NATIONAL FORESTRY CONFERENCE

WOOD MOBILISATION

Maximising Ireland's forestry resource from forest to end user

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National Forestry Conference
Johnstown House Hotel
Enfield, Co. Meath, Ireland
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Society of Irish Foresters

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Foreword

While increasing forest cover is a priority, the benefits of the State's investment in forestry can only be fully realised if the timber is brought to the market.

Since the foundation of the State in 1922 the Government of the day recognised the importance of investing in forestry and the need to replant the countryside with trees after centuries of deforestation. In the early 1900s there was only 125,000 hectares of forest in the country or less than 2% of the total land cover. According to the latest national forest inventory there is now over 730,000 hectares of forest in Ireland which is almost 11% of total land cover. There has been a State-funded afforestation support scheme in continuous existence since the 1940s. It was considerably expanded as part of the Western Package, introduced in the 1980s. Since then total investment by the State in afforestation has reached €3.3 billion.

Andrew Doyle TD
Minister of State

The new forestry programme has committed a further €0.5 billion in funding to develop the forest sector over its 6-year term. While increasing forest cover is a priority for my Department the benefits of the State's investment in forestry and the wider forest sector can only be fully realised if timber from existing forests can be brought to market. This objective can only be achieved if done in a sustainable way, taking into account the environmental sensitivities that may exist.

There is good reason to be optimistic about the forest sector in Ireland; on the one hand we have a vibrant, highly efficient and market driven forest processing sector while on the other we have a maturing forest estate which is poised to deliver increasing quantities of raw material for these export orientated industries. The recently published All Ireland Roundwood Production Forecast 2016-2035 shows that roundwood supply will more than double over the next two decades, with the vast majority of this increase coming from privately-owned forests. In fact, the forecast shows that net realisable volume production on the island has the potential to increase from 3.95 million m^3 in 2016 to 7.87 million m^3 by 2035. The challenge for public and private sector stakeholders is to mobilise this timber and to make sure that the economic benefits of this investment is realised in a manner that benefits as many people as possible and particularly those in local and rural communities.

COFORD's report on Mobilising Ireland's Forest Resource sets out a suite of recommendations that highlight key areas where further work is needed. Many of these recommendations have already been included in the new forestry programme, and of course the recent changes to the tax treatment of forestry through the removal of the high earners restriction will be a direct stimulus to harvest and mobilisation. Work is progressing well on other important initiatives that will support timber mobilisation. In response to a proposal from the Forest Machine Operator Training Group for example, the Forest Service has approved funding to Teagasc to develop a suitable training course at Ballyhaise College. Funding has also been approved to purchase a harvester/forwarder simulator to support this training initiative.

A pilot project on forest certification is also being prepared with a view to promoting a nationally based drive towards certification of the private forest estate. We have provided support to the Irish Timber Growers Association to expand its standing sales price information system. This has resulted in the Wood Price Quarterly which provides information on recent prices obtained in the private sector for standing roundwood.

My Department is also working on a new spatial forecasting tool which will enable the user to generate production forecasts for Coillte and private sector forests for specific areas and regions. The tool will be hosted on the Department's web site. In addition, the Forest Service is developing an online ready reckoner to enable owners to see how they can get the best return from their forest holding.

The topic of this conference is of huge importance to the industry and forest owners alike and will no doubt make a significant contribution towards achieving the potential level of wood mobilisation that is envisaged in the forecast numbers. I look forward to working with all forestry stakeholders on this and other issues during my time as Minister of State for this growing sector.

Andrew Doyle TD
Minister of State with responsibility for forestry
Department of Agriculture, Food and the Marine

Introduction from the Wood Marketing Federation

Paul Harvey
Chairman
Wood Marketing Federation
Business Manager, Arch Timber Protection, a Lonza company

The recent timber forecast by COFORD illustrates how far forestry has progressed even in a relatively short period to become a key industry in Ireland. The forests of Coillte, private growers and the Forest Service, Northern Ireland are now capable of doubling timber production by 2050 to eight million m^3.

The total forest cover in Ireland is estimated to be 850,000 hectares – north and south – which produces close to four million cubic metres annually, mainly coniferous softwood with an annual value of €2.2 billion. However, despite excellent prices for raw material and finished wood products, many Irish forest owners fail to capitalise on the wealth creating benefits of their forests by not thinning their forests on time to ensure that logs reach Ireland's vibrant timber processing and wood energy sectors.

We are fortunate in Ireland to have highly productive forests that provide yields up to five times higher than northern European countries. However, we are also faced with challenges on how best to harvest, and utilise these highly productive forests.

This Wood Mobilisation conference addresses these challenges. We in the Wood Marketing Federation and our co-organisers the Society of Irish Foresters believe that there are huge opportunities for our economy in optimising wood mobilisation in Ireland, now regarded as the key to providing a return on investment for plantation owners, contractors and timber processors.

