

Minister of State at the Department of Agriculture Food and the Marine, Tom Hayes TD, on Government Plans to invest €482m in Forestry

Highlights

- €482m of new investment in forestry
- 44,000ha of new forests, 700km of new forest roads
- 20% higher premium payments, 5% higher afforestation grants, 14% higher road grants
- New species with rotations of 10-15 years
- More native trees

The Government sees huge potential for growth in the forestry sector. Already the industry contributes €2.3billion per annum to GDP and employs approximately 12,000 people both directly and indirectly. Overseas markets for Irish sawn wood and panel board products have expanded over the past number of years despite the recession. Further growth of up to 20% can be expected by 2030 according to a recent UNECE/FAO study. Increasing EU targets for renewable energy also means that there will be more demand for wood as fuel for domestic and industrial use. In December the government announced a €482m investment in forestry aimed at expanding forest cover in Ireland and mobilising more timber both for processing as sawn wood and panel board and as a fuel for heat and energy.

What makes the forestry sector unique is the way in which it can impact positively across different aspects of our society. It can generate economic activity in rural areas which are unlikely to see the benefits of large industry or foreign direct investment. At the same time it can improve the quality of our environment by cleaning our water and removing carbon from our atmosphere thereby contributing to climate change mitigation. However, given that 18 million of us visit forests each year, it is in the area of leisure and recreation that forests have the most significant impact on our society.

The investment package announced by Government in December will lead to the establishment of almost 44,000 hectares of new forests and nearly 700km of new forest roads. Under the redesigned afforestation scheme both farmers and non farmers will receive the same premium rate which will be paid each year for 15 years. This is worth up to €9,500 per hectare over 15 years or over €200/ha per annum. It is anticipated that these changes will prove attractive to those landowners not previously interested in forestry. Furthermore, new agro forestry and forestry for fibre measures are 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. These are significant developments for farmers as they present real options for alternative income sources which can operate alongside existing and more traditional farming enterprises.

Despite the contribution that forests and forest products make to climate change mitigation Ireland is, according to recent EPA data, faced with falling short of its 2013-2020 emissions targets by up to 17 million tonnes of CO₂. The new forestry programme seizes the opportunity to plant more trees and make an even greater contribution to meeting our emission targets.

The case for forestry is therefore a strong one, from economic, social and environmental perspectives; landowners and society in general are set to benefit hugely from this ambitious plan for forestry.

New Forestry Programme 2014 – 2020

Afforestation Premium Rates (same rates for farmer and non farmer)

GPC	Old rate (farmer)	New Rate	Duration (years)	Increase (year on year)
1 - Unenclosed	€155	€185	15	19%
2 - Sitka spruce/lodgepole pine	€369	€440	15	19%
3 – 10% Diverse	€427	€510	15	19%
4 – Diverse	€454	€560	15	23%
5 – Broadleaf	€481	€575	15	20%
6 – Oak / Beech	€515	€615	15	19%
7 – Beech	€515	€615	15	19%
8 – Alder	€481	€575	15	20%
9- Native Woodland Establishment (Scenarios 1-3)*	€515	€635	15	23%
10- Native Woodland establishment (Scenario 4)*	€515	€635	15	23%
11 – Agro-forestry*	-	€260	5	-
12 – Forestry for Fibre*	-	€180	10	-

*new GPC's Most popular GPC

Grant rates (5% increase on fixed rate grant)

GPC	1 st Grant €/ha	2 nd Grant €/ha	Total €/ha	Additional Fencing Allocation €/ha IS436	Alternative Fencing Allocation €/ha Non IS436	Total Available Funding €/ha
1 – Unenclosed	1575	525	2100	500	350	2600
2 - Sitka spruce / LP	2310	735	3045	500	350	3545
3 – 10% Diverse Conifer	2360	790	3150	500	350	3650
4 – Diverse Conifer	2625	840	3465	500	350	3965
5 – Broadleaf	3780	1155	4935	500	450	5435
6 – Oak / Beech	3990	1260	5250	500	450	5750
7 – Beech	3990	1260	5250	500	450	5750
8 – Alder	2520	840	3360	500	450	3860
9- Native Woodland Establishment (Scenarios 1-4)	3990	1260	5250	500	450	5750
10- Native Woodland establishment (Scenario 4)	3780	1155	4935	500	450	5435
11 - Agro-forestry	2960	990	3950	500	450	4450
12a – Forestry for Fibre	1460	490	1950	500	450	2450
12b – Forestry for Fibre (Aspen, 1400)	1245	420	1665	500	450	2165

Forest Roads

The grant rate for roads has increase by €5 to €40/m. The criteria for calculating the eligible area served by the proposed forest road has changed. Where 50% or greater of the area is due for harvesting in the next 3 years the entire area can now be deemed eligible. For co operative road building (joint applications) this can extend to 5 years.

In cases where the proposed forest road bell mouth is at least 2m below the surface of the existing public road an additional 30m will be allowed per forest entrance to contribute towards the cost of additional stone required. This means that bell mouths in this situation can include an additional 60 metres of road length for grant purposes.

A special construction works (SCW) grant is being introduced for 50% of the cost of the SCW up to a maximum of €5,000 per application whichever is the smaller. This provision is primarily aimed at facilitating the construction of forest roads in environmentally sensitive sites to limit any potential adverse impacts from harvesting activities.

Forest road developments which connect to an existing forest road network in a public, state owned or private forest, will be supported. In these situations that proportion of forest road constructed outside of the applicants land will be grant aided.

Native Woodland Conservation

Funding has been set aside for between 300ha-360ha of Native Woodland Conservation per annum. This measure includes support for public and private landowners and also for emergent native woodlands.