



IFA Five Point Plan to Revitalise Farm Forestry

To deliver a long-term sustainable forest sector that maximises the benefits to rural communities.

President's Message



A sustainably developed and managed forest sector offers enormous potential to deliver a range of benefits, including economic growth and employment in rural areas, as well as helping Ireland achieve its climate change and renewable energy targets.

Despite the potential of the sector and the ambitious targets to increase forest cover, the afforestation programme is declining. In this plan IFA puts forward a number of proposals to address some of the barriers to establishing new forests, as well as mobilising timber from the private sector.

To increase the land available to forestry and overcome the lack of regional spread within the programme presently, the plan proposes that all land that satisfies both environmental and productive requirements must be eligible under the Afforestation Scheme.

In 2016, a third of the afforestation programme was concentrated in Cavan, Leitrim, Mayo, Roscommon and Sligo. This over concentration of forestry within certain counties is leading to negativity and is damaging the perception of forestry among farmers. It is not helped by the fact that over 36% of the planting is now undertaken by outside investors that do not live within the communities where the forests are planted.

Forest policy must prioritise supporting farmers to plant new forests if the downward trend is to be reversed, key to tackling this is the reintroduction of the farmer premium differential whereby farmers receives a higher premium than outside investors. Another is that harvesting is profitable and forest producers are supported to collectively manage and mobilise this wood supply. Supporting cooperation is essential if the small and fragmented forests are to be economically managed and new value added opportunities, particularly in the wood energy market, are to be exploited.

Farmers working together hold tremendous promise to increase the economic viability and long-term sustainability of the forest sector.

A handwritten signature in black ink that reads "Joe Healy". The signature is stylized with a large, sweeping 'J' and a long, horizontal stroke at the end.

Joe Healy
President, IFA

Chairman's Message



So far nearly 20,000 farmers have planted approximately 250,000 hectares of grant aided forests since the late 1980s. The private forest sector, made up predominantly of farmers, accounts for 50% of the national forest estate. Over the next twenty years we will increase sustainable wood supplies for our wood based industries, create thousands of rural jobs, improve habitats, protect water quality and sequester millions of tonnes of carbon.

Yet planting trees is often viewed negatively and Government agencies appear unwilling to fully recognise the benefits for people and the environment of modern forestry, which operates to a world leading sustainability standard. Outdated perceptions of productive forestry threaten the expansion of the sector.

Forestry represents a key sector in the transition towards a low-carbon and climate friendly economy, and is one of the main sectors that keep our rural areas vibrant and sustainable. We have a major challenge to achieve the 18% forest cover, which is needed to achieve a long term sustainable supply of timber.

If we continue to restrict large areas of marginal agricultural land, increase the red tape associated with establishing and mobilising, and reduce the productive area without appropriate compensating farmers, we will miss our opportunity to expand the forest area that can deliver strategically, economically, socially and environmentally.

In this plan IFA identifies some of the main pressures facing the private forest sector today. We are calling on the Government to introduce the necessary changes to revitalise the forestry programme, and ensure the long-term sustainable management and development of the forest sector in Ireland.

A handwritten signature in black ink that reads "Pat Collins". The signature is written in a cursive, flowing style.

Pat Collins

National Farm Forestry Chairman





Introduction

Ireland has nearly 11% forest cover or over 750,000 hectares of land under forestry. This is the lowest forest cover in the EU despite our strong competitive advantage in growing timber, with growth rates of certain tree species more than double those achieved in other European countries. The total value of Irish industry to the economy is €2.3 billion, supporting almost 12,000 jobs primarily in rural areas.

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Forests, products and people. Ireland's forest policy – a renewed vision (2014) sets out the strategic goal for the sector: to develop an international, competitive and sustainable forest sector that provides a full range of economic, environmental and social benefits to society. The policy recommends an afforestation programme of 15,000 hectares per annum up to 2046, in order to achieve a long term sustainable timber supply of approximately 8 million m³ per annum. This would increase Ireland's forest cover to 18%, still a modest forest area when compared with the European average of 36%.

Forestry is an increasingly strategically important sector for Ireland and has a key role to play in achieving climate change targets, not just through carbon sequestration, but indirectly through the displacement of fossil fuel as Ireland's largest biomass resource. Thanks to the extensive afforestation programme in the past, timber production is forecast to grow from 3.1 million m³ in 2015 to 7.9 million m³ by 2035, with almost all of the increased volume expected to come from the private sector, predominantly from farmers.