This was highlighted in the report Mobilising Ireland's Forest Resource, published by COFORD, which identified a current shortfall of one million cubic metres between forecasted supply and demand, which will double by 2020. Maximising timber mobility will minimise this difference as well as our reliance on imports.

The conference will address ways of increasing the flow of timber as well as barriers to wood mobilisation. Optimising wood mobility requires an all-industry approach from the forestry and forest products sector. It will also require the co-operation of agencies and Government departments indirectly linked to the industry in areas such as planning, roading, the environment and rural development.

> "Despite excellent prices for raw material and wood products, many Irish forest owners fail to capitalise on the wealth creating benefits of their forests by not thinning on time to ensure that logs reach Ireland's vibrant timber processing and wood energy sectors."

This event is one of a number of projects we are organising this year that highlights the importance of forestry and the major benefits of wood as a renewable construction and design material. The conference is compatible with our mission: to promote wood as a renewable, sustainable and versatile natural material.

We are delighted that eight excellent speakers have taken time out to provide presentations on how best to address the challenges in optimising wood mobility. Our thanks too to Justin McCarthy and Fergal Leamy for agreeing to chair the two conference sessions.

Finally, we welcome Andrew Doyle TD our new Minister of State with responsibility for forestry and we wish him well in his new role.

Paul Harvey
Chairman
Wood Marketing Federation

Introduction from the Society of Irish Foresters

Dr. Niall Farrelly
President,
Society of Irish Foresters
Research Forester with Teagasc
Forestry Development Department

The Society of Irish Foresters believes this conference, which focuses on wood mobilisation, is especially timely in order to realise the economic potential of forests to supply sustainable products while delivering a range of socio-economic benefits to society. We particularly welcome initiatives to intensify forestry practice that may result in increased mobilisation of the resource to satisfy the increasing demand for wood based biomass for indigenous use and to provide increased opportunities to further expand export markets.

We would like to acknowledge the state's investment and support of the forestry sector which has succeeded in the development of a vibrant sector and welcome the continued support and incentives aimed at further assisting in the development of the sector, especially those aimed at mobilising the resource. Wood sourced from sustainably managed forests offers the opportunity to provide additional fibre while ensuring the protection of the environment. The Society particularly welcomes the publication of two reports by COFORD, which should assist in the mobilisation of the resource. The first is the all-Ireland roundwood production forecast which indicates increased output from the sector that should facilitate investment based decisions. The second is the wood mobilisation report, which contains a series of recommendations, which if implemented should result in increased mobilisation of the resource.

The use of Irish timber products and the increasing export market illustrates that Irish forestry is now capable of producing a range of valuable forest products that are sustainably produced and which cater for an increasingly consumer conscious public.

We believe that efficient management of the resource is necessary and that intensification of forest management will ensure consistent supply of quality products. We advocate best practice in forest management including the prompt thinning of crops where possible and intensification of management of the private forest resource, to ensure that the potential of the resource is realised.

The work of the Forest Management Planning Group and the adoption of management plans for private sector forests will greatly facilitate increased planning and mobilisation efforts. It is critical that harvesting infrastructure is further developed, including the provision of machinery, roads and technology advancements to ensure continued confidence in the sector.

> "Wood sourced from sustainably managed forests offers the opportunity to provide additional fibre while ensuring the protection of the environment."

The professional forester has a key role to play in planning and facilitating the mobilisation of the resource, and ensuring that consistent quality products which enter the market place are produced in a sustainable manner. Foresters should continue to focus on the production of high quality end-products where possible using best silvicultural practice. Finally it is hoped that participation in on-going professional development initiatives will continue to foster technical forestry practice.

Dr. Niall Farrelly
President
Society of Irish Foresters

Donal Magner
Secretary
Wood Marketing Federation

Donal Magner has worked in most sectors in Irish forestry including forest management, marketing and communications. Forestry Editor with the *Irish Farmers Journal*, he holds a master's degree in forestry from UCD. He is the author of *Stopping by Woods: A Guide to the Forests and Woodlands of Ireland* and co-editor of a number of publications including *Woodspec*. He is a recipient of the RDS Forest Service Judges' Special Award for his contribution to Irish forestry.

> "Within two decades, total timber production on the island will reach 7.9 million m^3 more than 4.5 million m^3 greater than produced in 2014."

Major wood mobilisation challenge as timber production to double to 7.9 million m^3 within two decades

Few industries have a higher degree of interdependency than forestry. How the various links along the forest value chain perform and interact determines the viability of the sector as a whole. This includes the quality and productivity of our forests, the performance of down-stream industries and how effectively the sector delivers a range of social and environmental benefits.

Forest management including harvesting and roading along with timber haulage and processing are key links in the forestry chain as they determine wood mobility and the profitability of the forestry and forest products sector and by extension wealth generation and employment mainly in rural areas where jobs are badly needed in Ireland.

