

# **Mobilising Ireland's Forest Resource**

## **Meeting the challenges**

**Authored by the COFORD Wood Mobilisation and Production Forecasting Group**





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## **COFORD**

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The COFORD Council for Forest Research and Development is a representative body from the Forest Sector in Ireland. The Council advises the Department of Agriculture Food and the Marine on research and developmental issues. Working groups established by the COFORD Council provide an important role in facilitating the development of the forest sector in Ireland.

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## **Foreword**

This report presents a review of progress in meeting the wood mobilisation challenges outlined in the 2015 report *Mobilising Ireland's Forest Resource*.

In the interim two key pieces of work have been completed, which provide further insight into future wood supply and demand on the island of Ireland, namely the *All Ireland Production Roundwood Forecast 2016-2035* and an accompanying document to this report: *Wood Supply and Demand on the Island of Ireland to 2025*.

The COFORD Wood Mobilisation and Production Forecasting Group has carefully worked through the recommendations in the 2015 report. Significant progress has been made in some areas, but the review has identified that a number of regulatory and investment challenges remain. These must be addressed in a coherent and planned way to realise the undoubted potential that exists to effectively double wood harvest over the next two decades: the roundwood forecast anticipates that production on the island will double from the current 4 million cubic metres to close to 8 million cubic metres by 2035. Almost all of the increase is forecasted to come from privately owned forests in the Republic of Ireland, largely established over the past three decades.

Through the work of the COFORD Council the forest sector must continue in its endeavours and gather the evidence and argue its case forcefully and effectively to enable measures that will mobilise the available wood resource. Realising the economic potential of increased harvesting will also require feedback from monitoring of the levels of harvest (supply) and demand, and how these relate to the *All Ireland Roundwood Production Forecast 2016-2035*.

Ireland has a dynamic, fast growing forest sector and modern, efficient sawmills which have all developed on the strength of a near 10-fold expansion in forest cover achieved since the 1920s. Demand by indigenous industry on the island of Ireland for forest fibre remains strong, and already exceeds the capacity of state and private forests to meet it. Future demand is set to significantly expand in a range of sectors. Looking to the sawmilling sector, demand is forecast to outstrip indigenous supply by 0.7 million cubic metres by 2020, but is expected to come into balance by 2025, on foot of the increasing level of supply. Substantial increases in demand are also predicted for the wood-based panel and wood energy sectors, especially on the energy side. The prediction is that demand by the WBP sector will be met in full by indigenous supply in the period up to 2025.

The wood energy sector is however a different story. Based on demand side work undertaken by the Sustainable Energy Authority of Ireland (SEAI), and by COFORD, and as outlined in the *Wood Supply and Demand on the Island of Ireland to 2025* report that accompanies this document, the wood energy supply gap in the RoI could be upwards of 1.4 million cubic metres by 2020, increasing to 2 million cubic metres by 2025. And while an increase in the level of harvest to meet wood energy demand is forecast, there is likely to be a need for sizeable wood energy imports to fill the anticipated supply gap.

All supply/demand scenarios are predicated on a suitable price point being available to the grower from the energy market, minimal external shocks such as a hard Brexit and, above all, mobilising the indigenous wood resource. It is clear that a balanced approach to the development of the island's wood resource is required, along with a concerted and sustained wood mobilisation effort, allied to State and private sector investment. In order to achieve these goals the sector needs to maintain a strong focus on the wood mobilisation issue and continue to address the recommendations in this report, and other issues which will inevitably arise in the future.

**Mike Glennon**

Chairperson, COFORD Wood Mobilisation and Production Forecasting Group

**Michael Lynn**

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The COFOR D Council for Forest Research and Development is a representative body from the Forest Sector in Ireland. The Council advises the Department of Agriculture, Food and the Marine on research and developmental issues. Working groups established by the COFOR D Council provide an important role in facilitating the development of the forest sector in Ireland.

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## **Summary of challenges ahead and recent achievements**

Demand by indigenous industry for forest fibre on the island of Ireland already exceeds the supply capacity of state and private forests (COFOR<sup>D</sup> Wood Mobilisation Group 2018). Despite the forecasted near doubling of roundwood output on an all Ireland basis from 3.95 million m<sup>3</sup> in 2017 to 7.86 million m<sup>3</sup> by 2035, an existing supply deficit is likely to substantially increase over the period up to 2025 and beyond, with wood energy demand being a key driver. A significant feature of the forecasted supply is that almost all of the increase is forecast to be from privately owned forests in the Republic. However, as indicated in the *Wood Supply and Demand on the Island of Ireland to 2025* report, significant imports of wood energy and other assortments will be necessary to meet projected demand. To aid in interpretation this document should be read in conjunction with the accompanying *Wood Supply and Demand on the Island of Ireland to 2025* report, which provides further insights on likely future wood supply/demand balance.

Ensuring a balanced approach to the development of the island's wood resource to best meet the needs of the processing and energy sectors will be a key challenge, allied to the need to maximise the supply from indigenous wood sources.

A key issue that the COFOR<sup>D</sup> Wood Mobilisation and Production Forecasting Group (CWMPFG) has addressed was how to remove barriers to indigenous wood mobilisation which were identified in the 2015 COFOR<sup>D</sup> publication *Mobilising Ireland's Forest Resource* (COFOR<sup>D</sup> Wood Mobilisation Group. 2015), in order to enable forecasted wood supply to be achieved and exceeded. This report outlines the level of progress achieved by the forest sector at large.

## ***Achievements – recent measures put place in support of wood mobilisation***

Over the past three years since the 2015 COFORD report, good progress has been made in supporting increased levels of wood mobilisation including:

1. the All Ireland Roundwood Production Forecast 2016-2035 (Phillips et al. 2016) and the associated online GIS portal.
2. the commencement of the Forestry Act 2014 which has inter alia:
  - introduced a single licence process for tree felling;
  - established a statutory objective to ensure that every felling licence is determined within a period of 4-month;
  - made statutory provision for the introduction of Forest Management Plans (FMP) which is also designed to streamline long-term felling licensing
3. the high earners income restriction has been removed from forestry profits and income from the occupation of commercial woodlands is exempt from income tax.
4. the Forestry Programme 2014-2020 provides for 690 km of forest roads to be built. Additional recent scheme changes include grant aid assistance provision for special construction works in environmentally sensitive areas, along with bell-mouth allowances onto public roads.
5. the mid-term review the Forestry Programme 2014-2020 provides for:
  - Increase of 2% in establishment grants for GPCs 1 - 3
  - 7% increase in grant and 5% increase in premium for GPCs 4 -10
  - Increase of 2% in premium for those who plant over 10 ha.
  - The minimum mandatory requirement per site will increase from 10% to 15% broadleaves
  - Agro forestry and forestry for fibre increases
  - Support for continuous cover forestry for the first time
  - New forest deer fencing and tree shelter scheme
  - Increase in fencing cap across all GPC's from 120 m to 140 m per hectare
  - an increase in allowable road density from 20 m/ha to 25 m/ha.
  - The Woodland Improvement Scheme (WIS) will now be opened up to non grant aided broadleaf forests and all broadleaf mixtures that meet the required eligibility criteria.
  - In addition to a WIS 1<sup>st</sup> grant of €750 /ha, all eligible broadleaf forests will now be eligible for a 2<sup>nd</sup> thinning grant of €500 /ha.
6. the establishment and roll out by the Forest Service of the Department of Agriculture food and the Marine (DAFM) of a Knowledge Transfer Group Scheme.
7. establishment of two certification groups for private forest owners.
8. the launch of the specially commissioned Forest Service Felling Decision Tool providing information to forest owners on the optimum time to fell their forest.
9. the availability in the public domain of wood price information through the ITGA/UCD compiled Wood Price Quarterly, the IFA quarterly timber price reports and other sources.

10. Coillte's decision to allow insured third party trainers and machine operator trainees to train on Coillte lands, free of charge, which facilitates training in chainsaw felling, processing trees and windthrown areas to City & Guilds/NPTC Level 3 standard.
11. the announcement in December 2017 that a Support Scheme for Renewable Heat is being introduced after securing Government approval.
12. the work of Teagasc in providing advice to growers regarding thinning and the highly successful *Talking Timber* events, which also bring together growers and those buying roundwood.

### **Challenges ahead**

However, significant short- and medium-term challenges remain to the mobilisation of the RoI roundwood resource, not least the need for continued effort to streamline regulations and for continued public and private investment on infrastructure and technology. It is therefore imperative that the following outstanding mobilisation challenges, which summarise those in the main body of the report, are addressed over the short to medium term:

#### **Short term**

##### **1. Public road network**

There is an urgent need for increased investment by Local Authorities in the local road network to facilitate wood transport to the end user. Allied to this investment is the need for a planned and continuous engagement with Local Authorities on preferred wood transport routes and related technologies and systems for road haulage. The valuable work being done of the Forest Industry Transport Group in this area needs to be augmented, and adequately resourced by both state and private players.

##### **2. Forest road entrances**

The single Consent System for forest road entrances under the aegis of DAFM needs to be introduced as a matter of urgency. The present arrangement whereby forest owners are required to receive planning approval for new forest road entrances from the relevant Local Authority is acting as a barrier to wood mobilisation.

##### **3. Lack of engagement by some forest owners in managing their forest enterprise**

The lack of active engagement by some forest owners in the management of their enterprise is a concern. To address this issue there is a need for continued awareness raising and encouragement and engagement from DAFM and industry, and for strong demand for all wood species and assortments. The development of forest owner knowledge and skills through peer-to-peer learning to foster forest management culture will also help in this regard.

#### **Medium term**

##### **1. Maintaining strong roundwood demand in the context of Brexit**

Given the UK is and will continue to be, by far the dominant market for Irish wood products the implications of Brexit on exports, and ultimately on roundwood demand and mobilisation, could be serious for the forest sector as a whole. On the supply side, the risk associated with Brexit includes possible changes to trade and logistic arrangements which could restrict roundwood flow. In particular, any revision or transitional Plant Health arrangements could significantly impact the movement of roundwood into and within the island of Ireland from a post Brexit UK.

## **2. Certification**

Few privately owned forests are currently certified under the voluntary Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) schemes. As the level of supply from the private sector increases, the lack of certification is likely to become a barrier to wood sales and mobilisation. Costs of voluntary forest certification are also an issue for private forest owners, and certification bodies need to be conscious of this when setting charges. It is essential that the work initiated in discussion groups, knowledge transfer and forest certification groups be scaled up to remove any potential mobilisation issues due to market barriers arising from a lack of certification. All industry stakeholders have an important role to play in this regard.

## **3. Felling licence system and forest management plans**

Significant progress has been made over the past number of years in the time to process and decide on felling licence applications. Further enhancements are likely to be needed as the volume of applications increases in the coming years, including linking licensing to approval and implementation of forest management plans.

