Forestry Programme 2014 – 2020

Mid Term Review

March 2017

Contents

1   Introduction

The Forestry Programme 2014 – 2020 set out an ambitious programme of forestry development over a six year period with total investment amounting to almost €0.5billion. The new programme introduced a number of important structural and design changes to some of the main schemes which would have operated under previous programmes. For example, a new single rate of premium was introduced for farmers and non farmers and 20 annual premiums was reduced to 15, although the premium payment increased by 20% to compensate. The aim of these changes was to encourage those landowners not previously interested in forestry to plant some of their land with trees. Furthermore, new agro forestry and forestry for fibre measures were targeted specifically at farmers providing them with options for grazing livestock alongside forestry and in the case of forestry for fibre, the option to harvest timber after 10-15 years rather than 30-40 years as is the case with other types of forestry.

There were a number of other significant changes to the main afforestation scheme which aimed to extend the species mix of new forests established as part of the programme. Two new GPC categories were created to mainstream the Native Woodland Establishment Scheme in order to make it easier for landowners to plant native species; forestry for fibre introduced new species choices and premium payments are now higher for Douglas fir and Scots pine to further incentivise the planting of these important species. The potential for forestry to contribute to water quality was also been more fully developed in the new programme with the introduction of new schemes and funding commitments. Native species for example, must be planted alongside aquatic buffer zones in water quality sensitive areas and additional funding was provided for construction of bridges and culverts over sensitive waters in certain areas. Further developments with regard to protecting and enhancing water quality have been included in the new environmental requirements document published in December 2016.

Two years into the programme it is time to take stock of whether or not targets have been achieved and whether the changes implemented in January 2015 have had the desired effect. Please note that the figures provided may be subject to some minor adjustments following the formal publication of 2016 statistics later in 2017. On the basis of this information a midterm review can focus on areas for improvement and change. On this point the annual broadleaf planting target has fallen considerably short of the 30% target included in the EU Commission's State aid approval for the forestry programme. In this regard any changes to afforestation scheme terms and conditions that may arise from the review will most likely address this deficit. Furthermore, in line with European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 and in particular the incentive effect, any changes arising from this review process can only apply to financial approvals issued after the date the changes come into effect. Submissions can be posted to:

> Mr. Alan Sheridan
> Forest Service,
> Department of Agriculture, Food and the Marine
> Johnstown Castle Estate, Co. Wexford

Or e mailed to forestryprogram2014-2020@agriculture.gov.ie

All submissions received will be posted on the Department's website. Submissions are also subject to the Freedom of Information Acts 1997 and 2003 and may be accessed on foot of third party consultations. **Closing date for submissions is the 28th April 2017.**

2 Overview of Measures and Targets

Ireland's new forestry programme 2014 – 2020 is made up of the following measures;

i)   <u>Afforestation and Creation of Woodland:</u> Support for establishment and 15 premium payments for the creation of new forests. This measure includes afforestation, agro-forestry, forestry for fibre, and native woodland establishment (the latter focused on important native woodland types and opportunities for habitat linkage, and on environmentally sensitive areas, with a view to realising wider eco-system services such as water protection).

ii)   <u>NeighbourWood Scheme:</u> Provides support for the development of attractive 'close-to-home' woodland amenities for public access, use and enjoyment. This measure is aimed primarily at local authorities.

iii)   <u>Forest Roads:</u> Support for the construction of forest roads is provided under this measure.

iv)   <u>Reconstitution Scheme:</u> Support for forest holder to restore and retain forests following significant damage by natural causes.

v)   <u>Woodland Improvement (Thinning and Tending):</u> This scheme provides support for forest management operations for broadleaf woodlands and actions within existing forests, which effect structural changes aimed at protecting and enhancing water quality and other environmental sensitivities.

vi)   <u>Native Woodland Conservation Scheme:</u> Supports the protection and enhancement of existing native woodlands and where appropriate, the conversion of conifers forest to native woodlands. This measure is focused on important native woodland types and opportunities for habitat linkage, and on environmentally sensitive areas, with a view to realising wider eco-system services such as water protection.