Within two decades, total timber production on the island will reach 7.9 million m^3 (Figure 1) more than 4.5 million m^3 greater than produced in 2014, according to the *All Ireland Roundwood Production Forecast 2016-2035* issued by COFORD, the forestry advisory group in the Department of Agriculture, Food and the Marine. By then the opportunity exists to increase the annual value of the industry from €2.2 billion at present to at least €4.5bn by 2035, but only if the timber forecasts are realised.

Three forecasts are presented in the report: forecast of gross volume; forecast of net realisable volume (NRV); and forecast of wood fibre, now achieving greater importance because of increased demand for wood energy as well as pulpwood and residue for the established panel board industry.

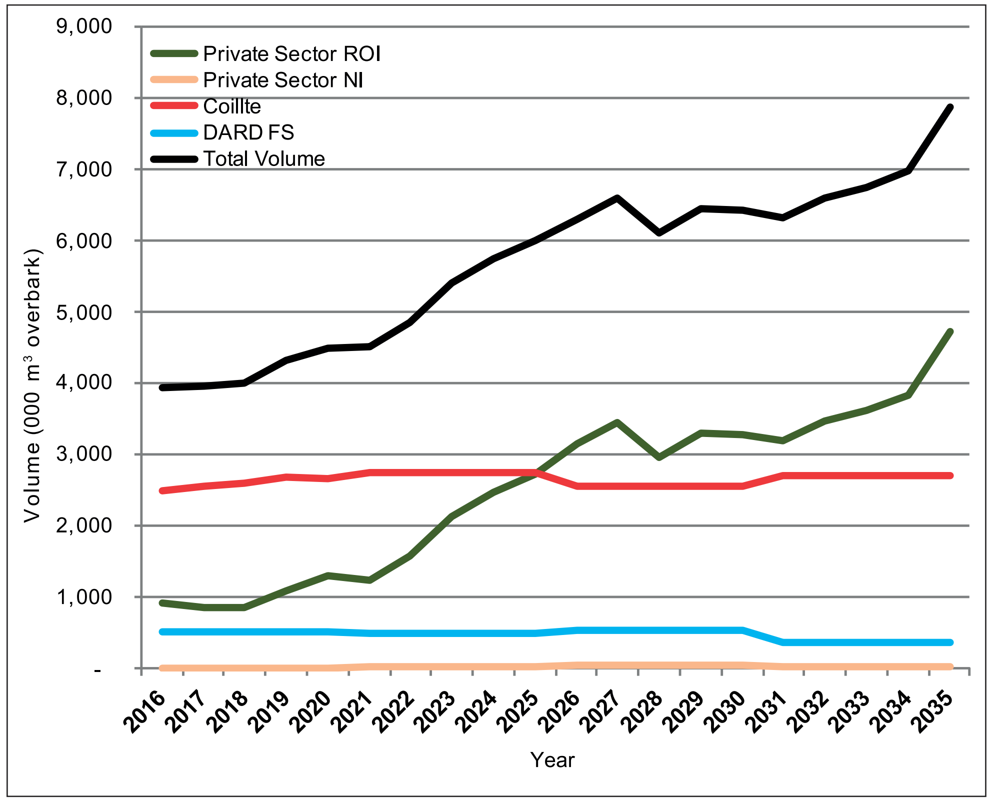
Most timber processors will examine the section dealing with NRV as this shows the likely volume to reach the market place when reductions for harvest loss due to accessibility, environmental restrictions and underperforming crops are factored in. For example, Coillte excludes 7% of its annual gross volume because crops are "deemed uneconomic or subject to certain management or environmental constraints".

But NRV doesn't allow for other reductions which apply to private forest owners not just in Ireland but throughout Europe. A major barrier to wood mobility relates to lack of access due to insufficient forest roads. The annual forest roads programme instead of increasing over the past few years to cope with increased harvesting, has actually fallen from 240km in 2007 to 61km last year.

Forest owners throughout Ireland, especially in counties with high afforestation programmes in the 1990s, should now be building roads to cater for first thinning but this is not happening. For example, afforestation in Donegal which averaged 1,500ha during the 1990s has seen road construction drop from 40km to 4km in recent years with no roading carried out in 2013. Likewise, there has been a dramatic decrease in roading programmes in counties Clare, Cork, Laois, Offaly and Waterford. The overdue "single consent system" whereby the Forest Service would arbitrate on planning permission for forest entrances nationwide needs to be resolved.

However, forest owners who have received generous grants and premiums, also need to take a proactive approach in managing their forests, if the forecasts issued by COFORD are to be achieved. This includes basic operations such as brashing for inspection as well as preparing forests for first thinning.

Figure 1: Forecast of total net realisable volume 2016-2035.



Source: COFORD, Dept. Agriculture, Food & Marine All Ireland Roundwood Production Forecast 2016-2035.

