tree Sales Agreement, the Wood Price Quarterly database, the Irish Thinning
Protocol, etc for the benefit of private woodland owners. This experience should be drawn
on and encouraged through KTGs in this mid term review and the developments and
capabilities of ITGA should be utilised.

The role of knowledge transfer through the internet should also be looked at under this
scheme. Established websites such as the Irish Timber Growers Association website
www.itga.ie as well as other forestry websites could be instrumental in disseminating
important forestry information to growers and the industry.

**Measure 8: Setting up of Producer Groups**
A strong case can be made for DAFM to actively foster and encourage co-operation between
existing and any future producer groups and growers organisations such as ITGA to ensure
no inefficient replication of initiatives. Existing or potential new groups can learn from
established groups and long standing growers organisations such as ITGA. Certain overlap in
tasks can be streamlined and duplication should be avoided so as State funding is optimised.
There is little point in each producer or KTG group receiving funding to undertake many of
the same or very similar services as ITGA are offering to members. Measure 8 should ensure
that in order to avoid supporting duplication of similar/existing services, it would be optimal
that they would work with existing organisations such as ITGA that supply such information
and services already. This would ensure best value for money. For example, the ITGA annual
Yearbook, the ITGA newsletters, the Model Timber Sales Dispatch System and other ITGA
initiatives should be employed by KTGs and producer groups without being replicated by
each and should involve ITGA expertise in this regard. The New Forestry Programme should
facilitate such efficiencies by having a requirement that such existing services and
information are utilised rather than replicated.

**Measure 9: Innovative Forest technology**
ITGA welcomed this measure when it was introduced, however limiting the grants to up to
40% of eligible expenditure may act as a disincentive, especially where larger investments in
new technology are to be made. Possibly the maximum funding allocation percentage for this
measure should be viewed on a case by case basis and level of grant aid should be determined
by the business plan submitted, how likely the technology would be adopted by forest holders
or contractors and the overall usefulness/importance of the technology to the sector.

**Measure 11: Forest Management Plans**
Online application/submission through IFORIS and a link with Felling Licence and roading
applications would help reduce the burden of paperwork on applicants and streamline the
processing of the various applications and should be pursued as an outcome of this mid term
review.

As outlined in the recent draft National Mitigation Plan, ‘Methane (CH4 ) and nitrous oxide
(N2 O) make up the majority of Irish agriculture GHG emissions, mainly due to the
dominance of cattle and sheep livestock production. Methane is the most significant GHG
emitted from agricultural activity in Ireland, accounting for 63% of total agricultural
emissions.’ Afforestation and forest management practices can contribute significantly to
climate change mitigation, however, Forest Policy planting targets (as in the Forest Policy
Forests, products and people - Ireland’s forest policy – a renewed vision. are not being achieved. Afforestation is often most suited to lands which are currently under livestock production and planting such lands would therefore displace the emissions emanating from livestock production while in addition sequestering carbon within the new forest. Afforestation, therefore, would have significant benefit in both reducing emissions and also storing increased carbon where such land is planted. Given the general poor profitability of livestock farming, as highlighted in successive Teagasc National Farm Surveys over recent years, it is now more important than ever that afforestation is favoured in Irish agricultural policy on such land types. Also as mentioned, given the marginal cost per tonne of carbon abated which is calculated as c.€20 for the Forestry Programme as against c.€550 per tonne for the Rural Development Programme [as in the draft National Mitigation Plan, page 91], the benefits of forestry are clear. This is particularly the case when Ireland is so suited to the growing of trees, more suited than the rest of Europe, and we only have 11% of our land area under trees while forest cover in Europe is c. 40%.

The Irish Timber Growers Association, through its work and various information and representation initiatives is committed to supporting the sector and the current Forestry Programme. ITGA is actively supporting and promoting the Programme and these aims are progressed through the various information initiatives of the Association.

ITGA will continue to play a leading role in the forestry sector achieving its potential through the current Forestry Programme and the Association looks forward to working with the Department and industry in meeting these objectives.
Valuing woodland ecosystems and public benefits

Woodlands provide many services to society, including timber, carbon sequestration, pollutant removal and recreation. (This article and figure/chart below are taken from the UK Environmental accounts 2016 statistical bulletin)

Ecosystem services are central to an ecosystem accounting framework since they provide the link between ecosystem assets on the one hand and the benefits received by society on the other. People benefit from both the materials that ecosystems provide (such as the harvesting of timber from woodland) and from the outcomes of natural processes (such as the benefits from clean air that has been filtered by an ecosystem).

