



# IRISH TIMBER GROWERS ASSOCIATION

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## **Irish Timber Growers Association submission to the Department of Agriculture, Food and the Marine on its Statement of Strategy 2021 - 2024**

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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 to take a broad view of the industry and issues facing the sector.

The Irish Timber Growers Association welcomes the opportunity to make this submission to the Department of Agriculture, Food, and the Marine on its Statement of Strategy 2021-2024.

The Association will focus its submission on the sustainable development of the forestry and agri-food sector to optimise the contribution to national economic development and the natural environment including the Climate Change Action Plan.

The questions posed seeking the Association's views on the development of the new Statement of Strategy 2021-2024 are addressed below;

- *How well do DAFM services meet the needs of the agri-food, forestry and marine sector and how could they be enhanced?*

As part of this submission, the Irish Timber Growers Association (ITGA) reviewed the Department of Agriculture, Food, and the Marine's (DAFM) published, *Steps to Success 2019*, the fourth annual progress report of Food Wise 2025. The Department outlined the broad achievements in assessing the progress of Food Wise 2025 in this report. Afforestation targets are a notable exception to these achievements, however, and in relation to the current Forestry Programme 2014 - 2020 only approximately half or less of the Programme's afforestation targets were achieved over each of the past two years with an even lower afforestation outturn expected in 2020.

It should also be noted that the current Forestry Programme 2014 – 2020 targets are set at a little over half of the targets set in *Forests, products and people - Ireland's forest policy – a renewed vision*, which was adopted by the Department of Agriculture Food and the Marine (DAFM) in 2014. Last year (2019), 3550 hectares were afforested which represents only 23.7% of the planting target as set out in the

Department's Policy document. This will have significant repercussions for Ireland's ability to meet its international climate change targets in addition to its negative effect on renewable energy and other national targets. In addition, such a decline in planting will have serious repercussions on the industry's future supply of timber for processing and will negatively affect exports, employment, and the rural economy.

The Statement of Strategy 2021-2024 must strengthen its Policy and Strategy and its Sectoral Development Programme to focus more on the forestry sector to achieve its future targets outlined in the Climate Action Plan, other policy targets and the related Food Wise 2025 Implementation Plan (Action no. 370) of, '*an increase in annual afforestation level to 15,000 hectares from 2021*'. The Statement of Strategy must commit to delivery on an effective strategy for the forestry and timber sector to ensure it achieves this potential.

- *What are the forthcoming market and other challenges that we need to address and is our current focus adequate to meet those challenges?*

The immediate significant challenges that DAFM needs to address in the forestry sector are outlined in the DAFM commissioned 2019 Mackinnon Report, *Review of Approval Processes for Afforestation in Ireland*. Specifically, DAFM's current focus should be on implementing the main recommendations of this report and committed to in the Statement of Strategy 2021-2024. These include;

- Raise the profile and commitment to woodland creation.
- Focus action on reducing current backlog of applications.
- Introduce Pre-Application discussions with Issues/Action Log.
- New Requirement for Environment Report supported by Planning Grant.
- Address problems with poor quality applications.
- Develop guidance on the Habitats Directive as it affects licensing applications.
- Discuss with the European Commission the impact of the Directive on woodland creation to support the Climate Action Plan.
- Revise MOUs with NPWS and NMS.
- Recruit additional Inspectors and Environmental Specialists.
- Introduce genuine KPIs.
- Develop a Customer Service Charter.
- Prepare a Forestry Strategy for Ireland
- Ensure all State Bodies play their part in implementing the Strategy.
- Establish an Irish Forestry Standard.
- Raise the status and profile of the Inspectorate.
- Need for greater commitment by all to partnership working.
- Raise awareness of value of woodland creation and a vibrant forest industry.
- Take stock of the multiplicity of campaigns and initiatives to promote woodland creation.
- Review education and training of forestry professionals.
- Introduce fees for submitting applications, making submissions and lodging appeals.
- Conduct pilot studies on land availability, including the potential for woodland creation on areas of unenclosed land.
- Review the legislation on forestry and consider the introduction of a single consent covering planting, road construction, management, and felling.