Even with the forecasted increase in timber supply, demand for wood fibre is projected to increase dramatically in Ireland in the coming years, principally due to the increased demand in the bioeconomy, particularly demand for wood biomass for energy provision. Projections show that demand by 2020 is to increase to 6.3 million m³ made up of conventional demand from the processing sector of 3.6 million m³ and 2.7 million m³ for biomass.

So why with such a positive outlook for the sector are we failing to reach even the modest targets outlined in the Forestry Programme 2014 – 2020?



What Farmers Say About Forestry

Many farmers who have planted see huge potential in the sector, but are increasingly frustrated by the pace of progress to resolve barriers to planting and mobilisation within the sector. They are particularly disappointed with the considerable delays implementing changes to policies, as well as the lack of decision making on issues that they believe would be beneficial to the development of the sector and their family farm.

In recent years farmers' confidence in forestry has been eroded by some of the choices taken by Government, including: cutting forest premiums, introducing restrictions on planting productive marginal land, unwarranted retrospective recoupment of premium payments, increased environmental restrictions that have reduced commerciality, as well as increased management costs as a result of the introduction of new requirements.

In addition, the perception of forestry as a safe investment has been damaged by the significant financial losses incurred by many farmers following the outbreak of ash dieback, windblow and forest fires in recent years.

The effect is that farmers no longer view forestry as a safe investment. They are increasingly aware that when they have committed their land to forestry, they are locked in and have no recourse if the Government amends the conditions of the agreement, and in turn reduces the commerciality of their forest and value of their land. This uncertainty is acting as a major barrier to the expansion of the sector.

If targets are to be achieved, then Government must address these concerns.

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IFA is calling on the Government to:

1	Remove restrictions on planting productive marginal land.
2	Re-introduction of farmer forest premium differential.
3	Farmers must be appropriately compensated for all land they are obligated to set aside for environmental enhancement.
4	Reduce red tape in the Forest Road Scheme.
5	Funding to establish a national network of Forest Producer Groups.





IFA's Five Point Plan for Forestry

1. Remove restrictions on planting productive marginal land.

The afforestation figures from the Forest Programme 2014 – 2020 show that the planting targets are not being achieved. The latest figures show the situation is worsening with planting figures an estimated 30% below the modest afforestation target of 7,140 hectares in 2017.

In 2016, the Land Availability for Afforestation report identified 180,000 hectares of unenclosed land that is technically suitable for forestry development i.e. capable of producing yield class 14 and excluding land with environmental constraints such as SACs, SPAs, NHAs etc.

This land is not being farmed, has the potential to produce a quality commercial timber crop, will generate additional income for farm families and rural communities but is currently restricted from the Afforestation programme. Opening up this land base will ensure that there is a more evenly distributed afforestation programme nationally and reduce competition on land required for agriculture.

In order to open up land suitable for forestry, IFA worked with industry and the Forest Service to develop a Lands Type for Afforestation, a site classification system that assesses soils and vegetation to determine productivity. In addition, the newly published Environmental Requirements for Afforestation was developed to determine the environmental suitability of land for forestry.

However, despite assurance from Government that the restrictions would be removed and replaced with the more appropriate assessment procedures, which mirrors international best practice, this has failed to happen.

IFA is calling on the Government to

- (i) Remove the 20% rule on planting unenclosed land¹ and replace with a system that assesses productivity and environmental suitability for forestry.
- (ii) Introduction of an appropriate grant and premium rate for GPC 1 that reflects the cost of establishment and the agricultural income foregone on the land.

1. Unenclosed land refers to areas that were not enclosed for agriculture or other purposes over the past two centuries.

2. Re-introduction of farmer forest premium differential.

The afforestation figures show that farmers are beginning to disengage from forestry as a land use option. In 2013 farmers planted 6,000 hectares, this had fallen by 32% by 2016 when farmers only planted 4,095 hectares. This needs to be addressed if afforestation targets are going to be achieved now and into the future.

Encouraging farmers to plant has greater social and economic benefits for the rural economy. When a farmer plants, all the grants and premium, as well as future timber earnings are spent locally contributing to rural employment and sustaining communities. The contribution from the non-farmer, especially to the rural economy, is much reduced.

