



**IFA Submission**  
**to the Mid-term Review of the Forestry Programme 2014 - 2020**

**5<sup>th</sup> May 2017**

## **Introduction**

The expansion of Ireland's forest sector is currently solely driven by farmers and private investors. If national policy to expand the forest resource is to be achieved, then Government policy must ensure that forestry as a land use option is economically viable and competitive, while satisfying environmental requirements.

The afforestation figures from the Forest Programme 2014 – 2020 show that the planting targets are not being achieved. Farmers are disengaging from forestry as a land use option, which is clearly shown in the rate of farmer planting under the programme. In 2013 farmers planted 6,000 hectares, this has fallen by 32% with farmers planting 4,095 hectares in 2016. The most recent figures from the Forest Service show that this trend has accelerated in 2017.

Farmer's confidence in forestry has been eroded following a series of policy decisions, which include cutting forest premiums, introducing restrictions on planting productive marginal land, unwarranted recoupment of premium payments, and the erosion of the productive forest area as a result of environmental requirements. In addition, financial losses incurred following the outbreak of ash dieback and windblow have damaged perceptions of forestry.

Forestry is a strategically important sector that 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. This review must address long standing issues that are impeding the development of the sector, if forestry is to continue to make a positive contribution to climate change.

Forest policy must work for forests and farmers if targets are to be achieved. The financial outturn shows that the forestry programme is in decline and that forest policy is no longer working. Despite the huge potential of the sector it has failed to achieve the modest targets across all measures. This trend will continue without significant intervention.

## **Measure 1: Afforestation and Creation of Woodland**

It is IFA's position that the afforestation programme will continue to decline and targets will not be achieved until a number of key policy issues are addressed:

- The replanting obligation continues to be detrimental to the growth of the sector and the greatest barrier to the adoption of forestry as a land use option by many farmers. If planting targets are to be achieved there must be a relaxation based on clear guidelines and criteria on the replanting obligation.
- The differential between farmer and non-farmers should be re-introduced. The removal of the differential has reignited a lot of negative attitudes and opposition to forestry in rural Ireland. The use of Exchequer funding to support non-farmers investment has limited economic benefit as the vast majority of the money, grants, premiums and timber income, leaves the rural economy. It is IFA's position that Exchequer funding is better spent to support farmers establish new forests, where the forest premium and any future income generated from the timber crop will be spent locally to support the creation of sustainable rural communities. IFA proposes that a similar differential, as per the previous programme, be re-introduced and the farmer premium rate be increased accordingly.
- The ABE eligible for grant aid should be increased from 15% to a maximum of 35% of the total claimed area of the project, to reflect the increased measures in the Environmental Requirements for Afforestation and the increased area that farmers are obligated to set aside for environmental protection.

- The GPC rate for Unenclosed Land needs to be increased to reflect the productivity of the land as per the Suitable Land category in the Land Types for Afforestation document. The grant rate should be increased to €3,150 to reflect the establishment costs and premium to €400/ha to reflect the agricultural income foregone.
- Farmers are increasingly aware that there is no market value for broadleaf forests. The increased interest in purchasing semi-mature plantation as well as the newly launched Coillte Premium Partnership product shows that from a commercial perspective, broadleaf forests have no market value. In addition, the removal of the Ash from the list of approved species has had a huge impact on farmer interest in broadleaf planting, other species with similar rotational lengths such as Alder are less attractive. The rotational lengths of Oak and Beech and the inadequate supports available under the current programme make them unattractive. IFA proposes that the forest premium or the term of the premium is doubled to reflect the agricultural income foregone, until a commercial timber crop is produced.
- The Forest Service must honour their agreement to remove the 20% restriction on planting GPC 1 land now that the Land Types for Afforestation and the Environmental Requirements for Afforestation have been published. If the afforestation programme is to achieve its modest targets and increase the average size of forest then unenclosed land that is suitable for forestry must be eligible from grant aid.
- The Forestry for Fibre scheme will never achieve targets as long as a replanting obligation is associated with the grant. IFA propose that the Forestry for Fibre scheme is withdrawn from the Forestry Programme 2014 – 2020 and funded by the Department of Agriculture, Food and the Marine under the Bioenergy Scheme.

### **Measure 3: Forest Roads**

IFA has serious concerns about the lack of expenditure under the Forest Road measure in the programme. The long-term implications for the sector and forecasted roundwood production cannot be under estimated. There is no doubt that the planning permission requirement for new forest roads entrances is a major barrier in some counties, but there are a number of other reasons that targets are not being achieved.

- There must be greater scope for the Forest Road Manual specifications to be reduced or modified, a level of flexibility is essential when designing and constructing forest roads in smaller private forests, where options may be limited. There also needs to be greater level of consistency across the Inspectorate in the implementation of Forest Road Manual. The Forest Road Manual was intended as a guidance document, providing advisory information on good forest practice for forest owners. However, increasingly the specifications in the Forest Road Manual are being enforced with limited opportunity to adjust as required. This has increased the cost of construction and negatively damaged the scheme. Farmers are finding it increasingly difficult to find foresters, forester companies and contractors that are willing to take on the work of constructing a forest road as it is not economically viable.
- The level of red tape and bureaucracy has been highlighted as an issue that is deterring farmers from applying for Forest Road Grants. The delays associated with payment of Forest Road grants due to late inspections or as a result of minor breaches of the guidance document, means it is increasingly difficult to find contractors that are willing to take on forest road construction. The Forest Service must work with the industry and farmer to limit delays and additional costs in the construction of roads.