## **4. Common Agricultural Policy – post 2020**

In November 2017, the European Commission presented a communication outlining ideas on the future of food and farming (European Commission 2017). The communication followed a consultation process on the future of the common agricultural policy (CAP), in order to better understand where the current policy can be simplified and modernised. Draft CAP proposals were published by the European Commission on the 1st June 2018. These documents will form the basis of the next forestry programme and will also influence the new guidelines on State aid in the agriculture and forestry sectors. It is essential that Ireland effectively engages with the European Commission and the Council to ensure that provisions are in place to adequately support a wide range of measures. These should include further expanding the forest resource and longer-term wood supply, the emerging bioeconomy, and continued grant aid support for forest road construction and broadleaf management. The provision of grant aid for appropriate equipment for use in small scale harvesting and areas of low ground bearing capacity also merits consideration. Finally, initiatives to create local wood markets need to be encouraged, especially where barriers, such as the cost of road haulage to market exist.

## **5. Wood energy**

The new Support Scheme for Renewable Heat and a consequent likely increase in wood energy demand may lead to added pressure on the supply of small-sized roundwood for fencing and wood-based panel manufacture.

## **Section 1**

### **1.1 Group objective and terms of reference**

#### **Objective**

The group's overall objective was to stimulate wood mobilisation to meet or exceed production forecasts, taking into account national renewables policy.

#### **Terms of reference**

1. Review and report on recommendations contained in *Mobilising Ireland's Forest Resource*, published on the 4 March 2015, including rotation length practices.
2. Review and report on roundwood forecasting systems and outcomes, including actual and forecasted harvest levels. Promotion of the national forecasting system and the associated spatial tool.
3. Review and input to national renewables policy and the development of measures such as the Support Scheme for Renewable Heat – and the need for a balanced approach between energy provision and raw material for board and sawnwood manufacture.

### **1.2 Work process, report compilation and structure**

The work reported here arises from an appraisal by the CWMPFG of levels of progress made in addressing the recommendations in the 2015 report *Mobilising Ireland's Forest Resource*. It is to be read in conjunction with the group's accompanying wood supply/demand report: *Wood Supply and demand on the island of Ireland to 2025*. Other mobilisation issues which have arisen since the 2015 report were also addressed by the group and are referred to further on.

The CWMPFG work was undertaken over the course of four meetings in 2016 and ten in 2017 under the auspices of the COFORD Council. The COFORD Council for Forest Research and Development is a representative body from the Forest Sector in Ireland. The Council advises the Department of Agriculture, Food and the Marine on research and developmental issues.

The main focus of the work was tracking the level of implementation of the recommendations in *Mobilising Ireland's Forest Resource*, along with addressing new issues at national and industry levels related to roundwood and fibre mobilisation.

The recommendations from the mobilisation report were clustered into thematic areas to facilitate an efficient review and to allow cross referencing, with an additional cluster added to address medium term policy challenges:

- **Cluster 1:** Impacts of felling practices and rotation lengths on future assortment availability, resource optimisation and forecasting, provision of harvest information
- **Cluster 2:** Renewables policies and measures, mobilisation and potential competition for fibre
- **Cluster 3:** Felling licences, planning permission for forest entrances and forest roads
- **Cluster 4:** Coillte resource, and broader road haulage and transport technology
- **Cluster 5:** Information and advice relevant to private woodland owners and others on wood mobilisation, taxation
- **Cluster 6:** Training and research

- **Cluster 7:** Voluntary forest certification and chain of custody, environmental designations and procedures
- **Cluster 8:** Medium-term policy challenges for mobilisation arising since the publication of *Mobilising Ireland's Forest Resource* in 2015.

The need for a balanced approach between energy provision and raw material for board and sawnwood manufacture also remained a key focus of the group.

Where applicable, the responsibility for delivering recommendations was attributed to specific bodies in order to facilitate implementation and the future monitoring of progress.

The level of implementation, expected date of completion and an associated narrative has been included for each recommendation.

A small number of additional recommendations were added following discussion. Likewise, some of the priority ratings were changed; these are noted under the cluster reports.

Most of the section headings from the mobilisation report were reworded to better reflect issues raised and discussed at meetings over the course of the CWMPFG's work. They also reflect the availability of new information from the *All Ireland Roundwood Production Forecast 2016-2035* (Phillips et al. 2016) and the group's *Wood Supply and Demand in the Island of Ireland to 2025* report (COFORD Wood Mobilisation Group 2018).

The priority rating system for the recommendations remains unchanged from the 2015 report:

**Priority 1:** Critical for cost effective and efficient wood fibre mobilisation up to and beyond forecast levels, and for State and industry planning and investment, for implementation before the end of 2015

**Priority 2:** Essential for cost effective and efficient wood fibre mobilisation up to and beyond forecast levels, for implementation over the period 2015-2016

**Priority 3:** Desirable for cost effective and efficient wood fibre mobilisation up to and beyond forecast levels, for implementation over the period 2015-2016.

### **1.3 Overview of recommendations progress from *Mobilising Ireland's Forest Resource***

Of the 44 recommendations in the mobilisation report, the group found that:

- fifteen had been completed,
- four were near completion,
- twenty one were in progress,
- two had yet to be initiated, and
- two recommendations were deemed to be no longer applicable.

Of 28 Priority 1 recommendations, thirteen were completed, three are near completion, nine are in progress, 2 are yet to be initiated and one was deemed no longer applicable. It should be noted that all recommendations classified as "in progress" relate to ongoing initiatives that have been established.

As referred to earlier, the group has updated the roundwood supply/demand balance for 2020 and 2025, largely based on the methodology used to compile Annex 1 in the 2015 report. This update is contained in the group's report *Wood Supply and Demand on the Island of Ireland to 2025*.

## **Section 2**

### **Cluster reports**

#### ***Cluster 1: Impacts of felling practices and rotation lengths on future assortments availability, resource optimisation and forecasting, provision of harvest information***

Among the important issues in this cluster is the anecdotal evidence of a trend in early felling of stands well in advance of the age of maximum mean annual increment and in advance of the reduced rotations used in the *All Ireland Roundwood Production Forecast 2016-2035*. This practice can result in a 20-30% reduction in the yield of higher value wood assortments. While growers may be availing of high prices in the market, stands felled at these ages are unlikely to be providing the maximum financial return on either a discounted cash flow or internal rate of return basis. To address this issue information is now available to growers on the financial implications of rotation length choice with the Forest Service Online Felling Decision Tool (Figure 1). Shortened rotations will also reduce the level of sawlog-sized material coming available to the market in the medium to longer term.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 1</b> DAFM and Teagasc, in collaboration with Coillte, grower organisations, private forestry managers, and the ITC to provide information to make growers aware of the possible impact of felling age on overall financial return ( <b>Priority 1</b> )	Completed	DAFM		In response to recommendation 1, the online Felling Decision tool for conifers was developed, see Figure 1. The tool provides information to make growers aware of the possible impact of felling age on overall financial return, and was launched on the 19 January 2017. It will help to underpin roundwood production in a sustainable way, by providing the best available information to all those involved in managing forests and in providing advice to owners. <a href="https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/fellingdecisiontool/">https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/fellingdecisiontool/</a>
<b>Recommendation 2</b> In conjunction with Recommendations 36 and 37, the second All Ireland Roundwood Production Forecast (2016-2035) to take account of ongoing changes in felling patterns and rotation lengths, following consultations with grower organisations, Coillte, Teagasc, ITC and private forestry managers ( <b>Priority 1</b> )	Completed	All Island Roundwood Production Forecasting Group/DAFM		The Minister of State for Food, Forestry and Horticulture launched the All Ireland Roundwood Production Forecast 2016-2035 on the 19 October 2016, see Figure 2. The forecast comprises a publication (available from COFORD or online at <a href="http://www.coford.ie">www.coford.ie</a> ) and an online GIS portal that enables bespoke forecasts to be generated. <a href="https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/">https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/</a> The All Island Roundwood Production Forecast Group comprised grower organisations, Coillte, Teagasc, DAFM, ITC and forestry consultants.

Figure 1. Screen shot from the DAFM (Forest Service) Felling Decision Tool.