Many initiatives are taking place to support the private sector such as the Forest Service pilot project on forest certification. This will lead to an Irish certification scheme for the private forest estate. Likewise, support has been provided to the Irish Timber Growers Association (ITGA) to expand its standing sales price information system through the Wood Price Quarterly which provides data on standing timber prices achieved by private forest owners.

These supports are welcome as annual forest harvest is still well behind forecasts. Little more than 400,000m^3 of logs reach the market place according to official data. The COFORD report estimates that this needs to increase to: 900,000m^3 by December this year; 2,763,000m^3 by 2025 and 4,775,000m by 2035. While most stakeholders believe that private growers are providing in excess of 400,000m^3 annually at present, the challenge is to produce in the region of 1,500,000m^3 in the short-term. This will not be achieved unless there is greater input by all the relevant stakeholders as well as major investment in roads, both forest and public.

This will require a partnership approach that includes local authorities, the Forest Service, processors, forest owners – private and Coillte – contractors, forestry companies and forestry organisations.

> “The "single consent system" whereby the Forest Service would arbitrate on planning permission for forest entrances nationwide needs to be resolved.”

Dr. Eugene Hendrick
Senior Inspector
Forest Sector Development/
COFORD, Department of
Agriculture, Food & the Marine

Graduated in forestry from UCD in 1975, Dr. Eugene Hendrick went on to complete a year's postgraduate work before joining the Forest and Wildlife Service in 1976 and Coillte in 1989. In 1993 he joined COFORD, the National Council for Forest Research and Development at its establishment and was appointed Director in 1999. Since rejoining the Forest Service in 2010 his areas of responsibility include the COFORD Council, forest genetic resources, forests and climate change mitigation, and forest product development and standards, including renewables. He has a PhD in forest establishment and stability.

> “The level of wood mobilisation depends on many factors, including the underlying level of demand for solid wood products and fuels.”

What's out there? An assessment of our timber resource and forest inventory

The forest sector is fast becoming a key element in the economy and a vital force in rural development. It is also providing much needed recreation space and a range of public goods, including climate change mitigation from forests and products. To sustain this expansion the sector needs to profitably increase the production and use of wood products, including renewable wood fuels, and the contribution of public goods. Meeting these imperatives will contribute to building confidence among state and institutional investors, and support the further expansion of forest cover that will be needed to sustain woodflow through the 2030s and beyond.

From the mobilisation perspective 'what is out there' is best answered by looking at the underlying level of sustainable future wood production that can be got from the forest estate assuming average market conditions, and taking into account factors such as harvest loss, access and windthrow risk. These considerations form the basis for the concept of net realisable volume as used in the COFORD all Ireland roundwood production forecasts.

The forecasting process, coordinated by the Department of Agriculture Food and the Marine, is a collaborative effort, involving grower and processor organisations, State bodies and agencies, and the Northern Ireland Forest Service.

It needs to be said that any forecast of roundwood production is a best estimate at a moment in time. There are many influencing factors which may result in a forecast not being achieved. These include catastrophic weather events, fluctuations in timber markets, changes in forest policy, and long-term impacts of climate change.

In the past month, the new COFORD production forecast, covering the 20-year period up to the 2035, has been finalised and issued. The forecast has the following objectives:

- provide the forest and wood energy sector with an accurate forecast of roundwood and wood fibre availability;
- facilitate the mobilisation of state and private forest resources;
- inform policy and policy/ decision makers regarding future roundwood production; and
- underpin future investment in the timber processing and wood energy sectors.

The forecast foresees a doubling of roundwood production on the island by 2035: from 3.6 million cubic metres (2014) to 7.87 million cubic metres. Almost all of the increase is set to come from the private sector in the Republic of Ireland, largely due to state-aided afforestation since the mid 80s.

The level of wood mobilisation depends on many factors, including the underlying level of demand for solid wood products and fuels. Based on analysis carried out for the COFORD report Mobilising Ireland's forest resource, demand for all major product groups is expected to increase in the decade ahead. By 2020 overall demand in the Republic is forecast to be in the region of 4.7 million cubic metres.

Overall supply in 2020 is now forecast as 4.0 million cubic metres. The largest supply/demand gaps are likely to be in the sawmilling and energy wood sectors. The biggest imponderable is renewable energy demand – depending on the conversion rate for projects already in the pipeline, and policy developments such as the Renewable Heat Incentive – demand could expand by well over an additional million cubic metres. The source and use of wood in and between power generation, cofiring and heat is price sensitive and has implications for wood mobilisation and the level of wood imports.

Meeting the market expansions foreseen provides the opportunity to grow the level of harvest and presents the mobilisation challenge: to achieve and potentially exceed forecasted levels of roundwood production in a sustainable manner.

The COFORD mobilisation report and its associated 40 recommendations are a good template for action. Both the public and private sectors need to play their part in addressing the recommendations.

