

Forestry Review and Outlook

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Overview

■ Forest Sector 2020

- Annual planting
- Forestry returns
- Timber demand/supply
- Timber prices

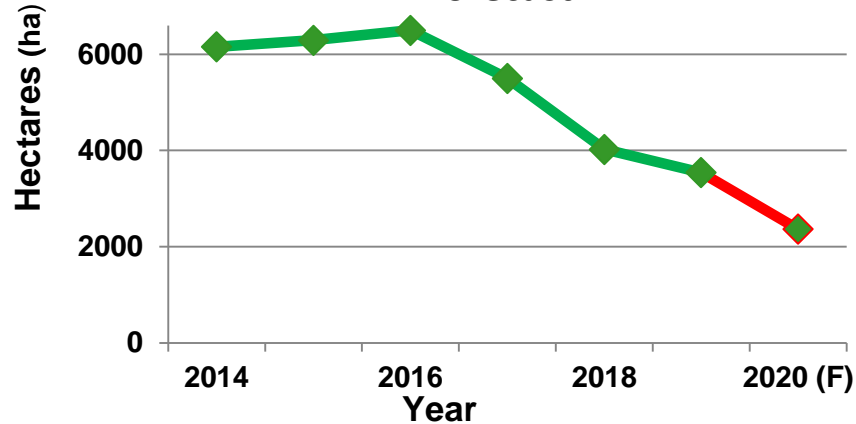


■ Outlook 2021

- Challenges/opportunities
- Brexit

Afforestation Levels

Annual planting 2014 - 2019 with 2020 forecast



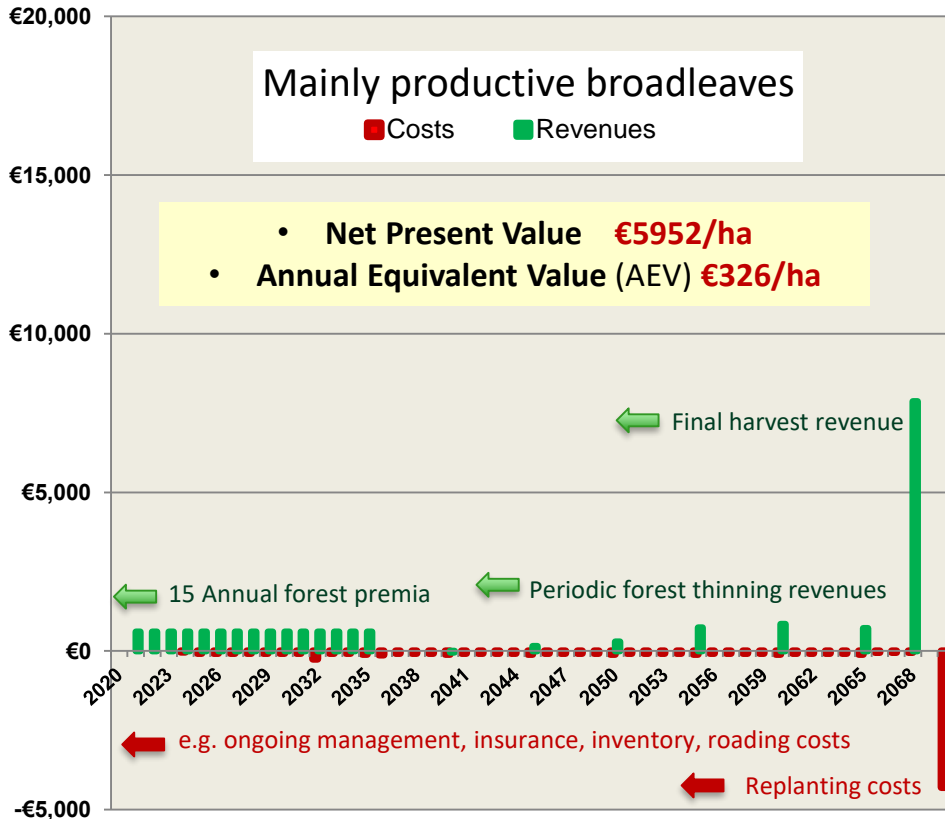
Sectoral Feedback

- Urgent need to dramatically increase the supply of licences for the key forestry activities in December 2020 and into 2021
- Industry is fully reliant on a continuous flow of approvals through the licencing system.
- Support to farmers and land-owners in terms of re-engaging with the forestry option as a viable and complementary land use and building confidence on the merits of planting.