Forest Service Felling Decision Tool

Help

Species: Sitka Spruce

Yield Class: 24

Rotation Type: Mean Tree 0.5m<sup>3</sup>

Management Prescription: 3 Thin

Timber Prices: 5 Year

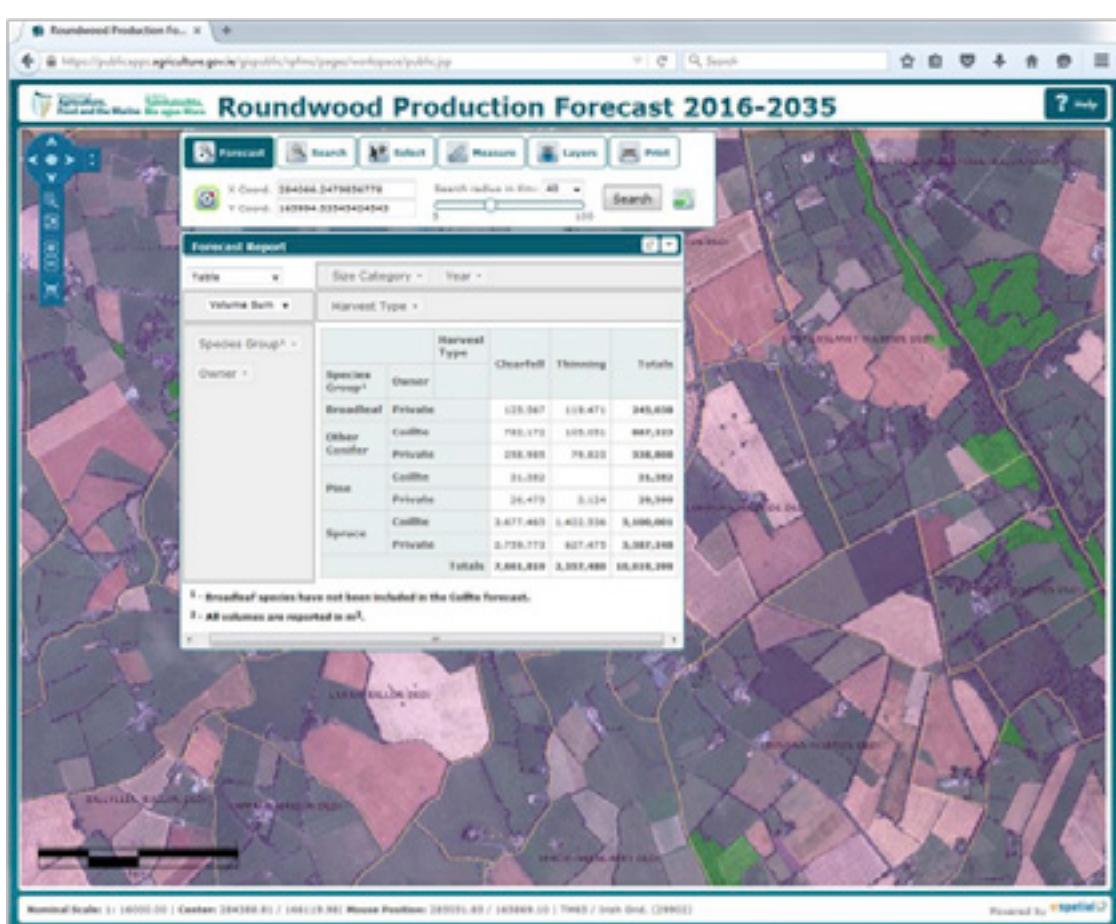
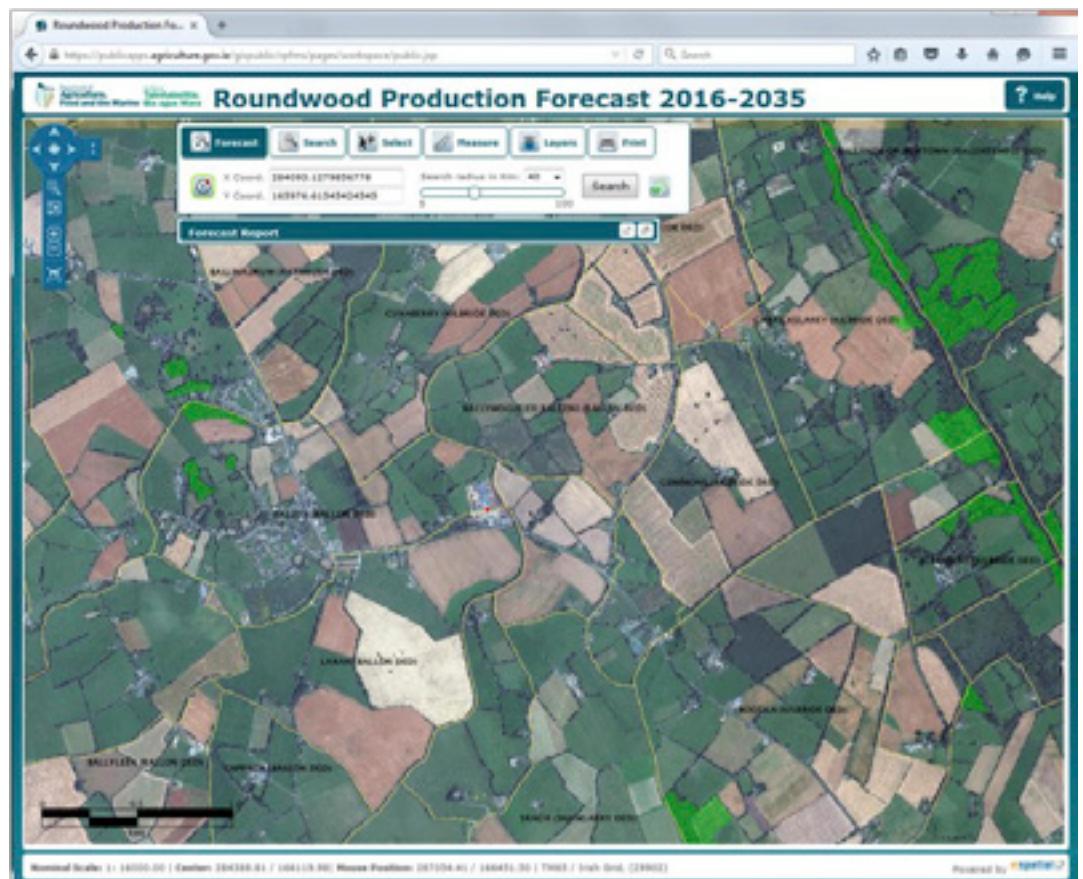
Discount Rate: 4%

Submit

Clear Inputs

Age	Top Height (m)	Net Thin Revenue Pre Clearfell (€/ha)	Net Clearfell Revenue (€/ha)	Loss / Gain (€/ha)	% Value Increase	Average Tree (m <sup>3</sup> )	Net Clearfell Volume (m <sup>3</sup> /ha)	Discounted Revenue (€/ha)
19	12.1	€209	€1,275	-€11,166		0.100	172	€605
20	12.8	€0	€1,434	-€11,007	12.5%	0.140	143	€754
21	13.5	€0	€1,832	-€10,609	27.8%	0.160	165	€903
22	14.3	€0	€2,635	-€9,806	43.8%	0.180	188	€1,211
23	15.0	€442	€3,460	-€8,981	31.3%	0.210	212	€1,503
24	15.7	€0	€5,555	-€6,886	60.5%	0.270	184	€2,446
25	16.4	€0	€7,255	-€5,186	30.6%	0.300	207	€3,000
26	17.1	€0	€9,098	-€3,343	25.4%	0.340	230	€3,560
27	17.8	€1,387	€10,731	-€1,710	17.9%	0.380	254	€4,000
28	18.5	€0	€10,902	-€1,539	1.6%	0.470	226	€4,395
29	19.2	€0	€12,441	€0	14.1%	0.530	249	€4,749
30	19.8	€0	€13,834	€1,393	11.2%	0.580	273	€5,025
31	20.5	€0	€15,355	€2,914	11%	0.640	296	€5,312
32	21.1	€0	€16,873	€4,432	9.9%	0.690	319	€5,569
33	21.8	€0	€18,501	€6,060	9.6%	0.750	343	€5,831
34	22.4	€0	€20,357	€7,916	10%	0.810	366	€6,125

Figure 2. Use of the GIS Portal for the generating local forecasts based on the All Ireland Roundwood Production Forecast 2016-2035.



Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 36</b> The assumptions behind net realisable volume concept for both the private sector and Coillte in the development of the 2016-2035 forecast to be reviewed, in order to refine potential harvest levels <b>(Priority 1)</b>	Completed	All Island Roundwood Production Forecasting Group		<p>The assumptions behind the Net Realisable Volume (NRV) concept were reviewed and agreed by the Forecasting Group convened by DAFM (Forest Service). The NRV concept is explained in the forecast report.</p> <p><a href="https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/">https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/</a></p>
<b>Recommendation 37</b> The all Ireland roundwood production forecast to be updated on a 5-year cycle, the second forecast to cover the period 2016-2035, incorporating results of research on access, site productivity and information on changes in forest area <b>(Priority 1)</b>	Completed	All Island Roundwood Production Forecasting Group		<p>The All Ireland Roundwood Production Forecast 2016-2035 was publicly launched on the 19 October, 2016.</p> <p>The COFORWD Wood Mobilisation &amp; Forecasting Group will take responsibility for the next forecast, due in 2021, and the objectives and terms of reference of the CWMPFG now include updating the forecast on a 5-year cycle.</p> <p><a href="https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/">https://www.agriculture.gov.ie/forestservice/forestservicegeneralinformation/foreststatisticsandmapping/roundwoodandforestbasedbiomassforecasting/</a></p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 38</b> In conjunction with the update of the forecast, the stakeholder group to clarify the overall purpose of the national forecast and associated definitions and how to disseminate the forecast through web-based interfaces, and provide better estimates of the forest-based biomass resource potentially available for energy purposes ( <b>Priority 1</b> ).	Completed	All Island Roundwood Production Forecasting Group		<p>The purpose of the forecast and associated definitions are covered in the forecast report. Dissemination through web-based interfaces is covered under Recommendation 2. New estimates of forest-based biomass availability are available in <i>Wood Supply and Demand in the Island of Ireland to 2025</i>. The Group recommends that the new estimates as reported in Tables 7 and 12 of the <i>Wood supply and demand on the Island of Ireland to 2025</i> document replace those in Table 1 of the roundwood forecast.</p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative																															
<p><b>Recommendation 39</b> DAFM to continue the annual determination of harvest through the COFOR'D Woodflow and to continue to report on harvest in relation to forecast levels and to examine ways to improve the understanding and utility of national forecasts (<b>Priority 1</b>).</p> <p>Completed for the period 2011-2016</p> <p>DAFM</p> <p>Mid 2021 for 5-year period 2016-2020</p> <p><b>Forecasted (net realisable volume) 2011-2015 and actual wood harvest levels</b></p> <table border="1" data-bbox="557 175 938 945"> <thead> <tr> <th data-bbox="557 175 589 810">Year</th><th data-bbox="589 175 652 810">Actual</th><th data-bbox="652 175 716 810">Forecast</th><th data-bbox="716 175 779 810">Difference</th><th data-bbox="779 175 938 810">% of forecast</th></tr> <tr> <td data-bbox="557 810 589 945"></td><td data-bbox="589 810 652 945"></td><td data-bbox="652 810 716 945">000 m<sup>3</sup> OB</td><td data-bbox="716 810 779 945"></td><td data-bbox="779 810 938 945"></td></tr> </thead> <tbody> <tr> <td data-bbox="557 945 589 1012">2011</td><td data-bbox="589 945 652 1012">2,952</td><td data-bbox="652 945 716 1012">3,347</td><td data-bbox="716 945 779 1012">-397</td><td data-bbox="779 945 938 1012">88</td></tr> <tr> <td data-bbox="557 1012 589 1080">2012</td><td data-bbox="589 1012 652 1080">2,839</td><td data-bbox="652 1012 716 1080">3,121</td><td data-bbox="716 1012 779 1080">-282</td><td data-bbox="779 1012 938 1080">91</td></tr> <tr> <td data-bbox="557 1080 589 1147">2013</td><td data-bbox="589 1080 652 1147">3,036</td><td data-bbox="652 1080 716 1147">3,168</td><td data-bbox="716 1080 779 1147">-132</td><td data-bbox="779 1080 938 1147">96</td></tr> <tr> <td data-bbox="557 1147 589 1215">2014</td><td data-bbox="589 1147 652 1215">3,114</td><td data-bbox="652 1147 716 1215">3,064</td><td data-bbox="716 1147 779 1215">50</td><td data-bbox="779 1147 938 1215">102</td></tr> <tr> <td data-bbox="557 1215 589 1282">2015</td><td data-bbox="589 1215 652 1282">3,080</td><td data-bbox="652 1215 716 1282">3,080</td><td data-bbox="716 1215 779 1282">77</td><td data-bbox="779 1215 938 1282">103</td></tr> </tbody> </table> <p>The All Island Roundwood Production Forecasting Group examined ways to improve the understanding and utility of national forecasts; this is reflected in the underlying assumptions relating to the 2016-2035 forecast which are outlined in the forecast report. The utility of national forecasts was mainly addressed through the forecast tool.</p>	Year	Actual	Forecast	Difference	% of forecast			000 m <sup>3</sup> OB			2011	2,952	3,347	-397	88	2012	2,839	3,121	-282	91	2013	3,036	3,168	-132	96	2014	3,114	3,064	50	102	2015	3,080	3,080	77	103
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## **Cluster 2: Renewables policies and measures, mobilisation and potential competition for fibre**