It is critical that the above Mackinnon recommendations are implemented within a short timeframe. The opportunities for forestry and its important role in climate

change mitigation and the Climate Action Plan can be achieved by adopting and resourcing a strong policy and strategy for the forest sector.

Ireland currently has one of the widest differentials in the EU between farmers' incomes and gross wages/salaries in the wider economy (as highlighted in the "Challenges and Objectives of the CAP-post 2020" presentation made by the EU Commission on the future of CAP at the CAP Consultative Conference dated 4<sup>th</sup> July 2018). Forestry income will be critical in bridging the gap between Irish farmers' incomes and incomes in the wider economy. Forestry income is direct market income and is a source of long-term sustainable revenue for farmers and landowners. Such direct market income from forestry will also ensure a better balance between the operating subsidies and market income per farm and will help ensure the longer-term economic sustainability of the wider agriculture sector through reduced reliance on subsidies and through the generation of a more diverse income source.

The Irish sawmill and panelboard sector have achieved remarkable success in recent years and are exporting most of their finished products. Over 70% of sawnwood and over 80% of panelboard products which were produced in Ireland are exported. To date, the main limiting factor to increasing our exports of finished timber and panelboards is the supply of raw material (roundwood) due to the slow and encumbered Tree Felling Licence application and Appeals process and this remains a critical issue which must be addressed in the Statement of Strategy.

- *Are there opportunities (e.g. new areas of work) the Department should consider when developing the 2021 - 2024 Departmental strategy which would advance the achievement of our mission, vision and objectives across the agri-food, forestry, and marine sectors?*

There are significant opportunities for the forestry sector that the Department should consider in developing its Statement of Strategy 2021-2024.

The first positive strategic step that the Department should adopt is to recognise the forestry sector in the Department's title and in the titles of its framework documents. Forestry affects a considerably number of livelihoods where forestry has 21,000 forest owners and employs another 12,000 people. Aside from its substantial contribution to climate change, renewable energy, recreation and biodiversity, the forest industry comprising, growing, harvesting and processing of forest products makes a significant and growing contribution to the Irish economy with an output valued at €2.3 bn per annum. If the Department intend the farming community to positively embrace forestry as a significant land use option, forestry should be included in the Department's title.

Despite forestry's contribution to biodiversity, flood control, air quality, wellness and particularly climate change mitigation, our woodland owners do not receive remuneration for supplying these public goods to society. With the new European Green Deal which aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts, DAFM have a new opportunity to support carbon sequestration through forestry and design a scheme where woodland owners can receive additional remuneration for storing carbon. Tree planting in various forms could accommodate carbon sequestration aims and in so doing also compliment other farming activities.

The EU also launched its Farm to Fork Strategy for agriculture which is the template for agriculture's contribution to the EU Green Deal. The Commission has the objective of making the EU the world's first carbon-neutral continent by 2050. With this aim, the Farm to Fork Strategy highlights the example of a "new green business model", where farmers who remove CO<sub>2</sub> from the atmosphere and contribute to climate neutrality will get rewarded. This is an opportunity and a new area that the Department should consider when developing the 2021 - 2024 Departmental strategy which would advance the achievement of the DAFM mission, vision, and objectives.

- *What metrics should the Department use to measure our performance and monitor achievement of our strategic goals?*

The most important metrics that should be used to measure the Department's performance and monitor achievement of its strategic goals are the Strategic Actions included in the Department's Policy document, *Forests, products and people - Ireland's forest policy – a renewed vision*. An appropriate way to assess performance would be to monitor progress in the implementation of these Strategic Actions in the Forest Policy document.

The 2018 COFORD Forest Policy Review Group Report, '*Forests, products and people - Ireland's forest policy – a renewed vision (2014)*', a Report on Policy Implementation with Recommendations (COFORD, 2018), is a detailed review of Strategic Actions implemented and highlights the scale, potential and ambition of the sector. This report is published and available on <http://www.coford.ie/media/coford/content/publications/2018/1COFORDForestPolicyReviewGroupReport121218.pdf> and should be reviewed and referenced in preparing the Department's Statement of Strategy 2021-2024.