DAFM Actions

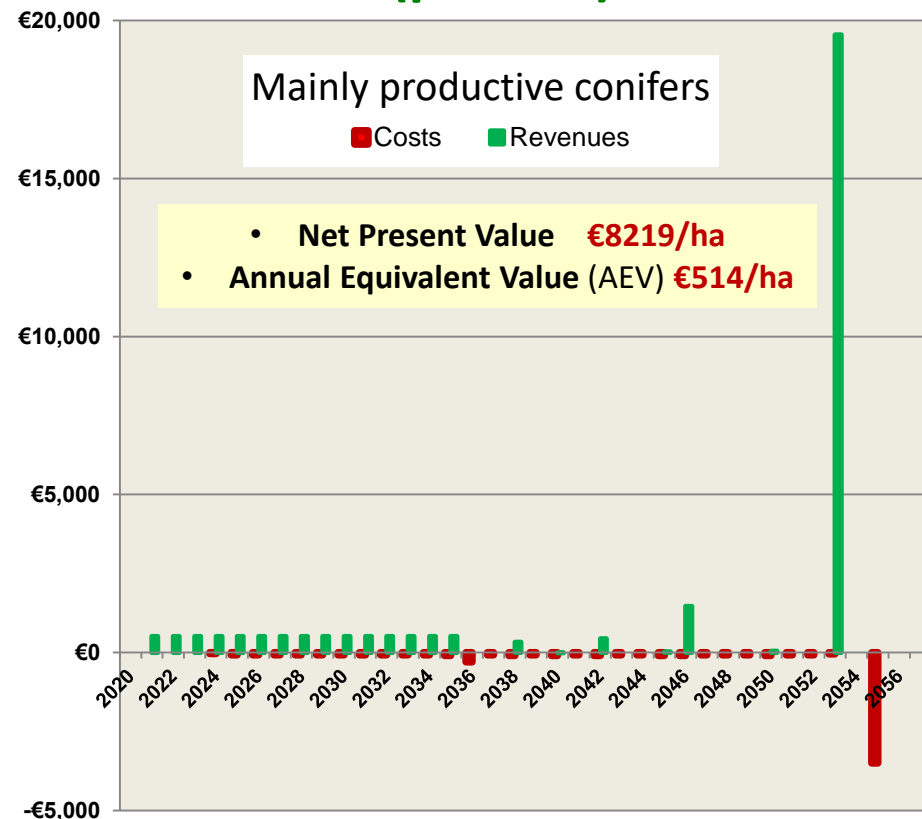
- Forestry (Miscellaneous Provisions) Act 2020 (October 7)
- Fees introduced for forestry applications, submissions and appeals
- Four Appeals Committees
- Dedicated Project Plan/Management Board
- Addition inspectorate/ecology staff
- Forestry portal for visible/transparent access to all applications/site details
- Appointment of Ms Jo O'Hara to advise on implementation of the MacKinnon Report
- Forest Policy Group convened

2020 Indicative Forest Returns (per ha.)



GPC 5: 85% Sycamore, Yield Class 8
15% Area for Biodiversity Enhancement (ABE)

(ABE = open spaces, retained habitat, hedgerows, environmental setbacks)