vii)   <u>Knowledge Transfer and Innovation:</u> Supports the setting up of knowledge transfer groups, continuous professional development, and training.

viii)   <u>Producer Groups:</u> Support is provided under this measure to help forest holders to work together to create a critical mass for forestry operations and mobilising timber;

ix)   <u>Innovative Forest Technology</u>: Support for early adopters of new technology, e.g. variable tyre systems, inventory equipment.

x)   <u>Forest Genetic Reproductive Material:</u> Annual payment towards the cost of managing and conserving registered seed stands and establishing seed orchards.

xi)   <u>Forest Management Plans:</u> Support for forest holders to prepare management plans for their forest holdings.

Targets sets for these measures over the programme period are as follows:

Scheme	2015	2016	2017	2018	2019	2020	TOTAL
Afforestation, ha	6,000	6,660	7,140	7,205	8,115	8,290	43,410
of which afforestation	*5,440*	*5,990*	*6,165*	*6,215*	*6,615*	*6,790*	*37,215*
of which NWS Establishment	*450*	*450*	*450*	*450*	*450*	*450*	*2,700*
of which Agro-forestry	*10*	*20*	*25*	*40*	*50*	*50*	*195*
of which energy and fibre	*100*	*200*	*500*	*500*	*1,000*	*1,000*	*3,300*
Forest Roads (m)	110,000	110,000	110,000	110,000	125,000	125,000	690,000
Special construction works (no. applications)	*100*	*100*	*100*	*100*	*100*	*100*	*600*
Thinning and tending (ha)	1,500	1,500	1,500	1,500	1,500	1,500	9,000
Reconstitution, ha	200	200	200	200	200	200	1,200
Native Woodland Conservation Scheme ha	300	300	300	340	350	360	1,950
of which Private NWS Cons.(high forest), ha	*80*	*80*	*80*	*90*	*90*	*100*	*520*
of which Private NWS Cons. Native emergent woodlands ha	*50*	*50*	*50*	*70*	*70*	*70*	*360*
of which Public NWS cons, ha	*170*	*170*	*170*	*180*	*190*	*190*	*1,070*
Neighbourwood Scheme, no. of projects	5-10	5-10	5-10	5-10	5-10	5-10	*30-60*
Investment in Forestry Technology	30	30	30	30	30	30	180
Forest Genetic Reproductive Material, ha	350	350	350	350	350	350	2,100
Forest management plans, number of plans	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Current Spending	€1.5m	€1.5m	€1.5m	€1.5m	€1.5m	€1.5m	€1.5m

3   Targets versus Outturn

Need	Measure	Schemes		Mid Term Targets (2015 - 2016)	Outturn (2015-2016) *
Increase the level of forest cover to support increased wood production and the provision of environmental services	Measure 1	Afforestation	Planting (ha)	12,660	12,793
			Avg size (ha)	7.2	6.4
		NWS (Est) GPC 9 & 10	Planting (ha)	900	293
		Agro Forestry	Planting (ha)	30	0.6
	Measure 4	Reconstitution	Replanting (ha)	400	113
Increase supply of forestry biomass to bridge expected supply gap by 2020	Measure 1	Forestry for Fibre	Planting (ha)	300	0
	Measure 3	Forest Roads	Building (Km)	220	127
		Special construction works	Individual SCW	200	2
To support private forest holders in actively managing their forests	Measure 7	Knowledge Transfer and Information Actions (KTGs)	No. of Particip.	200	24
			no. of groups	5	2
		Continuous Professional Development	Established	Yes	No
		Targeted Training	No. Of Courses	10	2
		Advisory services	Visits	300	973
			Phone consult.	1,750	7,293
			Field Days	10	50
	Measure 8	Setting up of Producer Groups	No. of Groups	5	0
	Measure 9	Innovative Forest Technology	No. of Projects	90	0
	Measure 11	Forest management plans	No. of Plans	1,000	491
Enhance the environmental and social benefits of new and existing forests	Measure 1	Afforestation	% broadleaf	30%	19%
	Measure 2	Neighbourwood scheme	Projects	30	2
	Measure 5	WIS (Thinning and Tending of Broadleaves)	Ha thinned	3,000	1,421
		Environmental Enhancement of forests	Ha enhanced	400	0
	Measure 6	Private NWS (Conservation)	Ha	160	0
		Native Emergent Woodland	Ha	100	0
		Public NWS (Conservation)	Ha	340	0
	Measure 10	Forest reproductive material (Seed Stands)	Ha	75	0
		Forest reproductive material (Seed Orchards	No. Supported	2	2

