



Address by IFA Deputy President, Brian Rushe to the Joint Oireachtas Committee on Agriculture, Food and the Marine on Forest Policy and Strategy

Wednesday, 22nd February 2023

Chairman and Committee Members,

Thank you for inviting IFA to address you here today. I am joined by the Chair of IFA's Farm Forestry Committee Jason Fleming, Geraldine O'Sullivan, Senior Policy Executive for Environment & Forestry and Edel McEvoy, Policy Executive for Environment & Forestry.

We are here to highlight some of the farmers concerns in relation to Ireland's future forest strategy, particularly the barriers that exist. This has seen a dramatic decline in farmer planting in recent years.

Farmers crucial to success of future forest strategy

Farmers must be recognised as crucial decision makers with regard to future forest strategy. Agricultural land accounts for approximately 65% of the total land area of Ireland and farmers will ultimately determine the production systems implemented on their land.

Farmers started to plant their land in the mid-1980s. Following the introduction of improved grants and premiums in the early 1990s, they became the driving force of the afforestation programme. Farmer planting peaked in 1995 at over 17,000 hectares.

In 2013, farmers planted 6,064 hectares and accounted for 97% of the planting programme. Farmer planting declined to 360 hectares in 2021, with farmers accounting for just 18% of the planting programme.

The decline in farmer planting and corresponding increase in investor planting can be linked to the equalisation of premium rates for farmers and non-farmers in 2015, which saw the removal of the farmer premium differential and reduction in the duration of the farmer premium payments from 20 to 15 years.

Under the 2014 to 2020 Forestry Programme, the premium payment for non-farmers increased by 65% (from €181/ha to €510/ha for GPC 3 forest type) while the farmer premium payment was maintained, but reduced to 15 years.

This shift in policy to significantly increase incentives for investors led to a substantial increase in investor planting, with investors accounting for 40% of the afforestation programme between 2015 and 2020. The decision not to increase the premium rate for farmers, and to reduce the duration of premium payments, seriously undermined farmer confidence in the programme.

This, combined with a range of other issues that reduced the land available for forestry, increased the regulatory burden and associated management costs, can be linked to the sharp decline in farmer planting.

Government policy states that farmers are to be the key-drivers of the afforestation programme and the success of the future forest strategy. However, given the sharp decline in the level of planting by farmers in recent years, it is unlikely that this vision will be realised without a radical overhaul of the current regulatory system and the supports available to farmers.

Barriers to Farm Forestry

The reality is that many farmers no longer view forestry as a safe investment. Under legislation, they are locked in under the replanting obligation while they have seen their productive area continually eroded with evolving environmental regulations and a regulatory system that is impeding management and reducing profitability.

The lack of support for farmers affected by ash dieback disease has made others wary of entering forestry under the current terms and conditions.

The €1.3bn in funding announced under the new Forestry Programme 2023 to 2027 shows a financial commitment from the Government to forestry. The increase in forest premium rates and the return to 20-year premium payment for farmers are positive steps, and have generated renewed interest in the programme. However, barriers remain that need to be resolved if this interest is to be converted into land planted.

Despite the work that has been ongoing through Project Woodland including the Regulatory Review Report and the consultations on the draft Forest Strategy and Implementation Plan, many of the substantive barriers to farmer planting remain. If farmers are to re-engage and plant at the level required to meet our climate obligations, then the outstanding issues deterring farmers from planting need to be addressed:

- The current licensing system is not fit for purpose for farm forests and places too high a regulatory and cost burden on farmers considering forestry at farm level. Excessive bureaucracy, ineffective administration and spiralling costs have led to forestry no longer being viable at farm scale. A proportionate regulatory burden that reflects the size, the type of operation, and which guarantees a decision within an agreed timeframe is urgently needed.
- The single greatest barrier to planting is the replanting obligation. This must be reviewed, and options proposed if planting targets are to be met.
- The non-productive areas of forests have increased to 35% (20% broadleaf planting and 15% areas for biodiversity enhancement) in the new programme, with no payment to farmers on this land beyond the 20-year forest premium. This needs to be addressed. A payment for ecosystem services must be paid for engaging in good biodiversity management practices within these areas.
- The proposed pilot Payment for Ecosystem Services scheme under the new programme is asking farmers to further reduce productive area for a seven-year payment. This is unacceptable. The proposed payment must be for engaging in good biodiversity management practices within these areas, not further extending these areas.
- The treatment of forest owners whose ash plantations have been devastated by disease has undermined confidence and trust in the programme. Until this is properly addressed, and the loss of timber earnings recognised, farmers will not commit their land to forestry. IFA wants all infected plantations to be eligible for a 100% reconstitution grant and be paid a forest premium for 20 years on the replanted land to compensate for the financial loss incurred.
- A voluntary carbon scheme must be introduced to pay farmers for the carbon sequestered.