Ecosystem services that contribute to human well-being are classified into:

- Provisioning services – these are generally the material products that ecosystems provide, for example, food (crops, fish), materials (timber), or water
- Regulating services – these are the benefits provided by ecosystems in the regulation of various aspects of the planet, for example, climate regulation (carbon sequestration), noise and air pollution reduction and flood hazard reduction
- Cultural services – non-material benefits, for example, through cultural heritage, recreation or aesthetic experience
- Supporting services – such as biodiversity, soil function

This section includes 4 of the most significant services to woodland areas which can be generated on an annual basis: these are timber production, carbon sequestration, air filtration and recreation.

Non-monetary estimates indicate 12.4 million cubic metres of timber were removed from UK woodlands in 2014, whilst woodland vegetation also removed 15.6 million tonnes of carbon dioxide equivalent (CO2e) and 1.6 million tonnes of particulate matter (PM10) from the atmosphere in 2014. Additionally, 634 million visits were made to UK woodlands in 2014.

Monetary estimates when added together give an indicative estimate of the value of UK woodland. Based on these 4 services, in 2014, the annual flow value was estimated at £6.4 billion, whilst the overall asset value of UK woodland was £168 billion.

It can be deduced from this that the value of a tree left standing provides up to 30 times more in other services, than it would provide if cut down for timber.

Table 22.1 shows the non-monetary services accounts for UK woodland ecosystems for 2009 to 2014 for these four services (timber production, carbon sequestration, air filtration and recreation, [recreation only from 2009]).

These four services provided by woodland ecosystems in the UK can be valued in a variety of ways. For timber, the value can be approximated by the stumpage price for coniferous wood, which is assumed to apply to all the timber that is harvested. For carbon sequestration, the value of carbon removed can be based upon the non-traded carbon price estimated by the Department of Energy and Climate Change (DECC). For air filtration, values are based on the damage costs estimated by the Department for Environment, Food and Rural Affairs (Defra). These estimates are provisional and should be taken as indicative pending further research. For recreation, the average value of each visit (634 million visits) can be taken from a meta-analysis carried out by...
Sen et al. (2014). The monetary services account (Figure 22.1) shows that the value of the timber removed from UK woodland is only a small part of the total value of these 4 ecosystem services provided by UK woodland. The total value of all 4 services in 2014 was £6.4 billion, up from £5.7 billion in 2009 (in 2013 prices). Absorption of PM10 and recreational services were valued at the largest component of the total woodland value. Particle matter absorption was valued at £2.9 billion in 2014, whereas, recreational services were valued at £2.3 billion. The value of recreation in UK woodland increased by over £200 million on the year and £500 million since 2009, the largest increase of any other service. This increase is entirely due to the change in the number of visits made, as the value of each visit has been assumed to be constant over the period.

Carbon removals were valued at £954 million and timber removals were valued at £228 million in 2014. Timber provision is up from £102 million in 2009. This increase is due mainly to an increase in the stumpage price over the period.

For timber, the average level of harvesting and average stumpage price in recent years have been assumed to be constant into the future in order to smooth out year-on-year fluctuations. For carbon sequestration, the estimates of future flows of services are based on projections for the National Atmospheric Emissions Inventory, whilst projected prices are taken from the DECC carbon price estimates.

Notes:
1. The 4 services of woodland ecosystems covered in the accounts (timber production, carbon sequestration, air filtration, and recreation) do not include the value of the services to the wood products or tourism and other sectors further down the economic production chain.
2. The woodland accounts are experimental and continuously under development and therefore should be interpreted in this way.

“UK Environmental accounts are “satellite accounts” to the main National Accounts in the UK and they are compiled in accordance with the System of Environmental Economic Accounting (SEEA), which closely follows the UN System of National Accounts (SNA). This means that they are comparable with economic indicators such as gross domestic product (GDP).

Environmental accounts are used nationally and internationally, primarily by governments, development organisations and researchers, to inform sustainable development policy, to evaluate the environmental impacts of different sectors of the economy, and to model impacts of fiscal or monetary measures.

Source of this article

Efficient timber transport

The Swedish Government has proposed allowing 74-tonne timber trucks on parts of the Swedish road network from this March 2017. This is seen as a welcome decision by the forestry sector that will reduce carbon dioxide emissions and transport costs.

Tests of 74-tonne trucks have shown that these vehicles are more efficient, use approx 6.5% less fuel than 64-tonne trucks in Sweden and are as easy to handle on forest roads as 64-tonne trucks. It is estimated that the number of timber trucks in Sweden could be reduced by 20% and fewer trucks needed which could improve road safety.

74-tonne trucks have two extra wheel axles, resulting in a reduction of weight per axle and therefore less pressure on the roads.

On long bridges, where the weight limit is the weight of the vehicle, there can obviously be a problem which is why it will be some time before the entire Swedish road network will become accessible to the 74-tonne trucks.

Source: Skogforsk ShortCuts No. 4 | 2016