



# IRISH TIMBER GROWERS ASSOCIATION

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## **Irish Timber Growers Association submission in relation to the 2025 Agri-Food Strategy**

7<sup>th</sup> January 2015

The Irish Timber Growers Association (ITGA) was established in 1977 and is the national representative body of private woodland owners in Ireland. The membership of the Association mirrors the wide range of different timber growers in the country and current membership includes farm forest owners, forestry co-operative members, private woodland estates, forestry investors and forestry pension funds. This wide range of membership allows the Association take a broad view of the industry and issues facing the sector.

The Irish Timber Growers Association welcomes the opportunity to make this submission in relation to the 2025 Agri-Food Strategy.

The Association will focus its submission specifically on the forestry and timber sector and in this regard the submission will address the questions as set out in the recent 2025 Agri-Food Strategy Public Consultation Questionnaire.

### **1. Has Food Harvest 2020 delivered on its vision for the Agri-Food Sector in Ireland?**

The Food Harvest 2020 report was welcomed by the forestry and timber sectors and was seen as a positive and constructive vision for the industry. The basis of the Food Harvest 2020 concept of Smart, Green, Growth was particularly applicable to forestry with its wide range of benefits to the economy and society. In addition to economic and climate change mitigation benefits, forestry also provides a valuable source of renewable energy and other public goods and services, such as biodiversity, recreation, forests play a role in water protection and have many other environmental benefits.

The Irish Timber Growers Association has monitored progress in the forestry and timber sector over the past 4 years and reviewed the recently DAFM published *Milestones for Success 2014* which sets out what has been achieved over that period.

- **Are we on course to deliver on the strategy envisaged in Food Harvest 2020?**

In the wider Agri-Food Sector primary output has shown very impressive growth and has virtually achieved the Food Harvest 33% target due primarily to strong commodity prices on global markets. As pointed out by Minister Simon Coveney TD in his foreword to *Milestones for Success 2014*, increases in the value of output varied depending on the product. While cereals, pigmeat, dairy and beef did particularly well as their output value increased by 62%, 54%, 42% and 39% respectively on the Food Harvest 2020 baseline, the output for Forestry & Fisheries grew only by 7% and most of this growth is likely to be attributable to fisheries with seafood exports increasing by 55.7% over the 4 year period. Forestry exports fell by 7.8% during this period. While this export figure does not do justice to the investment and efforts the timber processing industry has made in retaining and developing export market for their products, it does reflect the lack of supply of raw material for expanding exports and Gross Value Added. In *Milestones for Success 2014*, Gross Value Added (GVA) has shown a fall of 67% for forestry products in the 4 year period while fish products show an increase of 25% and overall the Agri-Food Sector has shown a gain of 20%.

It would appear from the DAFM *Milestones for Success 2014* publication that the Agri-Food Sector is indeed on course to deliver on the strategy envisaged in Food Harvest 2020, however, with the notable exception of the forestry sector.

In relation to specific targets set for the forestry sector in Food Harvest 2020, it had been recognised that climate change would be a significant driver for the sector and specifically it was stated that, '*Forestry options will have a key role to play in helping Ireland meet its overall emissions targets.*' (P.24) It was further recognised that, '*the role of Irish forests is key to the country meeting its international climate change targets*' and concluded that, '*This means that the decline in planting levels in recent years will need to be reversed.*'

Given the above drivers, the following recommendations were specifically highlighted in Food Harvest 2020 under **Restoring Competitiveness**;

- *DAFF and Industry should further explore measures to bring about a significant increase in the annual afforestation level per annum to 2020.*
- *DAFF will continue to examine more efficient methods of increasing the planting level in view of its urgency.*

The national afforestation figures for the 4 year period since 2010 are outlined below;

<b>Year</b>	<b>Annual Afforestation (ha)</b>
2010	8314
2011	6653
2012	6652
2013	6249

Despite the assertion in Food Harvest 2020 that declining planting levels will need to be reversed, each successive year since the Food Harvest 2020 report has shown a decline in afforestation rates with 2013 showing a reduction of 25% over the area that was planted in 2010. This will have significant repercussions for our country's ability to meet its international climate change targets in addition to its negative effect on renewable energy targets. Also such a decline in planting will have serious repercussions on the industry's future supply of timber for processing ultimately effecting exports, employment and the rural economy.

- **How can the strategy for the agri-food sector be improved for the next decade?**

In relation to the forestry and timber sector, it is now apparent that additional resources will have to be committed to address the above significant decline in afforestation rates. Forestry is a long term investment for individuals and the Irish State, however, it will pay significant economic, environmental and climate change dividends in the future. The shortfall in achieving our planting targets now will have more significant knock on effects for our industry in future years.