Forestry Programme 2023 to 2027

Despite the announcement in November 2022 of €1.3bn for the new Forestry Programme 2023 to 2027, we find ourselves in February 2023 with no new programme. The Department has introduced an interim programme that can process existing applications under the new grant and premium rates, but cannot accept new applications for planting or forest roads.

The new Forestry Programme 2023-2027 is expected to come force in early 2023, subject to State Aid approval from the EU Commission. Farmers are very concerned that the approval could be delayed and the impact this would have on the forest sector.

If we consider that the average turnaround times for afforestation licences in 2022 were just under 18 months, the delay means that meeting the afforestation targets for 2023 and 2024 is unlikely. Based on current turnaround times, if State Aid approval is received at the end of Q3 in 2023, a farmer that applies to plant would have to wait until October 2024 to get a decision on the planting application.

This is an untenable situation. The current average turnaround times for afforestation licences is 4.5 times the legal requirement of four months.

Changes need to be made to the current licensing system to streamline and speed up turnaround times for afforestation and all forest licence applications. The system must guarantee that a farmer has to wait no longer than four months for a decision on a forestry licence as set out in the Forestry Act 2014. It is the only way to offset the delay getting State Aid approval and ensure that we have a planting programme in 2023 and 2024.

Irish Strategic Forestry Fund

Following the recent announcement of the establishment of the Irish Strategic Forestry Fund, by Gresham House and Coillte, the realities of how the Government intends to deliver the afforestation strategy have become more apparent to farmers and rural communities.

As you are aware, the Irish Strategic Forestry Fund aims to provide up to €200 million of capital to purchase 12,000 hectares of forestry over a five-year period. Approx. 3,500 hectares will be agricultural land to create new forests. This is very much the first step of Coillte's plans to plant 100,000 hectares of new forests, as set out in its strategic vision.

Farmers and rural communities are concerned that a large proportion of the €1.3bn in funding announced under the new Forestry Programme 2023 to 2027 will be re-directed away from farmers and rural communities and instead paid out to investors.

These concerns are grounded in reality when you consider that since premium parity was introduced the level of investor planting has grown significantly and accounted for 41% of planting between 2015 and 2020. The socio-economic impact of this level of investor planting on the rural communities is unknown, particularly in areas where there is a high concentration of investors planting.

The increase in investor planting has corresponded with a growing level of opposition to forestry. Farmers and rural communities see land being bought up by invisible investors, with the vast majority of grants and premiums funded by the Exchequer leaving the local economy and providing minimal downstream benefits to local businesses and communities.

This is an unsustainable model of forestry. The level of supports provided by Government to non-farmers needs to be reviewed. There is already a strong demand in the agricultural land market, and limited supply. Continued support of investors has the potential to further impact land prices and availability, increasing the competition for land. Steps must be taken to ensure that private investors in forestry do not disrupt an already heated land market.

The focus of future forest policy must be to prioritise supporting farm forestry to meet afforestation targets. This optimises the multiple benefits for the economy and society of forestry and will ensure vibrant rural areas with thriving populations.

Roadside Ash Dieback

There is growing concern among farmers regarding the amount of roadside ash trees infected with ash dieback disease. Ash dieback is now prevalent throughout most of the island of Ireland and is likely to affect the majority of ash trees over the next two decades.

The Roads Act 1993 places a statutory obligation on landowners to ensure that roadside trees do not present a danger to those using public roads. If a tree or branch falls onto a road and consequently causes injury or damage to an individual or property, the owner of the tree will be liable, if found to be negligent.

Farmers feel aggrieved that they are now being held solely responsible for the safe removal of these diseased roadside trees when the Department did not have adequate controls in place to stop the importation of infected plants.

IFA is seeking the introduction of a financial support package which would enable farmers and landowners to safely manage infected roadside ash trees, and reduce the risk of injury. Safely removing these trees is costly and needs to be co-ordinated at a local level with the Local Authorities.

Forestry Development Agency

The existing structures are failing forest owners and the wider industry. A new and innovative approach is needed to restore confidence and incentivise farmers to plant while addressing issues such as the barriers to afforestation, harvesting and forest road construction to access forests.

There is a need to establish an independent structure, a Forestry Development Agency, to drive the industry.

The Agency would be charged with optimising the performance of the Irish forest industry by providing technical expertise; business support; funding to expand the Forest Owner Producer Organisation network; the establishment of a National Forest Certification scheme; and the promotion of responsible environmental practice to support both afforestation and mobilisation of the existing forest resource.

Concluding remarks

If confidence is to be restored and farmers are to plant at the scale required to meet climate obligations, the Government needs to address the legacy issues preventing farmer from planting. They must provide assurances to farmers and rural communities that farmer-based solutions that strive to protect farmers rights are implemented to support the national afforestation target being met.

Thank you.