Work is underway in the Forest Service to examine and implement relevant recommendations from the report, a number of which have been implemented since the report was published in early 2015. Among these is the removal of forest income from the high earners income restriction (Recommendation 24). This is widely seen as enabling higher levels of wood mobilisation in any one year. The new Wood Price Quarterly, which has been developed by ITGA in collaboration with UCD, and part-funded by DAFM, is a good example of combined public/private action, and is addressing the need identified in Recommendation 18 to provide independent roundwood price information to growers and aid in wood mobilisation.

“ The largest supply/demand gaps are likely to be in the sawmilling and energy wood sectors. ”

Alex Kelly
Manager, Irish Wood Producers

Alex Kelly is Manager of Irish Wood Producers which represents forest owners in the southeast. She began work with the group in February 2013, establishing best practice, organising clustered harvesting, timber sales and engaging with members on the economic viability of the company. Alex is an ecologist and has extensive experience in rural development, training and project management.

As the grower sees it – mobilising private timber supply from farm and other private plantation owners

The Irish Wood Producers is a not for profit company managed by private forest owners to support almost 650 members with the sustainable management and development of their forestry.

The company started out in 2014 as a number of local Teagasc-initiated forest owner discussion groups in Kilkenny, Wexford, Laois and Waterford. The four groups decided to join forces to develop a sustainable organisation to better support members.

The group delivers site visits and events towards best practice and the company's sustainability charter. All members are encouraged to participate in group events, to build their understanding of the need of forest management and to optimise their own forestry resource.

The main advantage of the group is sharing resources and clustering forest activities in local areas to secure contractors and reaching economy of scale for timber markets.

The Danone Ecosysteme project Vulcan, implemented through Kilkenny Leader Partnership has been a catalyst for the group to promote forest management, expedite the mobilisation of timber and organise a system for delivering woodchip.

Apart from promoting best practice in forest management, the Irish Wood Producers group organises forest field days, demonstration events and chainsaw training courses.

Through the SIMWOOD project, members have learned that very large producer groups are mainstream across Europe and that active forest management needs to be encouraged across the private forestry sector in Ireland.

There is a challenge for first generation forest owners to understand forest management, timber markets and legislative requirements. The Teagasc forest owner discussion groups have encouraged peer learning across the country and the next step is clustering of local activities for the benefit of the owners, contractors and timber buyers. At this critical time, it is imperative that all private forest owners have a positive experience so they and future generations will continue managing their forestry, and more land owners consider afforestation as an economically viable and sustainable choice.

“ There is a challenge for first generation forest owners to understand forest management, timber markets and legislative requirements. ”

Richard Lowe
Director of Sales and Marketing, Coillte

Richard Lowe has been Director of Sales & Marketing, Coillte Forest for the last nine years. Richard is responsible for annual sales in excess of 2 million m^3 and timber revenue of over €100 million. Richard is a professional forester from UCD and has worked closely with the timber industry on a number of key initiatives including the UK Market; timber security and satellite tracking of trucks; and developing a modernised Timber Sales System. He has also worked on international timber sales systems in Ghana, West Africa and in Bosnia Herzegovina.

“Coillte is committed to being a leader within the Irish timber industry and in bringing circa 2.4 million m^3 roundwood to the market each year.”

As Coillte sees it – making it easier to buy and sell timber including sale, production and marketing issues

Coillte currently owns and manages approximately 6% of the country’s land and operates three very successful businesses on this land – the core forestry business, a land solutions business including renewable energy and a highly innovative wood panel manufacturing business, while also providing a wide range of public goods such as recreation, nature conservation and water protection.

The log market in Ireland and the price achieved in that market is a function of the International wood product market. Housing activity in China to the Arab Spring in North Africa all play a role in the Irish roundwood market. The international impact has become more influential since the collapse of the Celtic tiger and Ireland entered a recession. Our near neighbour, the UK, has become a critical market for Irish wood processors and subsequently Irish forest owners. The UK is one of the largest importers of sawnwood timber in Europe. The Irish timber industry has been very successful in developing sustainable markets in the UK, in particular since 2009 and Coillte plays a crucial part in supporting their customers with sustainable supply to meet the market needs.

Coillte have been selling its sawlog through its fortnightly auction system for the past seventeen years. In 2015, working with its sawmill customers, it developed a world class timber sales system based on annual contracts. This new system gives its sawmill customers more surety around supply and log prices that move with the end market, while maintaining the flexibility to purchase additional material through a reduced auction system. This change has brought increased stability to our sawmill customers giving them confidence to make necessary investments to upgrade their facilities and allow the sawmill to spend more management time focus further down the supply chain.

Coillte is committed to being a leader within the Irish timber industry and in bringing circa 2.4 million m^3 roundwood to the market each year. Coillte believes that increased wood mobilisation, especially from the private estate, is essential for the whole wood supply chain. The role of technology and leveraging the economies of scale will be critical in ensuring the complete forest resource is utilized. Focusing on and working with customers is key to providing long term quality sawlog for our sawmill customers and the necessary pulpwood for our panel mills, bio-energy customers and our animal bedding customers.