Demand side incentives such as the a revised REFIT tariff, the carbon tax and the new Support Scheme for Renewable Heat should have a positive role in stimulating demand and bringing additional volumes of roundwood and residues to market. They have the effect of making early thinning interventions more economic, and hence bringing forward the production of sawlog-sized material. It has also to be recognised, however, that small sized roundwood suitable for energy uses is also the main raw material for board manufacture, and as well, that sawmilling technology is constantly evolving and is now capable of utilising smaller sized material than was formerly the case. In this context it is important that demand side measures as they are implemented are carefully designed and set at a level that does not over incentivise particular end uses, and that markets are not distorted.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 33</b> The Department of Agriculture, Food and the Marine to implement the forestry for fibre measure in the Forestry Programme 2014-2020, in order to provide for additional forest-based biomass ( <b>Priority 2</b> ).	Completed	DAFM		The objective of this measure is to meet a forecasted supply-demand gap for fibre for energy and other wood product applications by growing multiple crop rotations on a 10-15 year cycle with wood biomass yields in the region of 150-300 m <sup>3</sup> /ha. To date there has been very little uptake of the measure. Uptake is expected to grow following the significant increase in grant and premium rates announced under the Mid-term Review of Forestry Programme.
<b>Recommendation 34</b> Demand side measures related to renewables, such as feed-in tariffs, the carbon tax and other measures to be updated as appropriate, in order to provide balanced incentives for increased wood mobilisation ( <b>Priority 1</b> ).	Near completion	Department of Communications, Climate Action & Environment	Mid to late 2018	Under budget 2018 a €17 M fund to rollout a Support Scheme for Renewable Heat and other incentive schemes such as electrical vehicles was announced. From a CWMPFG group viewpoint the key message is that Irish wood energy suppliers have the capacity to supply part of this market, albeit in the context of the forecasted high levels of imports as outlined in <i>Wood Supply and Demand in the Island of Ireland to 2025</i> .  The 2018 budget also announced a review of the carbon tax in time for the following budget.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 35</b> In conjunction with Recommendation 34, market impacts and wood paying capacity implications to be fully assessed by relevant government departments and agencies before the introduction or updating of demand side measures related to forest-based biomass ( <b>Priority 1</b> ).	Completed	Department of Environment Climate Action and Energy SEAI		<p>A new Support Scheme for Renewable Heat was announced by government on the 7 December 2017. This included a detailed economic assessment on the design and cost of the scheme. SEAI has been tasked with the development and operation of the scheme.</p> <p>The report <i>Wood Supply and Demand on the Island of Ireland to 2025</i> includes an estimate of the wood energy demand and potential impacts of an increase in demand for biomass arising from a Support Scheme for Renewable Heat.</p>

### **Cluster 3: Felling licences, planning permission for forest entrances and forest roads**

Felling licence applications should be processed as rapidly as possible and not be a barrier to the mobilisation of roundwood. The linking of felling licence approval with the submission of long-term management plans, as envisaged by the COFORND Forest Management Planning Group, is a significant step forward in facilitating good management practices and the mobilisation of roundwood. The validity period for forest management plans can cover all planned thinning operations up to clearfelling stage. The time taken from submission to felling licence approval is now summarised and documented annually.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 3</b> The validity period for forest management plans for felling licence purposes should extend to all planned thinning operations up to clearfelling stage ( <b>Priority 1</b> ).	Completed	DAFM		The Forestry Act 2014, which commenced in May 2017, introduced time limits on the felling licence validity period, potentially up to 10 years, which may be further extended upon application, by up to 5 years. The new Act also facilitates one licence application for thinning and clearfell operations under a Forest Management Plan (FMP).
<b>Recommendation 4</b> DAFM to report annually on the number of felling licences issued, broken down by thinning, clearfell and other, and the times taken for issuance of licences, in accordance with the provisions in the Forestry Act 2014 ( <b>Priority 1</b> ).	Completed	DAFM		Since May 2017, the processing of felling licence applications is carried out on the IFORIS digital platform, making it easier to track licence application, status, volumes and type. The Forestry Act 2014 established a statutory objective to ensure that every felling licence is determined within a period of 4-month. The Forest Service currently report felling licence statistics on a monthly basis and this information is circulated to the sector.

### **Planning permission for forest entrances**

Planning approval for forest road entrances needs to be streamlined, and should reside primarily with DAFM as the Department that is responsible for forestry regulation. The Department of Housing, Planning, Community and Local Government's (DHPCLG) amendments to the Planning and Development Act have now been passed, bringing the Department a step closer to issuing planning for forest road entrances.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 5</b> Planning approval for forest road entrances to reside primarily with DAFM and the matter to be finalised as soon as possible ( <b>Priority 1</b> ).	Near completion	DAFM and Department of Housing, Planning, Community and Local Government	Q4 2018	<p>The Forestry Act 2014, which commenced on the 24 May 2017, included provisions for the establishment of a Forestry Appeals Committee which is now in place. The Planning and Development (Amendment) Bill, 2016 has now been signed into law on the 19 July 2018 and once the relevant section is commenced will allow a single consent system for forest roads. Forest Regulations and administrative procedures are currently being amended.</p> <p>The lack of progress on the implementation of the consent system has impacted on wood mobilisation primarily from privately owned plantations. It is estimated that for every 10km of road not constructed some 20,000 m<sup>3</sup> of potential first thinnings are not mobilised, and this is accentuated in subsequent harvesting. The absence of the single consent system is stifling growth in the sector, and undermining confidence amongst growers and processors alike; jobs are not being created adding to a public perception in some parts that forestry is not contributing to the local economy.</p>
<b>Recommendation 6</b> An integrated permitting system to be developed by DAFM to cover forest road entrances, forest roads and associated felling ( <b>Priority 1</b> ).	In progress	DAFM and Department of Housing, Planning, Community and Local Government	Q4 2018	The Forestry Act 2014 has been commenced and transfer of the felling licence system onto IFORIS has also been completed.

## **Forest roads**

Well-planned and engineered forest roads are essential for efficient and sustainable wood mobilisation, and so that plantations are thinned on time and roundwood production forecasts are achieved. Due to high capital costs and the relatively low value of early thinnings, grant aid for forest roads is at 100% aid intensity vital. Once established the infrastructure will serve for future mobilisation. Technical aspects of roading grants to be examined include availability of surface grade limestone and possible substitutes that might meet the required specifications, roading density, culverts, and the possibility of a standard for access tracks being introduced (which would not be of the same standard as forest roads as such).

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 7</b> Grant aid for the installation of new forest roads to facilitate first and subsequent thinnings to be continued in the new forestry programme ( <b>Priority 1</b> ).	Completed	DAFM	The Forestry Programme 2014-2020 provides for the construction of 690 km of forest roads. Additional recent scheme changes include special construction works in environmentally sensitive areas, along with bell mouth allowances onto public roads. The group agrees that the grant scheme has consistently underperformed since its introduction, primarily due to the lack of the single consent system. IFFPA and the IFA believe that inadequate grants and heavy bureaucracy are also major factors and that the scheme should properly take into account the cost of professionals (e.g. an engineer) and modern construction requirements (Health and Safety/employee welfare), and a professional contracting sector. A review of the roading scheme performance is to be completed by the CWMPFG to assess the impact of these changes and the introduction of the single consent system.	

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 8</b> Technical aspects of the roading specifications to be examined including regional differences, availability of surface grade limestone and possible alternatives, roading density, culverts, and the possibility of introducing a standard for forest tracks ( <b>Priority 3</b> ).	Near completion	COFORD	Q4 2018	<p>During 2017 a review of the roading technical specification was undertaken by DAFM. Observations were sought from industry stakeholders.</p> <p>The outcome of the review is due to be published as an update of the COFORD code of practice for forest roads in 2018.</p>

#### **Cluster 4: Coillte resource, and wider road infrastructure and haulage investment, and transport technology**

A wood resource within the Coillte estate was not being mobilised due to high roundwood extraction costs, access issues, lack of markets, species and environmental constraints. Some of these stands contain volumes of sawlog material. Consideration was given to offering some of these stands for sale to enable interested parties to invest in cable and related systems and recover costs over a number of years, rather than having to rely on individual sales transactions.

Coillte also have a number of lodgepole pine sites where there is potential to recover small sawlog. In order to maximise small sawlog recovery, short lengths of 2.5 m would need to be recovered, with the material moved quickly off-site following harvest and processed.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 10</b> Coillte to offer for public sale groups of sites with wood mobilisation constraints related to access and/or harvest, or with environmental or other constraints, in partnership with interested parties so as to facilitate capital investment and payback. This to include work that could extend over a number of years ( <b>Priority 1</b> ).	Near completion	Coillte	Q4 2018	Coillte reassessed its Chronic Access Blocks (CAB) forests (15,300ha) in 2016; over 6000ha of which were deemed to have potential future timber production and will be included in its 2018 general sales offer. This area will also be included in the Coillte forecast. Of the remaining CAB areas, some 2000ha are being assessed for alternative uses. In addition, some of these areas will be offered as standing sales to local sawmills.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 11</b> In the context of constrained supply and high fibre prices, Coillte and the processing sector to work together to investigate the potential of exploiting lodgepole pine stands for small sawlog-sized material <b>(Priority 2).</b>	In progress	Coillte	Q4 2017	Just 10% of pine sawlog offered for sale through auction or annual contract in 2016 was sold, although the quality of this timber is generally very poor. Efforts are now focussed on improving pulpwood supply in west Connaught and developing local wood energy-based demand, driven by the new Support Scheme for Renewable Heat. It is estimated that 20-25% of the pine resource could be viably harvested as result of the scheme.

## Road investment, timber haulage and transport technology

The All Ireland Roundwood Production Forecast foresees a near doubling of harvest over the period up to 2035, to 7.86 million m<sup>3</sup>, with almost all of the increase forecast to come from the private sector in the ROI, and primarily in the larger sized assortments. Investment will be required to maintain and upgrade the county road infrastructure to bring the forecasted production to market. Close engagement is required between relevant Local Authorities and all the elements of the forest sector, including DAFM (Forest Service), processors, Coillte, forest owner groups and forestry companies, to mobilise production potential. The Forest Industry Transport Group (FITG) fulfils a necessary role in enabling interaction between the forest sector and the regulatory authorities regarding roundwood transport. However, there also needs to be sustained and formal engagement between DAFM and Local Authorities on potential future levels of harvest to develop the national regulatory system and infrastructure investment, principally in roads. Engagement should include providing GIS-based information on the location of all forest areas, as well as county-level forecasts of wood production, as they become available from the national roundwood production forecast. This work should enable better planning, and support the case to central government for greater investment in county road infrastructure.

