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**IFA SUBMISSION ON THE NEW FORESTRY PROGRAMME 2014-2020  
CONSULTATION PAPER**

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**23<sup>rd</sup> April 2014**

## INTRODUCTION

The Irish Farmers Association represents the interests of farmers, including private forest owners, throughout the country and currently has over 88,000 members and 946 branches. IFA Farm Forestry section has approximately 5,000 active members. Private forest owners account for 47% of forests in Ireland and therefore have a key role to play in the sector. IFA believe that a number of amendments are required to the Consultation Paper on the New Forestry Programme 2014-2020 to encourage private sector involvement in the industry.

Over the past 5 years confidence in the private forest sector has been severely eroded. The main factors contributing to this include;

- Introduction of USC charge on forestry grants and premiums
- Introduction of PRSI
- Introduction of the €80,000 tax threshold
- Reduction of Premiums

The introduction of the above measures have affected farmer's attitude and approach to forestry in Ireland. This is clearly reflected in the planting figures over the past number of years. Funding was allocated for 7,000 hectares each year for the past 5 years, however, planting has failed to surpass 6,500 hectares for the past 3 years. In fact, 2013 was the lowest planting year since the late 80's. The new planting targets set out aim to plant 10,000 hectares in 2015 and 15,000ha in 2016 and onwards. Without modification to the proposed Forest Programme 2014-2020, this will not be possible.

Forestry is a long term investment and a farmer must have confidence in the sector to convert farm land to forestry. The cuts to forestry premiums, changes in the tax status of forestry income, reductions in supports and increased management costs due to environmental constraints have undermined confidence in recent years.

IFA have included a number of proposals in this submission which would make the New Forestry Programme more successful and incentivise farmers to enter into forestry, in addition to regaining the confidence of current private forest owners in Ireland.

### **4.1 Measure 1: Afforestation and Creation of Woodlands**

The premium payments proposed in the Consultation Paper must be amended if Ireland is to reach its planting targets of 10,000ha in 2015, up to 15,000ha in 2016 and onwards. Farmers buy into forestry believing that they will achieve a fair and honest income. Based on income foregone, forestry has not proved to be as economically viable as other commodities.

The reduction of the duration of premium payments to 12 years as outlined in the Consultation Paper would be completely inadequate and it is unrealistic that any farmer could be expected to buy into such a scheme. It is vital for farmers that the premium payments are maintained over a 20 year period. In addition, IFA propose an increase of 15% on the existing premium structure. The last increase in premium payments in 2006 has been completely eroded by taxation cuts as outlined previously. The effects of these cuts are still being felt and this is clearly reflected in the recent planting figures.

As outlined above the maintenance of farmer confidence in the form of grant and premium stability, taxation etc. is vital to achieving the target of 18% forest cover by 2046. We would suggest that land availability is equally important. It is likely that many farmers who might otherwise afforest all or some of their land are impeded from doing so because of environmental restrictions in the form of Natura areas,

in particular “hen harrier” SPAs. Others are precluded from afforestation because of restrictions on planting unenclosed land, much of which is well above Yield Class 14. We feel that these impediments also need to be addressed immediately.

The proposed reduction of premium payments to 5years for agro-forestry is totally inadequate. IFA propose that premiums are paid over a 10year period. Similar to Northern Ireland, agro-forestry should also be quantified as grassland. This would make it much more appealing to farmers to get involved in agro-forestry.

IFA propose a minimum of 15years premium on fibre crops until first crop rotation is reached.

IFA strongly oppose the proposal to replace the farmer and non-farmer rates with a single rate. IFA must get assurance and clarification that farmers will continue to receive premiums as a tax free incentive. The tax-free income from forestry was one of the main incentives for farmers to plant forestry and this must not be jeopardised any further. We believe that it is imperative that forestry remains a family farm business and does not become the domain of large scale forestry firms.

Farmers must also be assured that the value of premiums on entering the scheme is the minimum amount received and should be allowed obtain an increase should this occur.

#### **4.2 Measure 2: Investments in Infrastructure: Forest Road Scheme**

IFA agree that investment in infrastructure is necessary over the coming years as the mobilisation of timber will increase significantly in the next 10-15years. However, the costs associated with constructing a road are not in line with the level of grand aid provided by the Department. Grant aid was reduced in 2013 by €10/m but the specification did not change. IFA propose that the grant aid provided to farmers matches the associated costs.

