

Forestry clinics: key messages

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Over 500 appointments were made during the recent nationwide series of Teagasc forestry advisory clinics. Here are some of the most frequently asked questions.

What do I need to know about changing land-use to forestry?

- Forestry is a permanent change of land use. Before trees are harvested, it is necessary to acquire a felling licence. In the case of a clearfell, there is normally a requirement to replant (there is no grant at present for replanting a forest).
- A well-managed plantation is a valuable asset. However, if we look at land value in isolation, it is clear that in some cases afforesting land can have a negative effect on its value. This of course depends on the pre-planting value and care must be taken when considering planting high value land.

How does the grant work?

Forestry grants are available from the Forest Service (Department of Agriculture, Food and the Marine) under the Forestry Programme 2014-2020. DAFM sets the standards and approves grant and premium payments.

Grant and Premium Categories (Table 1) fund the establishment of a 'conventional' forest with the main objective being to produce commercial timber. GPC 9-12 present other woodland establishment options.

The first grant is available to cover the costs associated with the establishment of the forest and is payable after planting. The balance is paid by way of a second grant four years after planting following successful establishment. Grant levels depend on tree species and soil type.

Is there any reason why I wouldn't get grant approval?

Grant approval is not guaranteed. A basic requirement is that the land in question can support a productive timber crop. Of course, each site must be checked against any relevant environmental restrictions, e.g. NHA, SAC, hen harrier SPA.

Relevant bodies are consulted in

Q&A

relation to approval for planting but the final decision is with the Forest Service, DAFM. For those planning to buy land specifically to plant, it is vital that the relevant checks are carried out to assess a land parcel's suitability.

How long do the premiums last?

Annual forestry premium payments are available to compensate landowners for the loss in income earning potential from the afforestation of their land. New entrants are entitled to annual forestry premiums based on tree species and soil type. This premium is payable for 15 years (with the exception of agroforestry and forestry for fibre schemes where premiums are paid for five and 10 years, respectively). See Table 2 for premium rates.

What happens my Basic Payment Scheme payments if I change land use to forestry?

Eligible land planted with forestry since 2009 and which will be afforested under the new Forestry Programme 2014-2020 can be used to activate BPS entitlements. This is a major advantage for applicants who are in a position to benefit. Landowners should ensure that land to be planted satisfies the rules around "eligible land".

What are the best trees to plant?

A professional forester is required to put together a forestry grant application. This includes tree species recommendations. The forester should consult with the landowner to ensure they understand the choices being made and that they satisfy the landowner's overall objectives.

How long will it take until harvest?

Anyone interested in planting some land must have a clear appreciation of the timescale of the proposed crop. The 15-year duration of the premiums

will usually bring a well-managed crop to first thinning. Thinnings can be carried out multiple times.

If a plantation is to be clearfelled; a typical age for this for conifers would be around 35 years whereas broadleaves can vary but usually take at least 50 years. In the case of many broadleaf woodlands; a final clearfell might never happen but rather replacement trees are planted, while larger trees remain at wide spacing.

What are the predicted returns from forests?

How returns from forestry are presented is always a debatable issue. For example, presenting present-day returns as an indication of what might be achieved in 30 to 40 years' time goes against basic economics. However, it is important that potential forest owners have some idea of potential returns from forestry.





Forestry grants are available from the Forest Service (Department of Agriculture, Food and the Marine) under the Forestry Programme 2014-2020.

Table 1: Grant rates/ha

Grant/premium category (GPC)	First grant (€/ha)	Second grant (€/ha)	Additional fencing allocation (IS436)	Alternative fencing allocation (non-IS436)	Total available funding (€/ha)
GPC 1 - unenclosed	1,575	525	500	350	2,600
GPC 2 - Sitka spruce / LP pine	2310	735	500	350	3,545
GPC 3 - 10% diverse	2,360	790	500	350	3,650
GPC 4 - diverse	2,625	840	500	350	3,965
GPC 5 - broadleaves	3,780	1,155	500	450	5,435
GPC 6 - oak	3,990	1,260	500	450	5,750
GPC 7 - beech	3,990	1,260	500	450	5,750
GPC 8 - alder	2,250	840	500	450	3,860
GPC 9 - native woodland estb (a)	3,990	1,260	500	450	5,750
GPC 10 - native woodland estb.(b)	3,780	1,155	500	450	5,435
GPC 11 - agroforestry	2,960	990	500	450	4,450
GPC 12a - forestry for fibre	1,460	490	500	450	2,450
GPC 12b - forestry for fibre	1,245	420	500	450	2,165

Table 2: Premium rates €/ha

Grant/premium category (GPC)	Annual premium (€/ha)	Duration (years)
GPC 1 - unenclosed	185	15
GPC 2 - Sitka spruce/lodgepole pine	440	15
GPC 3 - 10% diverse	510	15
GPC 4 - diverse	560	15
GPC 5 - broadleaves	575	15
GPC 6 - oak	615	15
GPC 7 - beech	615	15
GPC 8 - alder	575	15
GPC 9 +10 - Native Woodland Estab.	635	15
GPC 11 - Agroforestry	260	5
GPC12a +b - Forestry for fibre	180	10

Table 3: Comparing timber crop value based on land quality scenarios for Sitka spruce

Soil type	Grass/rush wet mineral soil	Less fertile rushy peaty soil
Growth rate (yield class)	YC 24	YC 16
Crop rotation	35 years	40 years
NPV	€9,849/ha	€7,113/ha
AEV	€602/ha	€415/ha

These are indicative values, and calculations are based on premium and timber sales revenues minus costs, including inspection paths, maintenance, insurance, roading and reforestation. These figures do not take into account that the Basic Payment Scheme can also be drawn down on eligible forestry ground.

It is important to recognise the variation in forest productivity. Therefore, it is useful to compare returns from forestry on different site types on an annual per ha basis. This can be done by calculating the net present value of a forest (the total net value of a timber crop over the rotation expressed in today's money).

This net present value can then be presented as a series of equal cash-flows over the forest's rotation length. It is this annual equivalent value, which can be used to compare returns from forestry against other farm enterprises.

What happens after final harvest?

The felling of trees is controlled by the Forestry Act. This act requires that a felling licence is in place for any tree-felling (with some minor exceptions). In the case of a clearfell, replanting is compulsory. There is no

reforestation grant at present. The cost of reforestation of a conifer crop is estimated to be €2,500/ha whereas clearfell revenue could be in the region of €20,000 to €25,000/ha (site dependant).

Are there any other options than conventional plantation forestry?

The latest Forestry Programme 2014-2020 includes some new options for woodland establishment. These options still come under the Forestry Act and so replanting is required in the case of a clearfell. These options include:

- **Native woodland establishment:** the focus is on native species with minimum site disturbance with long-term close-to-nature management. It presents opportunities for planting on environmentally sensitive sites.
- **Agroforestry:** combination of forestry and pasture, between 400 and

1,000 trees/ha. Trees are protected so grazing by sheep or small domestic stock is permitted.

• **Forestry for fibre:** the growing of productive tree species to produce wood biomass over 10 to 15 years. Trees are planted at a minimum of 2,000 trees per hectare. Species such as Italian alder, hybrid Aspen, eucalyptus and poplar are used.

The forestry option presents many opportunities for landowners, but it is important to base any decision on sound advice and information tailored to individual cases.

As a follow-up to the forestry clinics, the Teagasc forestry development department will be running a series of forestry management walks from 18 to 29 April.

Further details on these events will be advertised closer to the dates or can be seen on www.teagasc.ie/forestry/events.