Coillte has been engaged for a number of years with Local Authorities in the development and implementation of agreed haulage routes. These are designed to avoid and reduce the risk of road damage. Practice in Northern Ireland has not been to agree/designate routes but to recommend certain routes.

The Forest Industry Transport Group (FITG) publication *Managing Timber Transport - Good Practice Guide* proposes four categories of routes ranging from unrestricted to excluded (“routes currently unsuitable for timber haulage vehicles, unless substantial engineering works are carried out”).

The level of private forest establishment over the past three decades and the consequent increase in the level of harvesting bring the issue of recommending/designating haulage routes into sharper focus. Since 1980 over 29,000 plantations have been established in the private sector by 22,000 individuals, with an average size of 8.8 ha. The size and dispersed nature of these areas presents logistical and economic challenges in mobilising supply.

The CWMPFG has considered the concept of designated roundwood haulage routes in depth, particularly in relation to the private sector forest resource. While it may have some merit, how it could be applied to private sector forests, given their dispersed nature and relatively small size is open to question. Nevertheless, the Group is supportive of the pilot scale work of the MARTT project<sup>1</sup> on preferred routes. Involvement and buy-in from grower organisations in any future development of this work is essential.

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<sup>1</sup> Some proposed timber access routes were generated in the MARTT project, a DAFM funded project. MARTT was tasked with developing a digital map that would route timber trucks from forest compartment to the destination mill (or biomass plant) in a safer, sustainable and more fuel-efficient manner. While the project was useful it lacked sufficient road characterisation data to develop a comprehensive proposal on preferred routes. See main text for further elaboration.

<https://www.agriculture.gov.ie/media/migration/research/cofordprogramme/finalreports/7FinalReportMARTT070917.pdf>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 9</b> DAFM to provide GIS-based information on forest location as well as forecasts of potential wood production at a county level to relevant Local Authorities on 5-year cycle, and to work in partnership with the local government and central government systems on targeting investment in the county road system ( <b>Priority 2</b> ).	In progress	DAFM, Roads Management Office & Local Government Management Agency, FITG	Ongoing	<p>As outlined under Recommendation 2, a web based GIS portal is available to generate bespoke forecasts covering the period 2016-2035.</p> <p>DAFM, with input from the forest industry &amp; the Forest Industry Transport Group, to explore synergies with regard to forecast data and local roads coverage with the Roads Management Office &amp; Local Government Management Agency (see Recommendation 12b).</p> <p>The online Forecast GIS portal, along with the MARTT project, will provide a consultative platform for discussions on targeting investment in the county road system between the forestry sector, central government and Local Authorities. system.</p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 12a (new)</b> Taking into account the findings of the MARTT project to date, the FITG and its stakeholders, including Local Authorities, to continue structured and prioritised work to enable targeted and increased investment in the maintenance and upgrading of the county road infrastructure in areas of increasing harvesting; identifiable using the DAFM roundwood production forecast tool, to enable wood mobilisation from private sector and public forests. The FITG initiative to be supported and guided by the forest industry (Priority 1).	In progress	Forest Industry and Transport Group, DAFM, Local Authorities, FITG	Ongoing	<p>The current FITG process of engagement with the Local Authorities is essential to provide the county road infrastructure needed for wood mobilisation. This is in the context of national forest policy to mobilise roundwood for processing and the consequent need for county road investment.</p> <p>The CWMPPG view is that the engagement needs to be on a long-term, prioritised and structured basis using tools such as the DAFM roundwood production forecast viewer and the MARTT project findings, as part of a package to provide the investment and technical guidance to address wood mobilisation challenges.</p>
<b>Recommendation 12b (new)</b> Work with the roads area of DTTAS and Local Authorities to provide the data necessary for completion of proposed timber access routes in accordance with recommendations of the MARTT project. Ensure MARTT project cross linkage with DAFM roundwood production forecast tool (Priority 1).	In progress		Not available	<p>Completing the proposed timber access routes can provide the platform for agreed routes consultation with Local Authorities. Engagement with the Local Government Management Agency and the Roads Management Office is required to assess the extent of local roads coverage to enable an examination of proposed access routes.</p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 13</b> The inappropriate use of weight restrictions on roads needs to be addressed at a strategic level ( <b>Priority 1</b> ).	To be initiated	Forest Industry and Transport Group, DAFM, Local Government Management Agency	Not available	High-level meetings between the DAFM, forest industry and Local Government Management Agency are required to ensure that unnecessary weight restrictions on roads other than restricted routes or excluded routes is discontinued. Recommendation to be revisited following the implementation of the consent system for forest entrances.
<b>Recommendation 14</b> The deployment of variable tyre pressure systems (VTP) on timber haulage trucks in areas that are severely affected by the strength of local public road infrastructure should be encouraged by the haulage sector and stakeholders and supported through grant-aid where appropriate ( <b>Priority 3</b> ).	n progress	Coillte, DAFM, FITG, Forest Industry	Ongoing	DAFM VTP grant scheme now in place. Coillte to inform 300+ hauliers of scheme. Scheme provides 40% funding up to a maximum of €10,000 per truck. Certain agreed routes could be assigned for VTP purposes in consultative meetings. It is estimated that VTP on 30% of the haulage fleet would ensure adequate coverage nationally.

### **Cluster 5: Information and advice relevant to private woodland owners and others on wood mobilisation, taxation**

Forest owner groups have an important role to play in wood mobilisation and while support is available under the Forestry Programme to establish new groups, under current SA rules due to change, Current CAP draft appears to allow for direct support to producer groups. State aid rules funding cannot be provided to groups that already exist. The CWMPFG supports measures that help grow existing forest owner groups and also those activities that create new opportunities for forest owners to make contact with the professional forestry establishment. These opportunities include knowledge transfer groups and certification groups, which complement existing knowledge transfer actions provide by Teagasc, ITGA and others. In this way, a greater number of forest owners will begin to see their forests as a valuable asset that will provide income and appreciate in value if properly managed.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 15</b> Knowledge transfer groups (KTG) to be set up as part of Producer Groups in order to develop efficient and cost-effective systems (Priority 3).	In progress	DAFM	Q4 2020	Following the successful pilot scheme DAFM has launched a new scheme to establish Knowledge Transfer Groups (KTGs) for forestry in August 2018. Knowledge transfer groups are well established in other sectors and they are a proven method of sharing best practice amongst participants. A KTG scheme for forestry was launched by the minister in August 2018. There needs to a continuous focus in the KTGs on the objective of having a bottom up approach whereby forest owners decide on the topics to be covered to address their training needs.
<b>Recommendation 16</b> Grant aid support for forest producer groups and National Grower Organisations to be considered under the new forestry programme, 2014-20 (Priority 2).	In progress	DAFM	Q4 2020	A measure is in place in the Forestry Programme 2014–2020 to help establish new groups (see Recommendation 19). The mid-term review of the Forestry Programme includes support for the scenario whereby existing groups wish to merge. European Commission State aid rules do not allow for the funding of existing groups.

### **Voluntary forest certification for private forest owners**

Few privately owned forests are certified under the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). The private forest area certified is estimated to be less than 6,000 ha. As the level of supply from the private sector increases, the lack of certification is likely to become a barrier to wood mobilisation. The perceived complexity and cost of voluntary forest certification are particular issues for private forest owners. These issues have been addressed in the Department's forest certification project where two certification groups have been established. A new forest management and certification scheme has been approved as part of the midterm review. This new scheme which will provide ongoing support for private forest owners wishing to secure forest certification for their woodlands. In addition, specifications are already in place to incorporate the COFOR D forest management plan incorporating certification updates into the Department's Generic Land Management System.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 26</b> DAFM to implement the findings of the COFOR D Forest Management Planning Group, and in particular those related to facilitating voluntary forest certification ( <b>Priority 2</b> ).	In progress	DAFM	Q4 2025	Under the completed DAFM certification project, a template and delivery system for voluntary FSC certification has been developed. Two regionally based certification groups have been established as part of this project. The aim is to set up a group certification structure so that certification costs can be shared amongst members. The objective is to have 1,000 members participating in each group by 2025. Producer groups are important for a successful future certification scheme. Any forest owner can join the two new certification groups as part of the pilot project.
<b>Recommendation 20</b> DAFM to periodically review and report on thinning control, and the level and quality of thinning in plantations ( <b>Priority 2</b> ).	In progress	DAFM	To be initiated Q1 2018	DAFM has acquired additional staff resources to enable this work to be carried out.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 19 (revised)</b> DAFM to give consideration to linking the requirement for a management plan in grant aided forests to attendance by the forest owner at a day course on the objectives and use of forest management plan ( <b>Priority 3</b> ).	Not implemented	DAFM	To be considered in 2018	<p>The Group's reflection on this recommendation is that if implemented it could potentially act as a barrier to participation in the afforestation scheme. Forestry KTGs now in operation with DAFM (Forest Service) funding (see Recommendation 15) are seen as a better way to transfer information to private forest owners. As the DAFM (Forest Service) will continue to encourage forest owners to develop their knowledge and skills base through engagement in knowledge transfer events being organised by Teagasc and the forest industry.</p> <p>A further possible measure would be to provide forest owners access to training courses on the objectives and use of forest management plans as they become due for premium payment purposes. Forest KTGs could also include specific modules on forest management plans. Consideration should also be given to offering the same or similar course to all other forest owners who are considering submitting a forest management plan for the first time, and/or a felling licence/forest road application. Forest Service will also provide training for registered foresters when the new Forest Management Plan online system is launched.</p>

### **Management interventions**

A proportion of forest owners are not aware of the need for management interventions and their strong impact on the return on investment. Teagasc is addressing this issue by providing a wide range of information, arranging one-to-one meetings with forest owners, as well as forestry practice field days and workshops and *Talking Timber* events. The Irish Timber Growers Association, private forestry companies and Coillte are also active in this area. The Teagasc work needs to continue, but should be particularly targeted at those owners who have not already attended field days or workshops. Consideration also needs to be given to engaging with the significant amount of non-farmers (e.g. through retirement, inheritance, sale/purchase) who are forest owners.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 17</b> Teagasc to continue to provide forestry practice information and advice to the private forest sector, including producer groups ( <b>Priority 1</b> ).	In progress	Teagasc	Ongoing	<p>Teagasc is involved in extensive promotional &amp; support work, primarily seeking the expansion and development of the farm forestry sector in Ireland. In terms of forest owner groups, 19 groups are now in operation with 960 members. Teagasc is providing a wide range of information including; arranging one-to-one meetings with forest owners, as well as forestry practice field days and workshops and <i>Talking Timber</i> events.</p> <p>In 2018 funding for Teagasc's three year afforestation promotional campaign was approved by DAFM (Forest Service). The full involvement of all industry stakeholders is crucial to maximise the impact of this campaign.</p>