The financial outturn is as follows;

Scheme	Estimated Budget 2015 - 2016	Outturn 2015 – 2016*
Measure 1: Afforestation and creation of woodlands	€48,250,349	€36,112
Measure 2:Investments improving the Resilience and Environmental value of Forestry: - NeighbourWood Scheme	€350,000	€164,490
Measure 3: Investments in Infrastructure: Forest Road Scheme	€9,800,000	€2,835,786
Measure 4: Prevention and Restoration of Damage to Forests: - Reconstitution Scheme	€1,556,000	€450,690
Measure 5: Investments improving the Resilience and Environmental value of Forestry:- Woodland Improvement	€2,250,000	€688,662
Measure 6: Investments improving the Resilience and environmental value of Forests:- Native Woodland Conservation Scheme	€1,991,000	€0
Measure 7: Knowledge Transfer and Information Actions	€2,900,000	€1,528,743
Measure 8: Setting up of Producer Groups	€100,000	€0
Measure 9: Innovative Forest Technology	€300,000	€0
Measure 10: Forest Environment and Climate Services: -Forest Genetic Reproductive Material	€80,000	€55,053
Measure 11: Forest Management Plans	€600,000	€147,300

*payments above relate to commitments made under the new programme and compare spending against the State aid approved amounts. This means for example that roads or afforestation that received approval in 2014 but were built or planted in 2015/16 were actually paid out of old programme funds which is not reflected in the table above.

4   Measure 1: Afforestation and Creation of Woodland

4.1   Planting; Target versus expected Outturn

Scheme	2014	2015	2016 Target	dec 2016
Afforestation, ha	6,156	6,293	6,660	6,500
of which afforestation	*6,031*	*6,059*	*6,150*	*6,340*
of which NWS Establishment	*125*	*134*	*450*	*159*
of which Agro-forestry		*0*	*20*	*1*
of which forestry for fibre		*0*	*200*	*0*

4.2 Breakdown by planting category

Gpcs Desc	Total Ha	% GPC		
		2014	2015	2016
1 - Unenclosed	108	2%	1%	1.7%
2 - Sitka spruce/lodgepole pine	6	0%	0%	0.1%
3 - 10% Diverse mix	5,123	74%	76%	78.8%
4 - Diverse	555	10%	10%	8.5%
5 - Broadleaf (except oak & beech)	41	1%	1%	0.6%
6 - Oak	353	9%	5%	5.4%
7 - Beech	30	1%	0%	0.5%
8 - Alder	124	3%	4%	1.9%
9 - NWS Est (Scenarios 1-3)	112		2%	1.7%
10 - NWS Est (Scenario 4)	47		0%	0.7%
11 - Agroforestry	1		0%	0.0%
Total	**6,500**			

The removal of ash from the list of approved species has impacted hugely on the level of broadleaf planting which seems to have levelled off at 19% of total planting, the same as 2015; this however is down from 24% in 2014; the annual target continues to be 30%. The aim of greater planting levels of diverse conifers has not materialised, it remains at old programme levels. Other points of note include the following;

- Native Woodland planting reached the highest level since 2011. Based on a conversion factor of 50% (applications to approvals) the figure should be in the region of 200ha for 2017;
- First payments for agro forestry (0.6ha only); 35ha of live approvals in the system, 50% of which could come through for 2017;
- Three contracts in the pre approval system for 2017 for forestry for fibre, however progress on this GPC has been disappointing;
- % of total GPC 3 planted continues to increase over and above 2015 levels;

4.3 Impact of Single Farmer Non Farmer Rate

	Planting			
	2013	2014	2015	2016
Farmer	96%	96%	85%	63%
Non Farmer	4%	4%	15%	37%
	Average size (ha)			
	2013	2014	2015	2016
Farmer	6.6	6.3	6.2	6.3
Non Farmer*	3.85	3.38	6.3	6.6

It is clear from the figures shown above, that there has been a considerable increase in the proportion of planting done by non farmers in 2016. This, however, is largely due to the removal of the differentiation between farmers and non farmers for premium payment purposes.