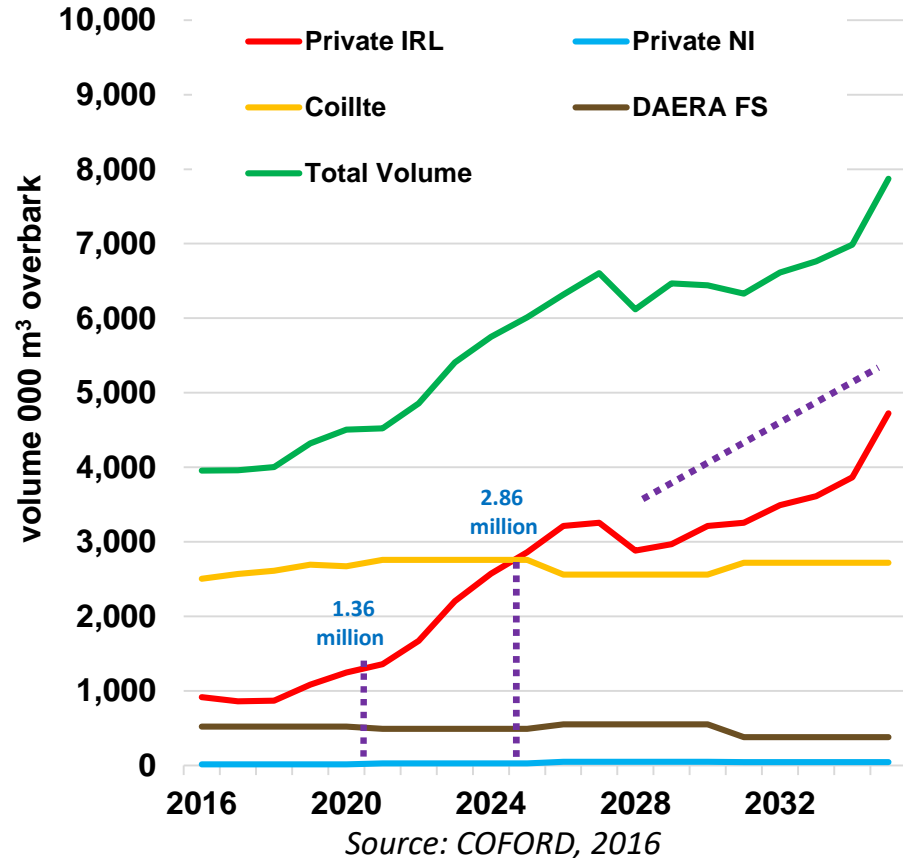


GPC 3: 70% Sitka spruce, Yield Class 24
15% Broadleaf species,

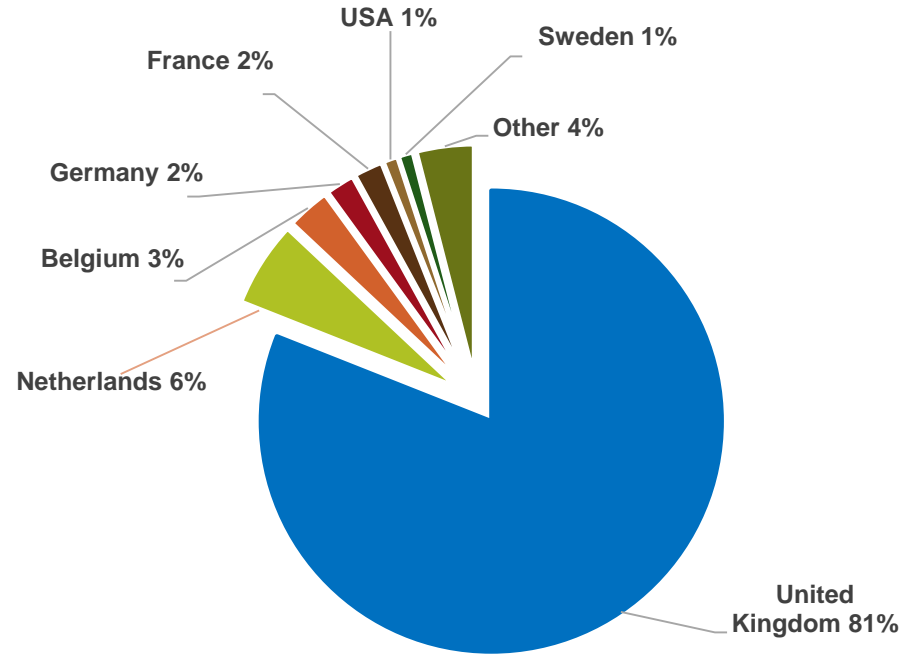
15% Area for Biodiversity Enhancement (ABE)

Timber Supply

Forecast of total net realisable roundwood volume production to 2035 ('000s m³)



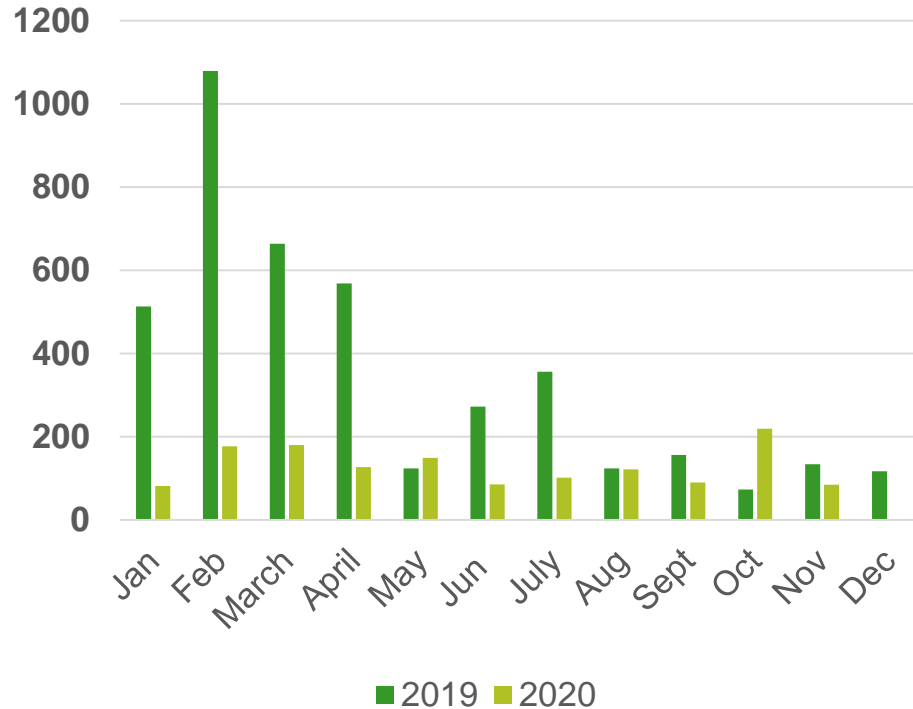
Top destination countries for forestry exports 2019