### **Roundwood assortment price information**

The CWMMPG view is that some forest owners are unaware of price levels for roundwood in general and for different assortments, and that this acts as a barrier to sales and wood mobilisation. The group is aware that the Irish Timber Growers Association, Teagasc and the Forest Service are actively addressing this issue through information days and the provision of information on prices and related matters. The group welcomes the advent of the publicly available Wood Price Quarterly which enhances the availability of up-to-date and accurate information on roundwood assortment and product prices at national regional level as an aid to wood mobilisation.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 18</b> Taking into account the ITGA Private Roundwood Price database an independent national roundwood and product assortment price information system to be explored by Teagasc, farmer and grower groups, Coillte, the Irish Timber Council (ITC) and the Forest Service. The system to provide information on both standing and roadside prices and preferably to have a regional basis <b>(Priority 1).</b>	In progress	ITGA, IFA, DAFM Coillte, Teagasc, ITC	Ongoing	<p>Discussions facilitated by DAFM over the period immediately following the publication of the mobilisation report failed to reach consensus on a single independent standing roundwood price information system. In the interim, DAFM has worked with ITGA and as a result have an expanded level of price information, through the recently established Wood Price Quarterly (WPQ). It is now available to all growers, the forestry media and the public through the ITGA and COFORD websites. It provides quarterly price data for standing sales in the public domain. The intention is to further develop the WPQ to include roadside sales and a wider range of assortments. (<a href="http://www.itga.ie/public/WPQ-public.asp">http://www.itga.ie/public/WPQ-public.asp</a>)</p> <p>The IFA also publishes a timber price market report, in a farmer friendly format, every quarter based on feedback from farmers, forest owner groups, private forest companies and the sawmilling sector. (<a href="https://www.ifa.ie/ifa-timber-price-survey-shows-increase-across-all-product-types/">https://www.ifa.ie/ifa-timber-price-survey-shows-increase-across-all-product-types/</a>)</p> <p>DAFM will continue to explore the potential to involve Coillte and Teagasc and possibly other participants in providing data to the WPQ.</p>

### Taxation treatment of forest income

Significant progress has been made in this area with the removal of forestry from the high earners income restriction. Further proposals with regard to changes in taxation that affect forestry should be submitted in the context of a pre budget submission. In addition to the substantial positive changes to the taxation treatment of forest income outlined in recommendations 24 and 25 forest land is now considered eligible for Business Relief (Revenue eBrief No. 06/18). This reduces the taxable value of the business property on which Capital Acquisitions Tax is calculated by 90%, which will add to the attractiveness of forestry as an investment to landowners in forestry.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 24</b> Forest income to be excluded from the High Earner's income restriction, and the reference to S.232 be removed from Schedule 25B of the Taxes Consolidated Act (as amended) ( <b>Priority 1</b> ).	Completed	Department of Finance (Budget 2016)		In Budget 2016 forestry was removed from the High Earners income restriction along with the reference to S.232 from Schedule 25B of the Taxes Consolidated Act (as amended). Clearfelling is now exempt for tax purposes. This development will assist in encouraging forest owners to actively manage their forests and will positively affect wood mobility in both the short and longer term.
<b>Recommendation 25</b> Averaging of income for taxation purposes, already available to farmers for certain agricultural activities, to be extended to forestry, but for a longer timeframe ( <b>Priority 1</b> ).	Completed	Department of Finance (Budget 2016)		In Budget 2016 forestry was removed from the High Earners income restriction along with the reference to S.232 from Schedule 25B of the Taxes Consolidated Act (as amended). Clearfelling is now exempt for tax purposes. This development will assist in encouraging forest owners to actively manage their woodlands and will positively affect wood mobility in both the short and longer term.

### **Cluster 6: Training and research**

The group is of the view that provision of a well-organised and structured training programme for harvesting machine operators is needed at national level in order to support high quality thinning operations and aid in the mobilisation of roundwood.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 21</b> Coillte to investigate how trainee machine operators could work on Coillte lands in order to qualify for a City & Guilds Land Based Services qualification ( <b>Priority 1</b> ).	Completed	Coillte	May 2017	Coillte has agreed to allow on their lands, and free of charge, insured third party trainers and novice machine operators to be trained in chainsaw felling and processing large trees and windthrown wood to City & Guilds/NPTC Level 3 standard. The CWMPPG further recommends that Teagasc Ballyhaise incorporate the above training qualifications in its training programme to remove the cost of the course to trainees and/or their sponsors.
<b>Recommendation 22</b> Teagasc to establish a national forest harvesting operation skills register, for example Quality and Qualifications Ireland (QQI) and City & Guilds, make it available and promote its use in the sector, so as to enable skills to be matched to particular operations ( <b>Priority 2</b> ).	In progress	Teagasc	Underway	Teagasc to undertake a scoping exercise to assess interest, concerns, opportunities and appropriate systems as an initial step in establishing national forest harvesting operation skills register, in consultation with the Forest Harvesting Training Forum (FHTF). Teagasc notes that the role of establishing and maintaining a national forest harvesting skills register may be a regulatory task for a relevant authority.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 23</b> Teagasc to coordinate and promote the development of national capacity to train and certify harvesting machine operators in machine operation and in good silvicultural and environmental practices ( <b>Priority 2</b> ).	In progress	Teagasc Forest Harvesting Training Forum (FHTF)	Ongoing	<p>In 2016 a forest harvester and forwarder simulator was funded by DAFM as part of a new forest machine operator course based at Ballyhaise. As a direct result of industry involvement and cooperation four candidates completed their forest machine operator workplace induction between January and May 2017, with the intention of continuing on in the industry and becoming certified operators.</p> <p>Further work and cooperation is required between the parties involved to ensure that sufficient access is made available for trainees to machines and harvesting sites; this is essential in order for these trainees to gain the experience necessary to become operational at an economic level. In this regard further support may be required for chainsaw training to City &amp; Guilds/NPTC Level 3 standard.</p>
<b>Recommendation 32</b> DAFM, Coillte, Teagasc and the forest sector at large to stimulate increased intensity of harvesting at thinning and clearfelling stages through the development of good practice guidance, dissemination of research findings, and increasing the use of full tree harvesting (including tops and branches) and recovery of final harvesting residues ( <b>Priority 2</b> ).	In progress	DAFM, Teagasc, Coillte & forest sector at large	Ongoing	<p>Teagasc continues to provide and develop best forestry practice, information and advice to the private forest sector, including producer groups to stimulate increased intensity of harvesting at thinning and clearfelling stages. The Forest Service, in partnership with the forest industry, has developed an online Felling Decision Tool along with an online forecast tool (see Recommendations 1 &amp; 2) to help stimulate increased intensity of harvesting at thinning and clearfelling stages and is an example of good dissemination work in this area. Promoting awareness of both the felling decision tool and forecasting tool is required. Results from the SIMWOOD project, which aims to mobilise forest owners, promote collaborative forest management and ensure sustainable forest functions including a specific pilot project on mobilising additional wood fuel from first thinning; is also being disseminated to forest owners through industry-led field days. In addition the IFA supported by the DAFM (Forest Service) has published <i>Cut your timber, not your profits – A practical guide to selling timber</i> (IFA 2016), which gives farmers approaching harvesting a timber sales checklist.</p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 40</b> Continue state and private investment in R&D and demonstration related to thinning and wood mobilisation generally <b>(Priority 1).</b>	In progress	All Island Roundwood Production Forecasting Group	Ongoing	The Forest Research Ireland (FORI) report outlines specific policy, knowledge and production focused research topics and ideas relevant to the needs of forest stakeholders. This process was initiated by the COFORD Council in 2012 with the cooperation of DAFM Research & Codex Division with public and stakeholder consultation. Areas of particular relevance include the development of new products from wood fibre and a GIS-based Agreed Routes Map for Sustainable Timber Transport in Ireland (subsequently funded as the MARTT project (Devlin 2014) see recommendations 9, 12a and 12b.

### ***Cluster 7: Environmental designations and procedures***

Environmental designations and procedures which are legally based must be complied with by a responsible forest sector. Compliance requirements can vary at a local level and there can be delays in responses from regulators leading to inefficiencies and added costs in harvesting, as well as reductions in wood mobilisation. In addition, proper advance consultation is needed for any proposed new regulations.

Since the publication of the mobilisation report, progress has been achieved in some areas. However, the Hen Harrier Threat Response Plan process is taking a considerable time, having been initiated in 2011.

The forest sector needs to engage more with the relevant authorities in relation to aerial fertilisation. In addition, building awareness and confidence in National regulation and environmental safeguards at a high level with the relevant authorities will make any revision of the referral system easier. Following on from discussions regarding the use of a Regulatory Impact Assessment (RIA), the group felt the inclusion of an economic impact assessment in the Natura 2000 designation process would help address concerns in this area. More detailed updates on progress are in the narratives.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 27</b> The Threat Response Plan (TRP) for the Hen Harrier needs to be advanced and concluded by the National Parks and Wildlife Service (NPWS) to provide a balanced approach to forest operations and habitat and species protection ( <b>Priority 2</b> ).	In progress	National Parks and Wildlife Service(NPWS)	Not available	DAFM and the forest industry have worked together on submissions regarding the Hen Harrier to the NPWS, looking at best practice internationally and work by the Northern Ireland Forest Service in Slieve Beagh. However, the TRP is taking a long time to complete, having been in process since 2011. It is critical that the NPWS conclude the TRP as soon as possible, as the delay is leading to inefficiencies and added costs in harvesting, as well as reduced wood mobilisation.
<b>Recommendation 28</b> The system for the approval of aerial fertilisation of forest crops to be reviewed by DAFM, so as to support long term wood production goals and to facilitate wood supply mobilisation ( <b>Priority 2</b> ).	Completed	DAFM	June 2015	The DAFM (Forest Service) published new guidelines on Aerial fertilisation in June 2015, post the mobilisation report publication. The new guidelines encourage rolling programmes of aerial fertilisation. The forest sector needs to engage more with the relevant authorities to agree on how best to facilitate this operation and to realise a fuller value of forests, without adversely impacting on water quality.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 29</b> The referral procedures between Forest Service, NPWS, Local Authorities, Fisheries authorities and other designated bodies to be reviewed and resources increased in order to minimise delays from referrals. Time periods for processing applications to be recorded and reported ( <b>Priority 1</b> ).	In progress	DAFM, NPWS, Local Authorities, Fisheries authorities Other designated referral bodies.	Ongoing	<p>DAFM recognises the need to engage with the relevant bodies at a strategic level in order to highlight the safeguards that are built into forest regulation and practice, and having done so to seek ways to streamline referrals and timelines. This is in the context of continuing to develop the referral process so that it provides value to all involved. Work has been done with the NPWS in this regard, including a referral screening process with the DAFM (Forest Service), which has helped to streamline applications.</p> <p>A key step needed beforehand is to meet the various bodies and to highlight the safeguards that are in place across all regulated activities. Building up familiarity and confidence first will make any revision of the referral system easier. There is a referral timeline structure in place which limits the time period for referral, after which the application is processed, if a response is not forthcoming.</p>
<b>Recommendation 30</b> Proposed designation of new areas or changes in the boundaries of existing Natura 2000 sites or other areas that require referral to statutory authorities, and new regulations arising from the adoption or implementation of national legislation to be subject to economic impact assessment in accordance with Regulatory Impact Assessment ( <b>Priority 1</b> ).	Not implemented	DAFM	Unavailable	<p>DAFM state that an RIA is meant to address the potential impact of proposed new laws and regulation at a national level. A RIA does not review the day-to-day application of those new laws and regulations at a local level every time a policy change is required after they have been enacted and commenced. As such, there is no need for an RIA when the requisite measures are taken to comply with existing laws or regulation enacted prior to June 21st, 2005.</p> <p>This recommendation has been reviewed and reworded to create a new recommendation, 30a. NPWS to carry out or commission a prior economic assessment of any proposed change to forest land designation. This will give adequate and fair weight to the economic implications of any change in designation.</p>