There are some signs of growing interest in forestry from private investors albeit at very modest levels. The following table underlines this trend;

Owner Type	2014		2015		2016	
	No of contracts	Ha	No of contracts	Ha	No of contracts	Ha
Farmers	952	5,978	848	5,389	649	4,094
Non Farmers	52	178	134	904	367	2,406
Of which investor*		*4*	*24*	*7*	*42*	*12*	*126*
*Investors are classified as non farmers with FO numbers, whose name include the letters Ltd., Plan, Development, Trust, Investment or Fund						

4.4 Issues to consider for submission

Some questions to consider include the following

- What changes can be introduced to the afforestation scheme to increase the % level of broadleaves being planted and in particular native woodland creation. How can the scheme be altered to increase the level of species diversity? How can decision makers who want to plant on good land be encouraged to plant broadleaves and not GPC 3?

- What measures can be taken to help achieve increasing targets for new planting in the remaining years of the programme?

- How can the average size of new planting be increase closer to the target level of 7.2 hectares?

- What changes are needed to the Forestry for Fibre GPC? What findings from recent research can be applied to this scheme to improve its outcome?

- What alternative agro-forestry systems other than silvopastoral should be included in the agro forestry GPC?

5 Measure 2: NeighbourWoods

While only 2 projects have received payment during the first two years of the programme, there are 7 in the pipeline for 2017. Therefore the expectation is that more applications will be approved over the remaining years of the programme.

Questions to consider under this measure include the following;

- How can the NeighbourWoods scheme be improved upon to make it easier for interested parties to submit applications?

- Can the scheme be improved to increase the level of native woodland afforestation?

- How can local communities be mobilised to develop forests in their area?

6   Measure 3: Forest Roads

The amount of forest roads that are being built is far below the targets set under the forestry programme 2014-2020 as shown by the following table;

	Km			
Year	2013	2014	2015	2016
Annual target			110	110
Roads built	83	87	65	62

The principal reason behind the fall off in the amount of roads being built is the requirement to seek planning permission from local authorities where the forest road application includes an entrance onto a public road. The Department has been working with the Department of Housing, Planning and Local Government on a single consent system administered by the Department of Agriculture, Food and the Marine. The establishment of an organisational framework for a single consent system for forest road planning is at an advanced stage.

Within the Forest Road scheme there are three other sub measures, figures for the period 2015 – 2016 are as follows;

	No. Of Applications	
	Preapproval stages	Paid
Connecting roads	4 (750m)	0
Bellmouth (30m)	2	0
Bellmouth (20m, April 2016)	18	2
Special Construction Works	31	2

Questions to consider include the following;
- What measures can be taken to help improve the amount of forest roads being built?

- Are there any changes to the roads scheme that could be introduced that could help make better use of existing infrastructure in neighbouring forests?

- Are there any modifications required to address any environmental issues associated with building forest roads or thinning in general?

7   Measure 4: Reconstitution
Reconstitutions Scheme (Chalara): applications are as follows;

	2013	2014	2015	2016
Number of applications paid	106	67	32	48

At the time of drafting the Reconstitutions Scheme (Chalara) was undergoing a review and changes will be implemented in the new year.

Reconstitutions Scheme (Windblow); Closing date for applications was the 24th February 2017.

8   Measure 5: WIS

Thinning and tending

Scheme	2014	Target 2016	2015	2016
WIS (Ha)	888	1,500	626	795

- How can the scheme be improved to help reach the targets set?

- Are there further opportunities under this scheme to support those forest owners that wish to transition to continuous cover forestry?