Source: DAFM 2020

Timber Supply


Monthly felling licences issued 2019 vs 2020



Source: DAFM, Forestry Section Monthly Reports (2019/20) and Forestry Dashboard (24 November, 2020).

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MI Wood industry news at GWMI
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European bark beetle logs fill China's wood hunger



European bark beetle logs fill China's wood hunger - Global Wood Markets Info

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Lumber shortage in the US

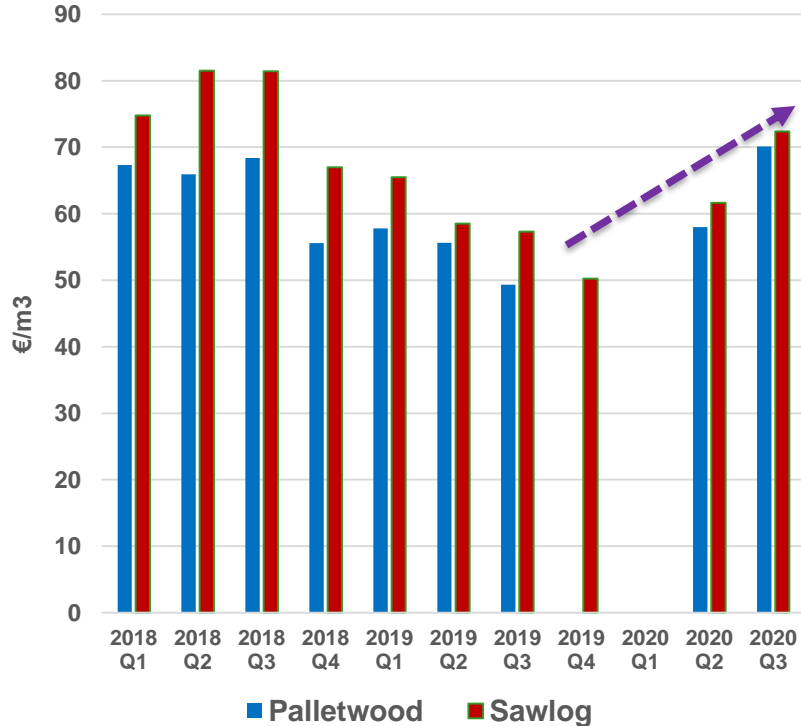


Lumber shortage in the US - Global Wood Markets Info

Source: globalwoodmarketsinfo.com

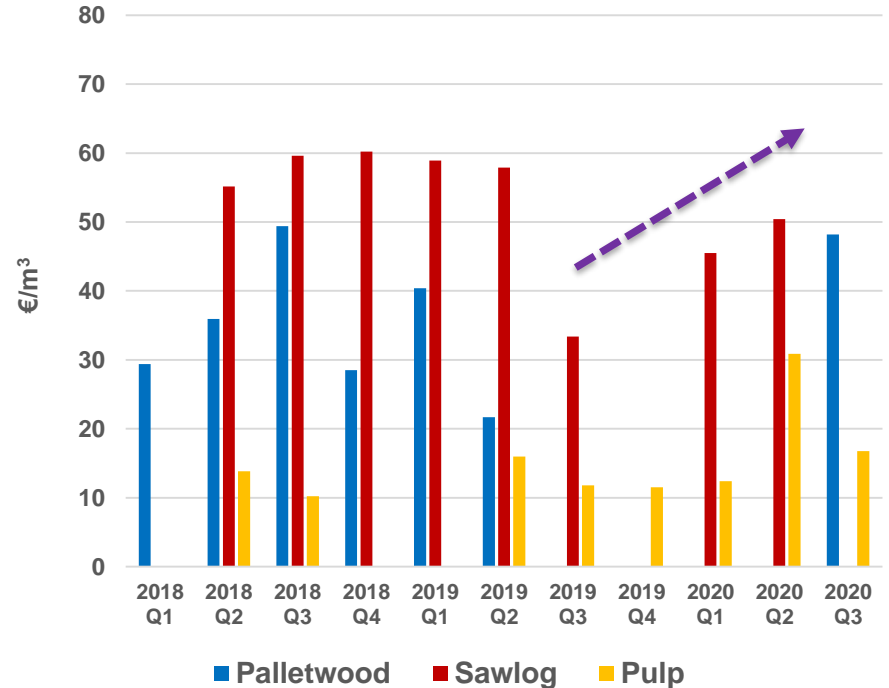
Timber Price Trends

Coillte Quarterly Contracted Standing Sales (€/m³),
Q1, 2018 to Q3, 2020



Source: Coillte.ie

Private Quarterly Roundwood Prices (€/m³),
Q1, 2018 to Q3, 2020



Source: ITGA.ie

Brexit Issues

Requirements:

- **Border controls**
- **Custom processes**
 - Documentary identity and physical checks
 - Commodity Codes
 - Economic Operator Registration and Identification (EORI) number,
 - VAT processes
 - Due diligence requirements (EU/UK Timber Regulations)
- **Wood based packaging**
 - International phytosanitary plant health measure
 - ISPM 15



Source: DAFM 2020

No Deal Scenario

- **UK Global Tariffs**
 - Most wood products remain duty free