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 30a (new)</b> Proposed designation of new areas or changes in the boundaries of existing Natura 2000 sites or other areas that require referral to statutory authorities, and new regulations arising from the adoption or implementation of national legislation to be subject to economic impact assessment (eia) ( <b>Priority 1</b> ).	To be initiated	CWMPFG	Ongoing	Following on from discussions regarding the use of a RIA above in Recommendation 30, the group agreed to seek the inclusion of an economic impact assessment (eia) as part of the designation process for any proposed changes to Natura 2000 sites or other areas. It is proposed that the NPWS would carry out the eia, as the body responsible for implementing the directive. The inclusion of this new recommendation better addresses the concerns of group members regarding the designation process, which was not clear in Recommendation 30.
<b>Rights-of-way</b> Restrictions due to right-of-way (ROW) issues can prevent wood mobilisation – it is a serious issue in certain instances. Specific issues include:				<ul style="list-style-type: none"> <li>ROW may not be checked when planning approval is given resulting in building on the ROW</li> <li>Lack of registration of ROWs (although a process is now underway that requires all ROWs to be registered by December 2021)</li> <li>Placement of bell-mouth entrances.</li> <li>Need for an independent arbiter or dialogue with landowners or farming groups to facilitate good practice.</li> </ul>

### **Cluster 8: Medium term policy challenges arising since publication of Mobilising Ireland's Forest Resource in 2015**

Two additional recommendations have been included to focus on the challenges of Brexit for Ireland's export-focussed forest industry, and how the forest sector will sit in the post CAP.

According to the Timber Industry Brexit Forum, Brexit is the single biggest challenge facing the Irish forest industry since the construction crash of 2008. The roundwood supply risk associated with Brexit includes possible changes to trade and logistic arrangements. Revised or transition Plant Health arrangements could also have a significant impact on the movement of roundwood into and within the island of Ireland from a post Brexit UK. The implications of Brexit are explored in detail in the discussion section.

A new Common Agricultural Policy (CAP) should be agreed before the end of 2019. Shortly after the European Commission is likely to circulate new draft State aid rules for consultation with institutions, public authorities, organisations, companies and citizens. Once agreed this policy will underpin State aid rules for the forestry sector, we may not be funded under SA rules next time around.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 41 (new)</b> Ongoing active engagement by forestry sector stakeholders with all key processes initiated at both industry and government levels in relation to Article 50 (Brexit) negotiations with the UK ( <b>Priority1</b> ).	In progress	CWMPFG	Brexit is scheduled for March 29, 2019.	DAFM established a Brexit Unit immediately after the vote to leave was announced. This Division is central to all Brexit issues across Government. The Minister for Agriculture, Food and the Marine and senior officials are in regular contact with their counterparts in other Member States, in Northern Ireland, the UK, the EU Commission, other government departments, the relevant State agencies and the various stakeholders. A consultative committee of stakeholders was also established at this time. The Department is participating fully in the new sectoral work groups established under the auspices of the Interdepartmental Group on Brexit. The Timber Industry Brexit Forum has also sought to unite relevant companies and organisations -north and south- to provide a voice for the forest sector on the island of Ireland in Brexit negotiations.

Recommendation	Level of implementation	Implementing body	Expected date of completion	Narrative
<b>Recommendation 42(new)</b> Ireland to actively engage with the European Commission to ensure that provisions are in place to adequately support a wide range of measures including grant aid support for forest road construction, supports to enhance viability of local wood markets and exploration of the viability of small scale harvesting machinery supports <b>(Priority 1)</b> .	In progress	DAFM	December 2019	Prior to the completion of the current Forestry Programme in 2020 the European Commission will publish its CAP Regulations. It is essential that Ireland actively engage with the European Commission to ensure that provisions are in place to adequately support a wide range of measures.



## Section 3

### 3.1 Synthesis of recommendation narratives and general discussion of wood mobilisation issues

The challenges of wood mobilisation on the island of Ireland are set against a backdrop of an existing wood supply deficit, which is set to increase up to 2025.

In 2016, 34% of the roundwood used in the Republic of Ireland was used for energy generation, mainly within the forest products sector. At a national level, the policy drivers on the renewables side are the National Mitigation Plan (DCCAE, 2017) and the EU renewable energy targets, and in particular the 12% target for renewable heat provision by 2020. Based on work undertaken by the Sustainable Energy Authority of Ireland (SEAI) and the CWMPFG, the annual supply gap in energy wood in RoI by 2020 could be upwards of 1.4 million m<sup>3</sup> by 2020, and 2 million cubic metres by 2025 (see *Wood Supply and Demand on the Island of Ireland to 2025*). In terms of the traditional forest sector industries, the prediction for sawlog supply on the island is to continue in deficit up to 2020, reaching over 0.7 million m<sup>3</sup> per annum, or in round numbers, the annual intake of two large sawmills. After 2020, the sawlog supply/demand deficits are expected to ease, notwithstanding assumed further increases in sawlog demand, so that by 2025, the prediction is that an annual sawlog harvest of over four million cubic metres will be sufficient to meet demand on the island.

In terms of the mobilisation challenge, considerable progress has been made since the 2015 report was launched including:

- the new *All Ireland Roundwood Production Forecast 2016-2035* and the associated GIS Portal,
- enhanced efficiencies in dealing with felling licence applications,
- ongoing and enhanced forest road funding,
- revision to the tax treatment of profits from forest ownership in Budget 2016,
- roundwood price information being provided to the public domain,
- knowledge transfer and forest certification group projects,
- increased wood availability from formerly constrained areas in the Coillte resource, and
- an excellent programme of advice on woodland management and wood sales from Teagasc aimed at all private growers.

However, based on the narratives on the recommendations and further reflections by the CWMPFG significant short and medium term mobilisation challenges remain (see Table 1 and the text following the table).

The wood supply deficit identified in *Wood Supply and Demand on the Island of Ireland to 2025* is likely to substantially increase over the period up to 2025 and beyond, with wood energy demand being a key driver. Ensuring a balanced approach to the development of the island's wood resource to best meet the needs of both the wood processing and energy sectors will be a key challenge. Imports of wood energy are likely to increase substantially and at the same time maximising the utilisation of indigenous wood sources will be critical. The most significant feature of the forecasted supply is that almost all of the increase will originate from privately owned forests in the RoI.

Table 1. Summary overview of current and future challenges to wood mobilisation.

Short-term challenges	Medium-term challenges
Public road network investment	Brexit
Regulatory environment	Voluntary forest certification
Forest owners' engagement in managing their forest	Felling licence system and forest management plans
	Common Agricultural Policy – Post 2020
	Wood for energy

## 3.2 Short-term challenges to wood mobilisation

### Investment in the public road network

Ongoing investment and upgrading of the county road infrastructure is vital to enable wood mobilisation from private sector and public forests. Due to the dispersed nature and small average size of private forests upgrading of local roads is a particular priority. While the 91,000 km of regional and local roads, twice the European average, will always present a funding challenge, the current level of funding is not adequate to even maintain the network. These roads carry around 54% of all road traffic and are therefore very important to the Irish economy and society as a whole (DTTS 2017). Despite the Capital Plan 2016-2021 allocating €6 bn for roads, €4.4bn is to cover depreciation costs. While the 2018 regional and local roads allocation has increased to €417 m, up from €324 m in 2017; it is still 31% below the 2009 figure of €607 m. While the infrastructural deficits and bottlenecks on most main public roads have largely been addressed, it is clear that regional and local roads need substantially more investment over the coming decade. It is estimated that an annual allocation of €580 m is required just to maintain the present regional and local road network. The National Development Plan 2018-2027 (DPER 2018) launched in February 2018 falls short of this minimum, with an allocation of €4.5 bn over the 10 year period.

### Regulatory environment

The recommendation on the consent system for forest entrances was for DAFM to be the sole authority in this area. The lack of a single authority has, many believe, impacted on the wood mobilisation from private plantations. It has been estimated that for every 10 km of new forest road 20,000 m<sup>3</sup> of roundwood can be harvested in first thinning. If the roads are not constructed the mobilisation rate will not reach the forecast, with knock on effects down the line. Commencement of the new single consent system is expected in the short term.

### Forest owners' engagement in managing their forest

Since grant aided private sector afforestation rapidly expanded in the early 1980s almost 300,000 ha have been planted to the end of 2016. However, there is a concern that the actual potential supply available in the private sector will not reach the level envisaged in the *All Ireland Roundwood Production Forecast 2016-2035* due to the lack of engagement by a cohort of forest owners in managing their forest.

In line with national policy and good forest practice, DAFM, Teagasc and public and private bodies are actively encouraging private forest owners to thin their forests in order to add value to State and owner investment, and for raw material supply to industry. Evidence to date is that levels of thinning in the private estate have been close to forecast, apart from a falloff in 2016 (see *Wood Supply and Demand on the Island of Ireland to 2025*). However, the forecast predicts a rapid expansion in private roundwood supply over the coming decade, and it is to this mobilisation challenge that many of the recommendations in the 2015 report were addressed. The performance, across the forest sector, in meeting the recommendations is monitored in this report. While the scorecard is generally favourable and levels of harvest are at overall record

levels, the challenge will become more onerous over the coming decade when private sector supply is forecast to increase more than threefold to reach 3.3 million m<sup>3</sup> in 2027. It is necessary to point out that the roundwood forecast reports net realisable volume production. The assumption is that not all areas will be thinned – due to high costs of harvesting in certain instances, economies of scale and lack of knowledge.