A Forest Policy Review Group was established by the Department of Agriculture, Food and the Marine to review State forestry policy to take account of its critical role in relation to climate change and its importance to construction, bio-energy, bio-diversity and its potential to deliver long-term employment in other downstream industries such as eco-tourism, furniture, crafts etc. This Group produced a final Report which the Department of Agriculture Food and the Marine subsequently adopted and which was entitled, ‘Forest Policy Review: Forests, products and people – Ireland’s forest policy – a renewed vision.’

This strategy for the forestry and timber sector should now be resourced and the various strategic actions put into effect so as the objectives of the Food Harvest 2020 can be achieved.

In relation to the expansion of the forest resource, strategic actions are recommended to increase the forest area, in accordance with sustainable forest management (SFM) principles, in order to support a long term sustainable roundwood supply of 7 to 8 million cubic metres per annum. The main focus of these actions is to increase the level of annual afforestation to 15,000 ha. The planned level of afforestation will ensure a sustainable level of future timber supply for the wood processing and wood energy sectors.

A significant issue that will affect future afforestation rates and also wood mobility is our current forestry taxation provisions which do not recognise the long term nature of forestry and the timing of income from commercial woodlands. As a result, current forestry taxation acts as a disincentive to the achievement of national policy objectives including afforestation targets, achieving climate change mitigation through forestry and current taxation also acts as a disincentive in ensuring a consistent roundwood supply to industry. These issues are detailed in the Irish Timber Growers Association submission on taxation which can be found at <http://www.itga.ie/docs/ITGATaxSubmission2012.pdf>

- **Are there emerging market opportunities that should be considered as part of a new strategy for the sector to 2025 and what should be the scale of our ambition for the sector?**

The strategy as outlined in the Forest Policy Review Group Report outlined and addresses potential market opportunities and reflects the scale of ambition for the sector. This strategy should now be resourced and the various strategic actions put into effect.

## 2. Sustainability / Climate Change

- **How can Ireland build on existing policies and standards to promote more sustainable agriculture, forestry and fisheries and to meet our national, EU and international commitments in these areas? How do we reconcile these actions with the need to optimise food production, economic growth and job creation ?**

In relation to the forestry and timber sector, Food Harvest 2020 recognised the potential benefits and contribution of forestry and afforestation to sustainability and climate change mitigation. The role of forestry in this regard is well established and documented. As outlined above, despite the assertion in Food Harvest 2020 that declining planting levels will need to be reversed, there has been a further reduction of 25% in afforestation area over the area that was planted in 2010. The current level of afforestation is only c. 60% of that recommended in the Department of Agriculture Food and the Marine's adopted Plan 'Forest Policy Review: Forests, products and people – Ireland's forest policy – a renewed vision.' If the current level of afforestation continued at the present level it would only achieve c. 41% of the Plan target rate by 2016.

The strategy as outlined in 'Forest Policy Review: Forests, products and people – Ireland's forest policy – a renewed vision' outlines Strategic Actions to address the above. This report should now be resourced and the various strategic actions put into effect. In particular, the report recommends strategic actions in relation to environment and public goods to ensure that afforestation, management of existing forests and development of the forest sector are undertaken in a manner that ensures compliance with environmental requirements and objectives and enhances their contribution to the environment and their capacity for the provision of public goods and services.

Also the report recommends strategic actions in relation to Quality, Standards and Certification and outlines how forest products, forest services and the management of the forest resource can have a strong, market-led, quality focus involving voluntary forest certification through the structure and content of environmental guidelines, an updated Code of Best Forest Practice and forest management planning systems, and through other measures, in order to facilitate access to market.

- **In the context of the development of the agri-food sector to 2025, what specific actions should be taken by farmers/fishermen, processors and the State on:**
  - **Greenhouse gas emissions and sequestration**
  - **Air, water and soil quality**
  - **Biodiversity**
  - **Bioenergy development**

The positive contribution, benefits and role of forestry and afforestation in relation to the above is summarised and highlighted in the *COFORD Forestry 2030 Papers* which were recently launched by the Minister of State for Forestry, Tom Hayes TD. These papers are available on <http://www.coford.ie/publications/forestry2030/>

As outlined in these *COFORD Forestry 2030 Papers*, afforestation can assist with mitigating the agricultural sectors increasing carbon emissions through sequestration, see ‘Irish Forests and Climate Change’

<http://www.coford.ie/media/coford/content/publications/forestry2030/00504%20Forestry%202030%20Inserts%20-%202004%20Climate%20Change.pdf>

help improve biodiversity, see ‘Irish Forests and Biodiversity’

<http://www.coford.ie/media/coford/content/publications/forestry2030/00504%20Forestry%202030%20Inserts%20-%202006%20Bio%20Diversity.pdf>

and add to our renewable energy resources, see ‘Irish Forests and Renewable Energy’

<http://www.coford.ie/media/coford/content/publications/forestry2030/00504%20Forestry%202030%20Inserts%20-%202005%20Renewable%20Energy.pdf>

The strategy as outlined in the Forest Policy Review Group Report outlines Strategic Actions to address the above. This report as adopted by the Minister should be resourced and the various strategic actions put into effect. In particular, the section on forest protection and health and also on the expansion of the forest resource addresses strategic actions in this regard.