Noel Kenna
Managing Director,
Roundwood Timber Ltd.

Noel Kenna has 32 years' experience in the forestry industry including forest establishment, maintenance and harvesting. He has established Roundwood Timber Ltd. as Ireland's premier harvesting contracting companies. He is an active supporter of the forestry and forest products sector and has served as vice-chairperson of the Irish Forestry Contractors Association, and is a current member of the Forestry Industry Transport Group.

As the contractor sees it – strengthening the link from forest to processor

Roundwood Timber Ltd. is a family run company established in 1986 and provides harvesting and haulage to the timber industry. The company directly employs 17 people full-time and 10 sub-contractors. Roundwood Timber Ltd. works on both large and small contracts using the most technologically advanced harvesters and forwarders throughout the country.

The harvest contractor is the most important link between the forest and the end-users. Roundwood Timber Ltd. in order to meet the needs of the forestry industry has invested significantly in the most modern machinery and technology. In order to continue to invest it would be necessary to have a continuity of well-planned work.

Harvest machines that the contractor has invested significantly in contains extensive technology that is capable of gathering information on: production, measurement control and quality, log volumes, length and diameter, distribution totals, product groups and stem types. Data can be streamlined and shared with clients. Using this technology, we can provide the most up to date real time information on the forest crop as it is harvested, information that is useful to everyone in the industry.

> "Continued investment from all key players is required to provide skilled operators with higher level training for specialist machinery."

Continued investment from all key players is required to provide skilled operators with higher level training for specialist machinery. The operator is the key to effective and well-organised operations in the forest, and as such requires ongoing training in environmental constraints, an understanding of the true benefits of thinning and practical training on all types of terrain.

Increased supply from privately owned forests allows for the expansion of wood products. However the effectual movement of timber from these privately owned forests is now faced with the challenges of the location, size, quality, access to and management of the private forests.

The Forestry Industry Transport Group has played a major role in the achievement of legal load limits being increased, agreed routes and central tyre inflation being introduced to help prevent damage to roads. Many positive factors have influenced the haulage industry i.e. increased weight limits; decrease in road tax, low fuel prices and enabled the industry to invest in new lorries / trailers. This investment was necessary and must continue if the sector is to be efficient and be competitive.

It is only with a united approach between the contractor, the private sector and the forestry industry as a whole that a relationship that acknowledges our mutual dependency can be built. We need this united approach to encourage the contractor to continue to develop and invest and deliver an efficient, modern service to all.

John Ryan
Forestry Manager,
Murray Timber Group

John Ryan, joined the Murray Timber Group in 2011, after spending four years with Coillte where he gained wide experience in private planting and purchasing private timber. Studied forestry at Newton Rigg College and the University of Central Lancashire where he was awarded a BSc (Hons) degree in forestry management. He is responsible for all round log purchases for the Murray Timber Group, which now process over 500,000m^3 annually. His brief also includes harvesting, haulage, log quality within the company as well as purchasing and shipping all Scottish timber.

The Murray Timber Group has formed good relations with a wide range of stakeholders, especially forest owners, forestry companies and contractors that purchase roundwood in forests throughout Ireland such as Ravensdale near Dundalk (below).

As the sawmiller sees it – how to optimise timber supply

Over the last three to five years we have noticed a steady increase in the volume of logs coming from the private sector in Ireland. We have formed good relations with growers, forest owners, forestry companies and contractors that purchase roundwood. We would be the biggest processor of private logs in Ireland.

On the 12th of February 2013 we had a windblow in Ireland (Storm Darwin) that increased the logs coming privately in Ireland. A lot of these plantations that blew in the private sector were first and second thinned recently which opens up the debate whether plantations on certain soil types and in certain locations should be thinned.

A concern I would have at the moment on the lack of timber mobilisation is the construction of forest entrances. There is a lack of uniformity in the approach to planning entrances leading to a laborious and costly planning permission process now required to build a road into a private sale. An additional barrier is being placed on forest owners in some instances where local authorities are demanding a bond to be paid. This is causing concern to forest owners leading to some plantations not being thinned.

There seems to be a collapse in the roading scheme in Ireland with too much red tape and costs resulting in growers and forestry companies no longer prepared to construct forest roads at present. The private planting numbers have dropped also this year. With premiums equally applied to farmers and non-farmers, I would have expected more investors in the market. Possibly bare land is costing too much and with the Forest Service approving only quality enclosed land up to now, we may be hurting the forestry industry in the long term.

We need to make it easier for the grower to do business from applying for a felling licence, to road construction, to getting the logs into the sawmill yard. This will help to increase the flow of timber to the market place and benefit timber mobilisation and the forestry and forest products sector throughout the country.