It is essential that the work initiated in discussion groups, knowledge transfer and forest certification groups be scaled up to bring in as many forest owners as possible. All industry stakeholders have an important role to play in this regard.

### **3.3 Medium term challenges to wood mobilisation**

#### **Brexit**

According to the Timber Industry Brexit Forum (TIBF), Brexit is the single biggest challenge facing the Irish forest industry since the construction crash of 2008.

Growers are at the start of the value chain in the wood market, with the processing sector the gateway to market. On the supply side, the risk associated with Brexit includes possible changes to trade and logistic arrangements which could restrict roundwood flow. In particular, any revision or transitional plant health arrangements could significantly impact the movement of roundwood into and within the island of Ireland from a post Brexit UK.

In 2015 Ireland exported €332 m of wood and paper products to the UK representing 90.7% of all wood and paper products exports. Similarly, in 2015 Ireland exports of roundwood to Northern Ireland were worth €17.9 m, with roundwood imports from Northern Ireland worth €8.7 m. In effect there is an all-island market for roundwood. Large and small scale sawmills on either side of the border, and down to the Midlands Region, have established cross-border supply chains.

Brexit has already had a significant impact on export profitability with sterling devaluing by 24% against the euro since November 2015. Apart from the immediate effects of exchange rates, there is a high level of uncertainty associated with the Brexit negotiations. Further threats to exports may emerge in the form of a UK recession, and the preferential entry of other large wood product producers coming into the UK market. After the UK leaves the EU, tariffs are unlikely to be a problem as timber is zero-rated by the World Trade Organization (WTO), unlike agri-goods, but non-tariff barriers could be extremely disruptive. If the average impact of new logistical costs and non-tariff barriers is 10% across all Irish industry, it could be double this figure for Irish timber (Business Achievers 2017). It has been stated that even under a best-case scenario the forest sector will suffer a loss of competitiveness, while in a worst-case scenario the industry could sustain major infrastructural damage (Teagasc 2017).

The Brexit unit in DAFM is examining the impact of tariffs by sector by CN code using data from the European Commission Tariff and Customs database and export trade data from the Central Statistics Office (DAFM 2017). The analysis will allow an estimated tariff rate equivalent by CN code and the estimated cost of the tariff equivalent. The ESRI and Teagasc are also carrying out analysis of the impact of a possible WTO tariff implications.

At the moment a relatively buoyant UK economy is driving volume consumption of Irish wood imports, coupled with a strong demand from the Irish construction industry, these factors have ameliorated the effect of the announcement of Brexit.

The Irish forest sector is highly competitive, well organised and determined to meet the challenges of Brexit. However the UK is, in the short-term, the predominant market for the majority of output. Product and market diversification are not adequate solutions (IBEC 2017).

In terms of an industry response the Timber Industry Brexit Forum is currently formulating a code of practice for cross-border movement of timber with all stakeholders in the

interest of wood and wood product suppliers and the UK consumer. The Irish Business and Employers Federation has also produced a number of guiding principles on Brexit that are applicable across all industries, including the forest and timber products sector (IBEC 2017a). At government level a new Cabinet Committee “C” on EU and Brexit has been formed, with the Department of Foreign Affairs coordinating the wider government response to Brexit. At ministerial level numerous formal bilateral meetings in European capitals have taken place to get the message out to member states and build alliances.

The Department of Agriculture, Food and the Marine has set up a Brexit and International Trade Division which meets regularly with a Brexit Consultative Committee to coordinate a response from the various industry sectors, including forestry, to Brexit. New groups within DAFM have been set up examining import controls/export certification, research activities, north-south cooperation, customs and UK landbridge issues. In addition DAFM has also had regular engagement with customs and revenue examining shared challenges, preparations needed and streamlining cooperation.

### **Voluntary forest certification**

Few privately owned forests are currently certified under the voluntary Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). The current market demand for a minimum percentage (70% for both sawnwood and panelboards) of certified material to comprise mill intake under FSC & PEFC is being mostly met due to the predominance of intake being from certified suppliers such as Coillte and Irish Forestry Unit Trust (IForUT).

However, it is becoming increasingly difficult for Irish sawmills to sell uncertified processed wood products. As more roundwood from private forests comes onto the market (estimated at 44% of total roundwood supply by 2024) a lack of certification is likely to become a barrier to wood mobilisation if not properly addressed.

Costs of voluntary forest certification are also an issue for private forest owners, and certification bodies need to be conscious of this when setting charges. It is essential that the work initiated in discussion groups, knowledge transfer and forest certification groups be scaled up to bring in as many forest owners as possible. The aim for the two certification groups, recently established by the DAFM, is to increase membership for both groups to 500 by 2020, rising to 1,000 in each group by 2025 (DAFM, 2017a). However, all industry stakeholders have an important role to play in creating awareness of the necessity of certification and encouraging forest owners to become part of certification groups.

### **Felling licence system and forest management plans**

The Forestry Act 2014, which commenced in May 2017, allows for felling licences to be issued for up to a period of 10 years, which may be further extended, upon application, by up to 5 years. The Forestry Act 2014 established a statutory objective to ensure that every felling licence is determined within a period of 4 months. The new Act also facilitates one licence application for thinning and clearfell operations and allows for the inclusion of Forest Management Plans (FMP) as part of the licensing process. The linking of felling licence approval with the submission of long-term management plans, as envisaged by the COFORD Forest Management Planning Group, when implemented, will be a significant step forward in facilitating good management practices and the mobilisation of roundwood. Since May 2017, the felling system is on the IFORIS digital platform, making it easier to track licence application, status, volumes and type.

### **Common Agricultural Policy – post 2020**

The Department of Agriculture, Food and the Marine is responsible for the development and implementation of national and EU schemes in support of Agriculture, Food,

Fisheries, Forestry and Rural Development. State aid is the use of national money to fund various projects, schemes or activities in Ireland. All State-aided schemes are subject to regulations laid down by the European Commission, in line with articles 107 and 108 of the treaty functioning of the European Union (TFEU). The rules for State aid ensure all schemes are compatible with the treaty. This ensures transparency, uniformity and consistency across Ireland and EU Member States with similar schemes.

A new Common Agricultural Policy (CAP) should be agreed by December 2019. Draft proposals have already been circulated, and DAFM held a consultation event with forestry stakeholders in August 2018. Once agreed this policy will underpin State Aid rules for the forestry sector.

It is vital that funding for forest roads, and thinning and tending of broadleaves, and for the other relevant mobilisation measures continues under a new forestry programme post 2020.

### **Wood energy**

According to *Wood Supply and Demand on the Island of Ireland to 2025*, under a conservative wood energy demand scenario an overall wood supply deficit of 2.8 m<sup>3</sup> and 3.0 m<sup>3</sup> is predicted for 2020 and 2025 respectively. Almost all of the 2025 forecasted deficit arises from wood energy demand. Meeting this level of demand will depend on mobilising indigenous sources allied to high levels of imports.

Depending on market price, location and other factors, pulpwood from the private forest estate can be used for the production of wood-based panels (WBP) or for wood energy. Most Coillte pulpwood is allocated to the WBP manufacture, which is the assumption used in *Wood Supply and Demand on the Island of Ireland to 2025* and in *All Ireland Roundwood Production Forecast 2016-2035* (Phillips et al. 2016). This is based on a working assumption that within the economic haulage distance of the Coillte panel mills, any additional pulpwood demand will be satisfied by the private-sector. In reality, the prevailing market price will strongly influence where wood supplies are used.

The largest and most uncertain element of future supply/demand is wood energy. Increases in demand are likely to be driven mostly by policies and measures such as the Support Scheme for Renewable Heat and any changes to CHP supports. Oil and fossil fuel prices could also be an important driver, but they are of course highly volatile and uncertain. The UK Department for Business, Energy & Industrial Strategy (BEIS) 2016 fossil fuel price assumptions foresees rising oil and gas prices over the period from 2016 to 2025, and for oil these are in the region of 40-50% (Department for Business, Energy and Industrial Strategy 2016). Such rises, if they occur and are sustained are also likely to influence fuel use and investment decision making as most of the wood energy demand is predicted to be met by woody biomass imports. It should also be noted that the potential impact of the European Commission's proposed new Directive on the promotion of the use of energy from renewable sources may reduce the availability of biomass imports and switch the focus to increasing the level of indigenous wood-biomass supply (European Commission, 2017a).

Following the announcement of the Support Scheme for Renewable Heat in December 2017 and a potential increase in demand for wood energy, there is a fear that the supply of roundwood for fencing and wood-based panel manufacture will be diverted to energy use. Hence the incentive structure for wood energy needs to be balanced against the benefits of existing uses of wood and the contribution to Ireland's economy. Going forward this area will require close scrutiny by the sector and state bodies.

### **3.4 Overall conclusions**

Evidence to date is that levels of thinning in the private estate have been close to forecast, apart from a falloff in 2016 (see *Wood Supply and Demand on the Island of Ireland to 2025*). However, the forecast predicts a rapid expansion in private roundwood

supply over the coming decade, and it is to this mobilisation challenge that many of the recommendations in the 2015 report were addressed.

While the score card across the recommendations is generally favourable, and levels of harvest are running at record levels, there is no doubt that the mobilisation challenge will become far more onerous over the coming decade, over which time the private sector supply is forecast to increase more than threefold. This equates to annual increases in harvest in excess of 200,000 m<sup>3</sup> from the private sector or to put it another way – a 7% increase in overall harvest per year. Is the forest sector capable of mobilising the resource to this level? The evidence to date is yes, but qualified by the reality that it will require a great deal of extra effort and investment, both private and State, to make this happen.

Continuous monitoring of the levels of harvest (supply) and demand, and identifying and overcoming mobilisation obstacles needs to be continued through the work of the COFORD Council and other organisations such as the Forest Industry Transport Group. The work of the Wood Mobilisation and Production Forecasting Group needs to be continued to provide the forest sector with reliable and up to date information on matters affecting wood mobilisation thereby enabling the full benefits that can arise from an increased flow of sustainably produced wood from our forests to be achieved.

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## **Abbreviations**

CHP	Combined heat and power
DAFM	Department of Agriculture, Food and the Marine
GJ	Gigajoule
GWh	Gigawatt hour
kWh	Kilowatt hour
m <sup>3</sup>	Cubic metre
MC	Moisture content
NI	Northern Ireland
NRV	Net realisable volume
PCRW	Post consumer recovered wood
RoI	Republic of Ireland
SEAI	Sustainable Energy Authority of Ireland
toe	tonne of oil equivalent
TWh	Terawatt hours







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