 - Panel board products **6% duty**
- **Effect on EU/Sterling Relationship**
- **Supply chain disruption**
- **Effect on economic/construction activity**

Type	Section within EU Trade Tariff	Coniferous e.g. Pine/ Spruce	Temperate e.g. Oak / Ash	Tropical Okoume Sapelli / Meranti
Particleboard	44 10	6%	6%	
OSB / Waferboard	44 10	6%	6%	
MDF / Fibreboard	44 11	6%	6%	6%
Plywood / Laminated wood	44 12	6 or 10%	6%	6 or 10%
Picture frames	44 14	0%	0%	2%
Windows	44 18	2%	2%	2%
Doors / Frames	44 18	0%	0%	2%

Source: Boulton, UK Timber Trade Federation

2021 Outlook

■ Licencing

- Priority is dramatic increase in the flow of licences for the key forestry activities

■ New planting

- Support to farmers and landowners
- Collaborative promotion
- Direction of Forestry Programme post 2020 will become clearer

■ Timber mobilisation

- Building forest owner capacity
- Awareness raising/promotion of timber certification

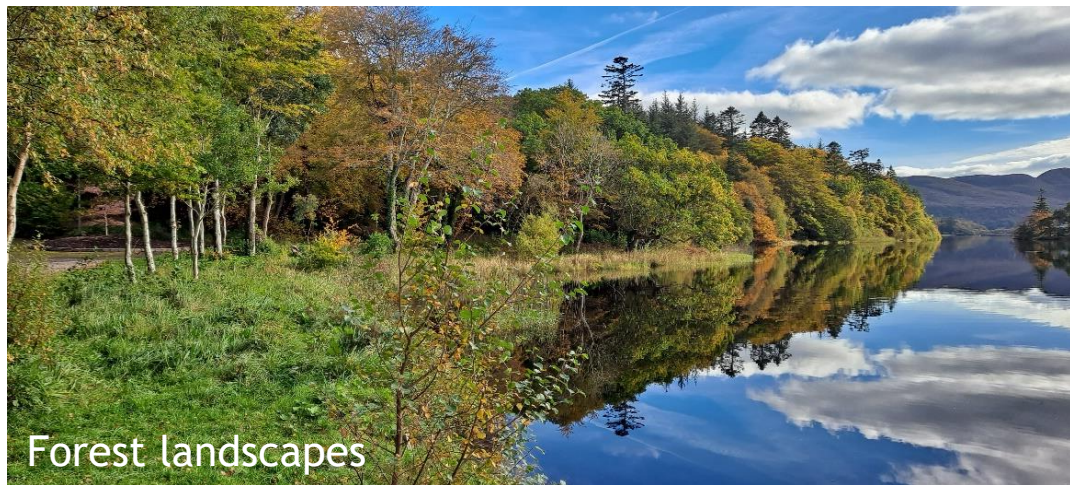
■ Timber demand

- Forecast 20 - 21,000 housing completions in Ireland 2021
- Post Covid 19 recovery
- EU/UK-related developments likely to have significant impacts in 2021

■ CAP Post 2020

- Positive framework to support afforestation





Forest landscapes



Trees on the farm



Celebrating Our Forests
Forest wildlife and plants



Enjoying our forests



Thank You

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