Another metric that should be used to measure the Department's performance and monitor achievement of its strategic goals is monitoring the carbon balance in the agriculture sector and ensuring afforestation is enabled to achieve its carbon sequestration targets and meet its potential to mitigate emissions from the sector.

A further metric that should be used to measure the Department's performance and monitor achievement of its strategic goals is improving the income of the farmers throughout the State by reference to Teagasc's National Farm Survey of Family Farm Incomes and increasing the forestry sector's contribution to this income.

The recent Fact Sheet on Irish Agriculture (CSO/DAFM, Sept 2020) outlines that, '*Total public expenditure by Department of Agriculture, Food and the Marine was over €2.89 billion in 2019.*' Of this €2.89 billion Department of Agriculture spend, forestry received less than c. 3% of the total Department budget. However, the Irish forestry and timber sector has an annual economic output valued at c. €2.3 billion without considering its climate change and carbon sequestration benefits which are considerable.

In any analysis and in preparing an updated Statement of Strategy for the Department this imbalance in supports should be examined, particularly when one considers that according to Teagasc's National Farm Survey 2019 only 12.9% of 'Cattle rearing' farms are economically viable, with 26.3% of 'Sheep' and 24.5% of 'Cattle other' family farms viable. These three farming systems account for over 73% of the c. 92,500

farms. The significant economic difficulties of our farmers can be appreciated when the Teagasc Survey reveals that 44% of all farms in the State earned less than €10,000 annually.

The 2019 Report on the Socio-Economic Impact of Forestry in Co. Leitrim by Dr. Áine Ní Dhubháin<sup>1</sup>, Ms. Evelyn Stoettner<sup>1</sup>, Dr. Julie Ballweg<sup>1</sup> and Dr. Serge Garcia<sup>2</sup> which was commissioned by the Department of Agriculture, Food and the Marine highlighted, *'A suitable modelling approach is provided by O'Donoghue et al. (forthcoming) who use a micro-simulation model, SMILE21, and apply it to the NFS data from 2014 and the CSO data on small farms to generate a modelled micro-dataset from which statistics on agricultural returns are derived for the entire population of farms nationally and for county Leitrim. Micro-simulation modelling is a simulation-based tool that can be used for ex-ante analysis. The methodology is of particular use where there is a dearth of data, data are not complete, or to assess the ex-ante impacts of policy changes. It is a micro-based methodology, utilising micro-units of analysis such as individuals, households, firms and farms, using surveys or administrative datasets (O'Donoghue, 2014).'*

See

<https://www.agriculture.gov.ie/media/migration/forestry/publications/The%20Socio-Economic%20Impact%20of%20Forestry%20in%20Co.%20Leitrim%20Final%20Report.pdf>

This modelling approach showed that, *'The estimated percentage of farms in Co. Leitrim where the return from forestry (on a per hectare basis) would be higher than that from agriculture is 67%, while in 74% of the cattle rearing farms the returns from forestry would be higher'*. However, the Report also highlighted the significant percentage of farms where the return from forestry would be higher than from the following agriculture systems over all counties;

For Cattle Rearing 56.8% of farms nationally would return more from forestry.

For Cattle Other 57% of farms nationally would return more from forestry.

For Sheep 56.3% of farms nationally would return more from forestry.

*[Source: Report on the Socio-Economic Impact of Forestry in Co. Leitrim (2019)]*

With regards to the metrics that should be employed to measure performance and monitor achievement of the Departments strategic goals it is incumbent on DAFM, having commissioned the above Report, to address the economic realities of the higher returns to the farming population from forestry for the above farming systems throughout the State. A significant goal and related metric that should be employed in preparing an updated Statement of Strategy by the Department would be to maximise the percentage of farms that increase their economic returns through forestry.

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