### **3. Global market context including opportunities for FDI**

As an export dependent country the Irish sawmill and panelboard sector have achieved remarkable success in recent years and are exporting most of their finished products. The main limiting factor to increasing our exports of finished timber and panelboards is the supply of raw material (roundwood) and this is a critical issue which must be addressed in the 2025 Agri-Food Strategy. In relation to the expansion of the forest resource to increase the industry’s long term roundwood supply, strategic actions are recommended in the Forest Policy Review: Forests, products and people – Ireland’s forest policy – a renewed vision’ to increase our forest area, The main focus of these actions is to increase the level of annual afforestation to 15,000 ha. This planned level of afforestation will help ensure a sustainable level of future timber supply for the wood processing and wood energy sectors.

### **4. Competitiveness & innovation**

- **What can be done to improve the competitiveness of the agri-food sector over the next decade?**
- **What measures should be adopted at farm level to improve competitiveness?**
- **What measures should be adopted at industry level to improve competitiveness?**
- **What emerging / existing technologies might significantly impact on the agri-food sector in the years ahead?**
- **How can we maximise job creation within a competitive agri-food sector over the next ten years?**
- **What areas should we prioritise to encourage increased innovation in the agri-food sector?**

Where a strong timber growing sector is an objective of forest policy and strategy, it is particularly important that grower organisations have access to development funding for the supply of information and support to this emerging sector so as to improve competitiveness, drive innovation and develop new processes, efficiencies and technologies. Forestry is a long term investment for both individual growers and for the State. This long term investment should be safeguarded and encouraged. Timber Growers organisations are ideally placed to improve competitiveness because of their direct relationship with the target group across the wider industry and are the people ultimately responsible for realising this industry potential. Many of the initiatives in the past decade to standardise forestry practices and drive efficiencies have been initiated by grower's organisations. Initiatives such as the Private Timber Price Database, the Model Timber Sales Dispatch System and the recently launched Template Master Tree Sales Agreement were all developed by the Irish Timber Growers Association with support from the Department of Agriculture Food and the Marine and adopted by the wider forest industry. It is important that such initiatives in addition to information services provided by the private sector continue to be encouraged through the State working in partnership with grower organisations.

The strategy as outlined in the adopted Forest Policy Review Group Report outlines strategic actions to address the above. In particular, the section on supply chain outlines recommended actions to further develop an efficient, sustainable and environmentally responsible supply chain that is compatible with forecast raw material volumes and which will enhance the competitiveness of the processing sector. The report also outlines actions relating to wood processing to support the development of a competitive, innovative, value-added and market focused wood processing sector which provides sustainable solutions to a diverse portfolio of users in the construction, lifestyle, renewable energy, furniture and related markets.

## 5. Risks

- **How can we best manage risks to food safety, animal and plant health?**

The strategy as outlined in 'Forest Policy Review: Forests, products and people – Ireland's forest policy – a renewed vision' outlines Strategic Actions to address the above. In particular the section on forest protection and health recommends actions so as to maintain a healthy forest environment through early detection and control measures to prevent the introduction and spread of harmful invasive alien species, pests and diseases.

The Department of Agriculture, Food and the Marine should be complimented on the broad achievements of Food Harvest 2020 and the *Milestones for Success 2014* publication highlights the important achievements of the Agri-Food Sector and that it is on course to deliver on the strategy envisaged in Food Harvest 2020, unfortunately however, with one very notable exception of the forestry sector.

Forestry with all it can offer has not achieved its substantive aims in Food Harvest 2020. As can be seen from research literature and from the recently launched COFORD Forestry 2030 Papers, the sector has much to offer our economy, environment, in climate change mitigation, biodiversity, renewable energy and recreation. Ireland possesses the climate and soils to grow forests at a faster rate than most of the developed world, yet only 10.5% of our land area is under forest compared with almost 40% for the rest of Europe. Our forestry and timber sectors hold significant potential to support the growth of the Irish economy and can provide a range of services to Irish society into the future. The 2025 Agri-Food Strategy must commit to delivery of an effective strategy for the forestry and timber sector in order to ensure it achieves this potential.