Since the removal of the farmer and investors differential there is an increasing number of non-farmers from outside rural areas, as well as foreign investors, that are buying land to establish new forests and drawing down grants and premiums under the Afforestation Scheme. This has minimal benefit for local communities and the economy.

In 2016, over 36% of the planting programme was undertaken by investors, this has increased opposition to forestry as it has minimal benefits for rural communities. The re-introduction might also positively address some of the negative attitudes, as well as opposition to forestry, that has emerged since its removal.

IFA is seeking the re-introduction of farmer forest premium rate differential to optimise rural development and benefits to rural communities.

3. Farmers must be appropriately compensated for all land they are obligated to set aside for environmental enhancement.

In addition to timber production, forests provide a range of ecosystem services such as carbon storage, nutrient cycling, water and air purification, and maintenance of wildlife habitat. In addition every forest has a minimum area of 10% broadleaves that is planted predominantly at the edges of new forests or mixed throughout the forest for landscaping purposes. This means that the timber production area is reduced to a minimum of 75% of the gross area.

Since the introduction of new Environmental Requirements for Afforestation, the areas that farmers are required to set aside, particularly for the enhancement of water quality, has increased. This has resulted in farmers being required to set aside land in excess of the 15% that is currently grant aided under the Afforestation Scheme. As a result farmers are setting aside land for environmental enhancement for which they receive no premium payment. This further reduces their productive area and the future earnings from the timber crop.

It is unacceptable that farmers are not paid on all land they are obligated to set aside land for environmental protection and enhancement. Farmers must be appropriately compensated for environmental services provided and the loss of timber earnings.

IFA is looking for an environmental services payment on the land that farmers are required to set aside for environmental protection and enhancement, to compensate for loss of premium and loss of timber earnings.

4. Reduce red tape in Forest Road Scheme

The Forest Road Scheme is not working. The level of red tape associated with the scheme is deterring farmers from applying for the grant to construct essential infrastructure, which is necessary to access and mobilise private timber resources. The effect is that less than 60% of the allocated Forest Road Scheme budget has been spent.

The requirement for planning permission for new forest road entrances is a major barrier to the mobilisation of the private timber resource. Despite this being recognised by the Forest Service as a barrier to development, the issue remains unresolved. The pace at which identified barriers are dealt with is unacceptable and is negatively impacting mobilisation, which will have long-term implications on achieving production forecasts.

The excessive red tape and bureaucracy has resulted in farmers finding it increasingly difficult to get foresters and contractors willing to construct forest roads without upfront payment. Delayed payments due to administrative issues, late inspection and/or minor infringements of the forest road guidance documents are impeding development.

Production forecasts show that the volume of timber to be harvested in the private sector is to increase significantly over the next two decades, with almost all of the increase coming from the private sector. If farmers are not constructing essential infrastructure to access and thin their forests, it will have significant implications for timber production forecasts and the quality of timber being produced in the private sector.

IFA is looking for the application process under the Forest Road Scheme to be simplified and associated costs minimised to ensure that the scheme is workable for farmers.

5. Funding to establish a national network of Forest Producer Groups

A well supported forest producer network is essential for the mobilisation of the private timber resource. Internationally forest producer groups have proven to be one of the most effective ways to engage forest owners and create efficiencies in the supply chain; through increased economies of scale, better access to support services as well as increased bargaining power, which help local forest producers to generate better incomes.

The existing forest producer network has been incredibly successful in activating farmers' interest in forestry and increasing knowledge, despite very limited resources. Typically this work has been undertaken voluntarily by farmers with limited external assistance. Many of these groups are struggling to maintain momentum and provide the services required by their members to collectively mobilise their timber.

The current supports that are available to groups under the forestry programme are not adequate or appropriate to stimulate the scale of management required to mobilise timber in the private forest sector. Models of best practice have shown that to create the necessary economies of scale and ensure long-term sustainability, funding should be available on a sliding scale for a five year period. The Government must introduce appropriate and sustained funding over a number of years to support the forest producer groups to optimise efficiencies in the supply chains and maximise the return to farmers from harvesting operations.

IFA is seeking the introduction of an appropriate funding programme over five years to develop a national forest producer network, which will increase economies of scale and efficiencies in the supply chain to ensure the long-term sustainability of these groups.





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