Environmental Enhancement

A draft document has been prepared and is due to be issued in 2017.

9   Measure 6: Native Woodland Conservation

While there are no applications currently paid under the new programme the following gives a breakdown of applications received so far during the programme period;

Scheme Name	Total Area (Ha)
NWS Emergent Native Woodland Conservation	4.83
NWS Private Native Woodland Conservation	107.89
NWS Public Native Woodland Conservation	8.2

- What improvements can be made to the scheme to increase participation levels and make a greater contribution to the environment?

- Are there additional training requirements needed for this scheme?

- What changes are required to this scheme in order to further support the Woodlands of Ireland document "A Strategy for Native Woodlands in Ireland 2016-2020"

10   Measure 7: Knowledge Transfer and Information Actions

Knowledge Transfer Groups (KTG)

There are two formats of KTG being developed by the Department for forestry. The first of these is focused on forest certification to the FSC standard. A contract to establish 2 certification groups using KTG's was signed during 2016. This will also deliver a template system to facilitate other forestry producer groups. This work will be completed in May 2018.

A second KTG scheme is being developed with the help of a number of forestry groups. The aim of this KTG scheme is to increase the level of forest management activity amongst participating forest owners. It is felt that those wishing to attend these groups will want to fill a knowledge gap that is preventing them from undertaking a specific management activity. KTG's will provide the

mechanism for gaining this expertise and empower owners to manage their own forests. By filling this knowledge gap a potential barrier to the mobilisation of timber and biomass will be removed. A pilot scheme to test the feasibility of this approach was launched by Minister Doyle in March 2017.

<u>Continuous Professional Development</u>
Launching in March/April 2017

<u>Targeted Training</u>
Contract issued to draft safety guidelines for timber haulage awarded in September 2016. Forest machine operator course launched in November 2016.

Questions to consider in relation to this measure are as follows;

- What further training requirements need to be addressed under this measure?

- How can this measure be used to further enhance the understanding private forest owners have in relation to the role their forests have in protecting and enhancing the environment?

- What further initiatives could be introduced under this measure to promote the mobilisation of timber and biomass?

- What support framework would be best suited to encouraging private forest owners to certify their forests?

- How can the forestry programme support awareness amongst forest owners of information that is already available in relation to managing and selling their timber?

11   Measure 8: Setting up of new producer groups

There have been no new producers groups established with the support of this measure. The current position of the Department is that there are sufficient producer groups in place throughout the country. There may be a requirement instead to amalgamate existing groups.

12   Measure 9: Innovative Forest Technology

A scheme to support the roll out of Central Tyre Inflation (CTI) systems to haulage companies involved in transporting timber was launched in October 2016.

- What new technologies could be supported under this scheme particularly in relation to the mobilisation of timber and biomass and protection of the environment?

13   Measure 10: Forest Genetic Reproductive Material

One outdoor and one indoor seed orchard established in 2016.

- What changes are needed to this scheme in order to increase participation rates?

- What species need to be supported under this scheme?

14   Measure 11: Forest Management Plans

Forest management plans are supported under this scheme where applicants received a €300 payment at year 12. Almost 500 management plans were funded during 2015 and 2016.

- How can this measure be used to help support private non grant aided forest?

- How can this measure be used to encourage private forest owners develop FMP according to the new template which can be found at http://www.coford.ie/media/coford/content/publications/projectreports/00581%20FMPG%20Summary%20Report%20final.pdf

15   General questions to consider

General questions to consider include the following

- What improvements could be introduced to schemes in order to a) increase value for money, b) further enhance the environmental contribution of these schemes including climate change mitigation, increased biodiversity, enhancement and protection of water quality c) increase participation rates and d) enhance forestry contribution to rural communities?

- What changes to land use policy should be considered in order to increase participation rates?

- What possibilities exist for enhancing the species mix being used within the programme (afforestation scheme, neighbourwood scheme and Native woodland conservation scheme)?

- Are there further opportunities for collaboration between forest owners? Connecting forest roads, forest certification and producer groups are some examples.