As the Scottish forestry sector sees it – procedures and practices adopted to increase timber mobilisation

Stuart Goodall
Chief Executive, Confor

Stuart Goodall has over 28 years' experience in the forestry sector, the first 17 with the Forestry Commission where his roles included briefing ministers and representing UK interests at European level. He joined Confor when it was established in 2004 as head of policy. He was appointed CEO in 2007 where his role is to provide leadership and management for the organisation which represents forestry, wood-processing and related businesses throughout the UK.

"Confor has been publicising the supply side challenge for many years now, reversing the focus on a supposed demand-side challenge."

Scotland has a vibrant, expanding forest-based industry. This has developed on the back of significant tree planting in the 1960s-1980s, with the public sector traditionally having provided the bulk of the wood supply.

In the twentieth century the industry has matured with increasing volumes of timber emerging from the private sector and continued investment along the supply chain, alongside very strong demand. This demand has stood in stark contrast to the Government's predicted challenge of a 'Wall of Wood' where policy and funding was focused in the 1990s and early early twentieth century on seeking uses and markets for wood, rather than on tackling supply.

Recent forecasts of future wood availability, however, show a significant dip in potential supply from the late 2030s onwards, and Confor has been publicising the supply side challenge for many years now, reversing the focus on a supposed demand-side challenge. Consequently, wood supply has become the number one issue for the industry in Scotland, both in the short and longer terms.

Prices for timber have increased strongly in Scotland, and this has helped to bring more timber to market, but there are also issues of access, management decisions, financial viability, ownership priorities, public policy that favours non-economic activity, and many others, that provide a real challenge to bringing more timber to market.

This presentation will set out the background to this situation and explore actions taken to increase wood supply.

Daragh Little
Managing Director
Forestry of Veon Ltd.

Daragh graduated from UCD in 1993. He became MD of FEL in 2005 and in this role, built the company into one of Ireland's leading forestry management companies. In 2015, FEL joined with IFS Asset Managers Ltd. to form Veon Ltd. where Daragh is now MD of Forestry. Daragh is Chairman of the Irish Forestry and Forest Products Association (IFFPA) and serves on the Council of COFORD. He is also External Examiner to the forestry course at Waterford Institute of Technology.

Joining the dots – ensuring that state agencies can help to promote and break down barriers to wood mobilisation

Forestry in Ireland is at a critical moment. No longer are we focused on planting more land, but we are now mobilising the timber from the forests planted over the last 25 years. Nobody within the sector really thought this through clearly and consequently we are meeting resistance. There are a number of barriers along the chain which need to be overcome at a number of different levels to get more timber mobilised but more importantly there is a huge need to bring along the various state agencies and government departments and build trust that we can work together to overcome these barriers.

The structure, ownership and distribution of Irish forests is fragmented and often located in areas that are sensitive in terms of the environment or infrastructure. As these forests mature, this will mean many more entrances from public roads and increased activity within forests which will require more interactions between forest owners and other stakeholders. This is in the context of a lack of a forestry culture amongst forest owners. There is a need build up forest owners' knowledge and build trust between them and other parts of the supply chain. All parts of the sector need to focus on forest owners in this regard.

Forestry is not unique in this but while it rests within the Department of Agriculture, it is influenced by other Departments. This is a challenge for the sector and it is beginning to address this through organisations like IFFPA (working with our colleagues in IFA, ITGA, Coillte and the Forest Service) who are looking at building relationships and providing sustainable solutions. Such initiatives like the Forest Industry Transport Group and regular meetings with the Department of Agriculture are working to break down barriers, build trust and work together effectively to provide solutions.

Forestry has largely been talking to itself for many years. Those days are gone. We need to invest more time and effort in building relations, providing solutions and promoting the positive aspects of our forests. We are indeed fortunate that government policy has been positive towards forestry. We have a great opportunity now to build on that positivity.

"We need to invest more time and effort in building relations, providing solutions and promoting the positive aspects of our forests."

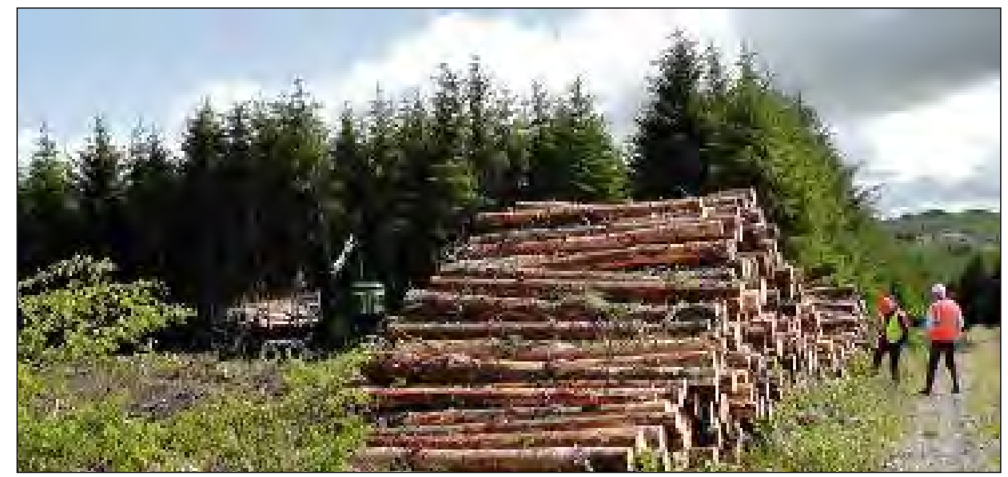
Brendan Lacey
President ITGA
Chief Executive IForUT

