Timber Market Update

February 2014

Recent markets for standing roundwood from forests in Ireland have been particularly strong with standing prices for the last quarter of 2013 (October – December) reaching highs in excess of those experienced during the Celtic tiger years. Coillte have reported average prices in excess of €70 per cubic metre standing for a number of larger average tree size categories (generally clearfell sizes) for the final quarter of 2013. It should be noted that the majority of these average prices exclude any pulpwood content which is retained by Coillte. This results in higher prices than when pulpwood would be included in a sale as the pulpwood is of considerably lower value than other timber products such as stakewood, palletwood(or boxwood) and sawlog. Most private woodland sales will normally include the pulpwood, therefore lowering the comparative price in such sales. There is normally a higher proportion of pulp in thinnings (often considerably so) than in final fellings. Increasingly, however, private owners are retaining pulpwood for their own use where they have wood heating systems themselves or wish to supply firewood. Coillte have been retaining pulpwood in sales for many years and the *2014 ITGA Forestry & Timber Yearbook* **www.forestryyearbook.ie** displays these average roundwood prices on an annual basis going back to 2002 (see pages 84 to 87 of Yearbook). From this comparison it can be seen that the recent quarterly price to Dec. 2013 reflects a very strong market. It is hoped that the recent windblow experienced in Coillte and private forests will not have a significant bearing on market prices.

Another market which is generating considerable interest is the harvesting of biomass from brash and lop and top. On suitable sites this has real potential as an added income source for timber growers both for conifer and broadleaved crops. It may even have some additional advantages where lop and top can impede access particularly after broadleaved thinning. Also, biomass gathering and harvesting can facilitate the movement of brash to areas where ground conditions are poorer and result in less ground damage during harvesting and extraction operations. Such harvesting will be very site specific and timber growers should take advice on this before a sale incorporating lop and top/brash is agreed.

The response of timber growers to last year's market conditions can be seen from a further increase in the area under application to Forest Service for General Felling Licences. In 2013 private growers applied for General Felling Licence applications over 17,553 hectares of private woodland incorporating 16,720 hectares of thinnings and 833 hectares of clearfell. These General Felling Licence applications will normally cover a five year period and could not therefore be assumed to apply to thinning or felling over any one year period.

It is interesting to note that the recent '***All Ireland Roundwood Production Forecast 2011-2028***' (Phillips, H. 2011,COFORD, Department of Agriculture, Food and the Marine, Dublin) forecasts a potential thinning area from private forests of 8795 hectares (ha) for 2013 in addition to a potential felling area of 105 ha. This forecast rises to 9,555 ha for thinning in 2014 with 91 ha of felling forecast for this year. Thereafter the forecast thinning and felling areas increase to reach 18,690 ha of thinning in 2028 in addition to 6,561 ha of felling forecast for that year.

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