- The grant rate for Forest Road Scheme needs to be increased by 10% to cover costs of construction and additional administration associated with forest roads.
- The ongoing issues with planning permission and road bonds, and the inconsistent approach between local authorities is a cause of concern for farmers. The inconsistency raises a red flag that the draft agreement between Forest Service, Department of Transport and Department of the Housing, Planning, Community and Local Government (DHPCLG) is not as secure as farmers are being led to believe. IFA proposes that a meeting be held with representatives from the other Departments to get reassurance on the agreement and the estimated timeline for making the required legislative changes.
- IFA proposes the option to construct a Forest Management Road be re-introduced in the Forest Road Scheme.

#### **Measure 4: Reconstitution**

- Farmers were exposed to the Ash Dieback disease as a result of a lack of strict regulatory controls, which allowed the importation of plant material from ash dieback infected areas. As a result, farmers have experienced significant financial losses. IFA proposes that the Reconstitution Scheme (Chalara Ash Dieback) must continue to be a support option for all farmers infected with the Ash Dieback disease.
- The budget secured by DPER for the Windblow Reconstitution Scheme was significantly underspent and should be re-opened to support farmers of conifer forests planted after the 1st December 1983. Many of the farmers affected planted under the Western Package and received very low premium payments. Many of the farmers affected have generated little or no financial return when harvesting and replanting costs are taken into account.

#### **Measure 4: Woodland Improvement Scheme (WIS)**

This is a hugely important measure in the programme that should be used to foster and develop a forestry culture among farmers.

- The Tending and Thinning grant should be increased to €1,000/ha to assist farmers with the harvesting costs, as well as increased insurance costs. It is proving increasingly difficult to get skilled contractors to undertake the work.
- A grant should be introduced to support farmers that may be interested in converting their forests to Continuous Cover Forestry (CCF). The CCF grant should support the development of a management plan setting out a transformation plan, as well as provide financial aid during the harvesting cycle for the loss of productivity associated with continuous cover forest systems.
- A fencing grant element should be introduced for plantations that, subsequent to afforestation, develop problems as a result of browsing by deer, rabbits, hares etc. that were not foreseen at application stage. The fencing grant rates should be the same rates as in the Afforestation Scheme. The damage being caused particularly by deer and the delays in payment of 2<sup>nd</sup> instalment grants are acting as another barrier to the broadleaf planting.

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

IFA is concerned by the disconnect between the level of expenditure under the measure versus the funding that has been made available to support forest owner groups. There must be greater efforts to engage with the farmers and forest owner groups to ensure that the measure addresses their knowledge needs.

- IFA proposes a more bottom up approach taken that works with farmers and forest owner groups to develop training courses that address their learning needs.
- Supports should be available to assist farmers to develop the necessary skills to actively manage their forests. Funding should be made available to assist with the costs of running training courses for farmers that may be considering forestry as a land use option, forest management, chainsaw use to cut inspection paths, small tree felling and marketing timber sales. A forest safety element should be included in all training courses.

### **Measure 8: Setting up new producer groups**

Forest owner groups have proven to be one of the most effective ways to engage farmers and foster a forestry culture in Ireland. Despite their success in activating farmers' interest in forestry they have had limited support.

- Existing local forest owner groups need to be supported to establish regional organisation, which would create optimal economies of scale to allow for strategic and effective cooperation in the marketplace. Funding should be available to groups on a sliding scale for the duration of the programme. This would facilitate the delivery of wood into viable supply chains and function as effective intermediaries between farmer and the forest industry.

### **Measure 9: Innovative Forest Technology**

- The Forest Service needs to promote the Innovative Forest Technology measure to create awareness of the funding that may be available to develop innovative forest machinery.
- A grant that supports investments in new specialised equipment, which will increase the local small-scale harvesting and processing should be introduced. The management of small-scale forests is one of the biggest challenges facing the private sector. Similar to the UK grant support to a maximum of 40% or €40,000 should be provided.

### **Measure 13: Forest Genetic Reproductive Material**

- IFA supports the need to develop resilience in forest reproductive material that has improved resistance to pests and disease, and that will be adapted to changes in Ireland's climatic conditions. The benefits to farmers from planting improved Sitka spruce are already being realised with increased growth rates.

### **Measure 11: Forest Management Plan**

The development of a forest management plan provides an ideal opportunity to involve a farmer in the management of their forest. By actively engaging farmers in the development of the plan they will have a greater understanding of the management requirements. This will be key to the mobilisation of the private forest estate.

- The Forest Management Plan grant should be increased to €800 to reflect the cost of getting the management plan and should be developed in consultation with the forest owner.

- There should be a requirement for the forest owner to attend a half day training course as part of the development of the Forest Management Plan to ensure they understand the plan and the management recommendations.

### **Conclusion**

The targets outlined in the Forestry Programme 2014 – 2020 are achievable, but the Government must address the barriers identified in this submission and introduce additional supports for farmers where required. The programme must provide farmers with a supportive framework that builds a competitive, economic viable and sustainable forest sector.