BRENDAN LACEY is chairman of the Irish Timber Growers Association, (ITGA) which represents Irish timber growers and supports the development and expansion of private sector forestry in Ireland. Brendan is also Managing Director of the Central Bank authorised Irish Forestry Unit Trust (IForUT) Forestry Management Limited, which manages €250 million in forestry assets on behalf of Irish pension funds and charities. A forestry graduate from UCD, he has over 30 years experience in the forestry and finance sector in Ireland.

Where to now? Timber prices, markets, investment, scale

The Coford Wood Mobilisation Group report highlighted the areas of timber price information, tax treatment, timber sales methods and processes as impacting on mobilising Irish grown timber into the market. Recent initiatives have sought to address these issues. Notable among them is the new National Wood Price Quarterly service, which grew from the ITGA Private Roundwood sales database (confidentially collated by UCD Forestry Department), to inform growers on price levels and markets. Price volatility is a fact of life and a better understanding of markets will give confidence to growers to bring their crop to market. Also of importance are the Template Master Tree Sales Agreement and the Model Timber Sales Dispatch System for private timber growers. Selling timber is very new to most private growers and without a sales structure and confidence in dealings with timber buyers it can be easy for them to avoid rather than engage in sales.

The issue of scale is important in making timber saleable. The fragmented nature of the estate means thinnings in particular can be difficult to sell. Grower collectives can help to package economically viable sales proposals to ensure wood production is realised and optimises the economic potential of the national forest estate.



The unfairness of the high income earners tax restriction which treated the forty years growth of a forest as a single year's income has impacted significantly on growers in recent years, forcing them to limit harvests to remain under the tax threshold. If sustained long term it would have had implications for overall wood production and thankfully it has now been removed.

With private timber production forecast to grow to such a significant scale in future years it is important now to ensure market access by having forest certification in place at a national level. It can take time to put it in place and given private pulpwood will account for 40% of the market by 2020, and continue to increase, it will not be possible for processors to take this in under their current certification regimes. It is also critical for growers to have access to a choice of certification schemes given the uncertainty which has been created around FSC in Ireland currently. The UKWAS model which caters for both PEFC and FSC certification is a useful model of how a national standard can be put in place to manage this risk and uncertainty.

"With private timber production forecast to grow to such a significant scale in future years it is important now to ensure market access by having forest certification in place at a national level."

Information on Wood Marketing Federation and Society of Irish Foresters

The Society of Irish Foresters

The Society of Irish Foresters is an all-island organisation which was founded in September 1942. Its main aims are to spread knowledge of forestry and to improve professional standards in the Irish forestry industry. To that end the Society publishes an annual scientific journal and a twice yearly newsletter, organises four field days, two public lectures, conferences and an international study tour each year.

The Society regularly makes submissions to government on policy initiatives which are likely to impact on the forestry industry and it is represented on several interdepartmental working parties. Our Continuous Professional Development (CPD) programme provides an opportunity for members to engage in the lifelong acquisition of knowledge and skills.

The Society currently has almost 700 members, most of whom are professional foresters who work across the whole spectrum of Ireland's forest industry. There are five categories of membership: Technical, Retired Technical, Associate, Student and Honorary.

Further information
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The Wood Marketing Federation

The Wood Marketing Federation (WMF) was founded in 1989 to promote wood and wood products providing they are sourced in sustainably managed forests. Membership and supporters include sawmills and other timber processors, State agencies and stakeholders involved in wood promotion and research. Our promotional programme covers wood processing, manufacture, design, preservation and usage from traditional applications to product development and innovation.

Our audience includes architects, engineers, designers, specifiers, timber processors and manufacturers, researchers, preservation companies, State agencies and educational bodies. The WMF mission is *to promote wood as a renewable, sustainable and versatile natural material*.

Projects include:

- Wood Awards Ireland – aimed at architects, engineers, designers and timber conservationists.
- Publication of *Woodspec – A Guide to Designing, Detailing and Specifying Timber in Ireland*.
- All-Ireland Third Level Student Wood Awards for students of architecture, engineering and design.
- The establishment of the Irish Timber Information Centre hosted by NUI Galway.
- Organising conferences and symposiums.

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