IFA also propose that farmers should be entitled to restrict public access on forestry roads if there is any risks to themselves or their property.

The grant for forest roads must be payable in one instalment to improve efficiency and reduce any unnecessary administrative burden. If a farmer is required to fence along the road, the grant scheme must incorporate any fencing costs acquired.

#### **4.3 Measure 3: Prevention and Restoration of Damage to Forests: - Reconstitution Scheme**

IFA strongly agree with the need for a reconstitution scheme, particularly in light of the recent windblow events. IFA propose that reconstitution is provided for the following:

- Frost damage
- Windblow damage
- Pest damage
- Fire damage

#### **4.5 Measure 5: Investments improving the Resilience and Environmental value of Forestry: - Woodland Improvement (Thinning and Tending – Broadleaves)**

IFA support the continuation of this scheme providing financial support towards the management of forests planted since 1980.

#### **4.6 Measure 6: Investments improving the Resilience and environmental value of Forests: - Native Woodland Scheme**

IFA agree with support provided for the establishment of new and enhancement of existing native woodlands. In addition, IFA propose that there is more emphasis placed on the incorporation of a commercial crop in conjunction with the native species. By placing more commercial value in the product being planted this in turn will incentivise farmers to take up the Native Woodland Scheme.

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

Forests account for 11% of Irelands land base. It is important that the resources allocated to education and training reflect the scale and potential economic, social and environmental contribution of the sector. IFA welcome the provision of funding to improve the knowledge base of forestry experts, professionals and private forest owners to improve management and productivity of forests. It is vitally important that funding for training is available to all professionals in the forestry sector to create greater transparency while reaching out to the maximum number of people in the sector possible.

#### **4.8 Measure 8: Setting up of Producer Groups**

IFA support the provision of funding for producer groups. However, IFA propose that funding is made available for both the setting up of new producer groups as well as the enhancement of existing producer groups. We see producer groups as the basis for peer associated learning and as they develop as a tool for more orderly marketing and enhanced scale economies.

#### **4.9 Measure 9: Investments in Forestry Technology**

It is important that the forestry sector adopts new technologies which have potential to increase efficiency, reduce costs and potentially reduce the environmental impact of forestry operation. IFA welcome this measure.

#### **4.11 Measure 11: Forest Management Plans**

IFA is supportive of the need to ensure that forestry operations are carried out in accordance with good forest practice. A Forest Management Plan is an excellent management tool to monitor management practices. However, it is important that FMPs are simplified as outlined in the proposed Forestry Bill 2013. FMPs must be easily completed by forest owners in conjunction with sufficient training provided by the Forest Service.

## **Other requirements of the New Forestry Programme 2014-2020**

### **Green Low-Carbon Agri-Environment Scheme (GLAS)**

There is no reference in the consultation paper to the new GLAS scheme. IFA believe that afforestation could be an integral part of this scheme as forestry may be the most suitable option for land entering this scheme. IFA propose that farmers in the GLAS scheme must have the ability to avail of the afforestation grants and premiums and must be given the right to convert agricultural land to forestry without any penalties.

### **Independent Appeals System**

There is a need for an independent appeals system for private forest owners where decisions can be queried and challenged and reviewed by an independent body. IFA have previously brought this up during discussion on the Forestry Bill and although it has been agreed that an independent appeals system will be established it is critical that this system is balanced and independent. IFA would again like to reiterate the importance of such a system that is both independent and transparent.

### **Structure of Afforestation Grant**

The current afforestation grant needs to be restructured. IFA propose that the first instalment grant is payable upon establishment of the plantation. The maintenance grant should be payable in two separate instalments at 2 ½ years and 5 years with a 50% payment in each instalment.

### **Digitisation**

IFA are strongly opposed to the current re-digitisation policy to recoup payments from forest owners that are deemed to have over claimed. This Consultation Paper makes no reference to digitisation. The terms and conditions of the Afforestation Scheme specify that a professional forester must be employed to submit the application. Forest owners must not be liable for a payment made to a professional company on their behalf. As the farmer is using the most up to date available mapping system, there must be agreement by the Forest Service that the stated area when planting is completed is not altered.