DECEMBER 3RD 2024

OUTLOOK 2025

Situation and Outlook for Irish Forestry

FORESTRY

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Overview

Forest Sector 2024

- Annual forest planting levels
- Indicative forestry returns
- Timber price trends
- Timber demand and supply

Outlook 2025

- Planting levels 2025
- Net realisable timber volumes
- Timber markets 2025
- 2025 challenges and opportunities

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REVIEW OF 2024

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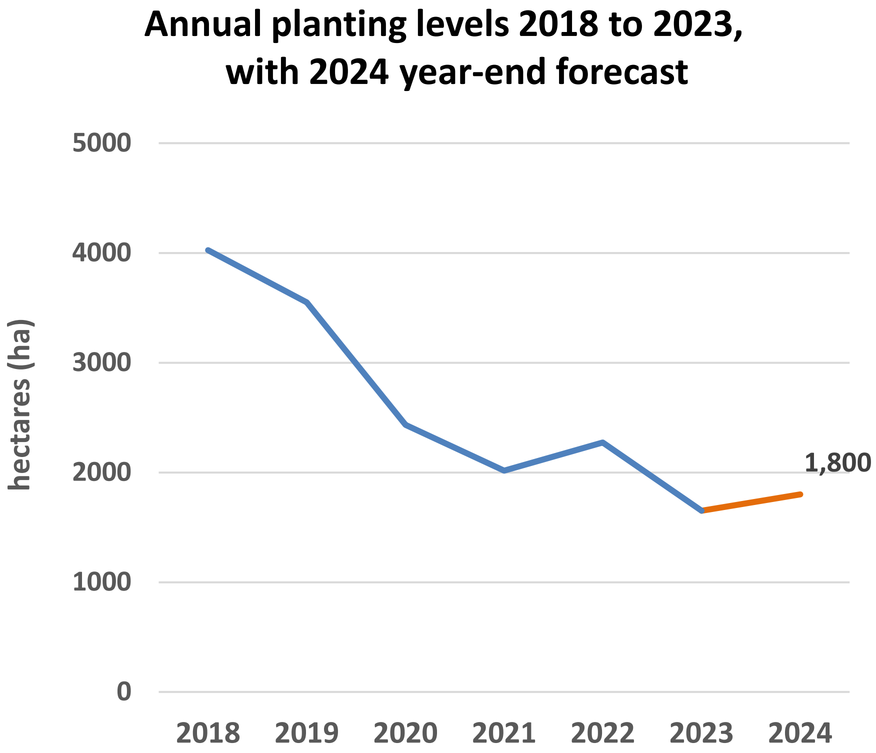
New Forest Creation 2024



- 2024 planting levels to remain under 2,000 hectares
- Positive signals for 2025 planting

Source: *DAFM, Forestry Division Monthly Reports (various years)*

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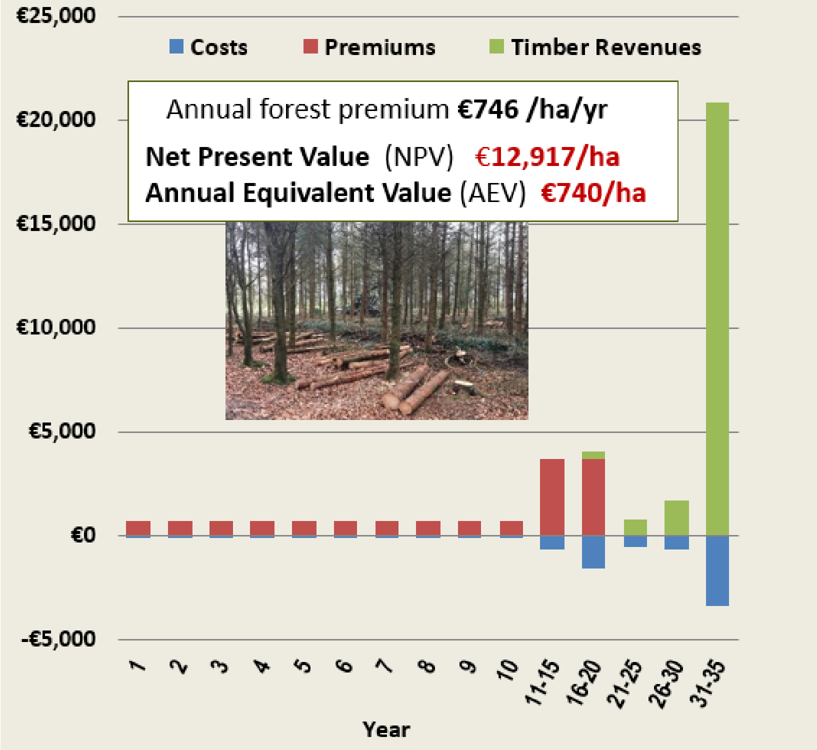
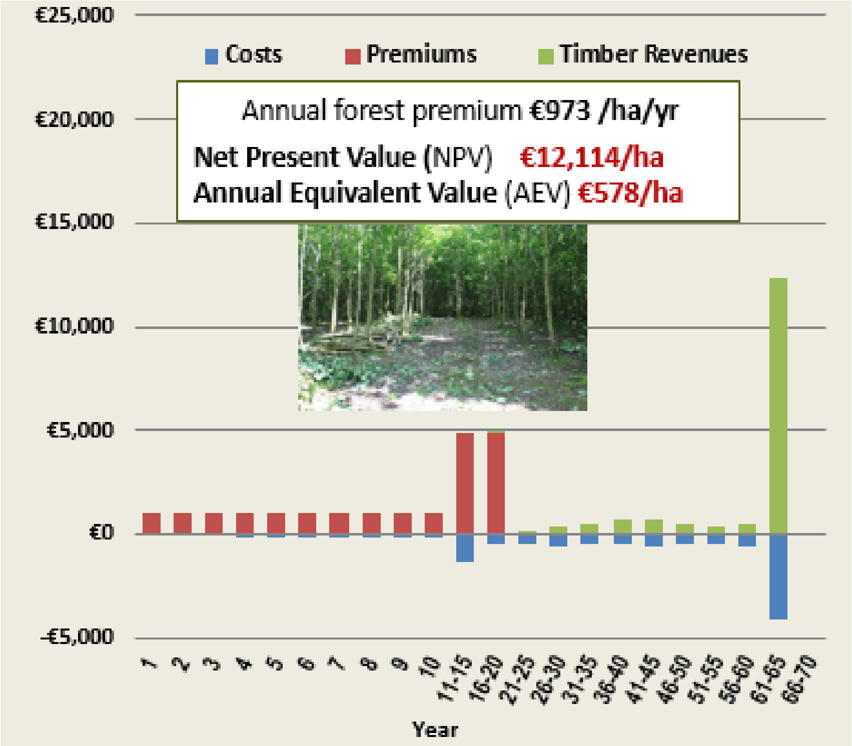
Indicative Forest Returns for Two Forest Types (FTs)

FT12 - Mixed high forest with mainly spruce, 20% broadleaves



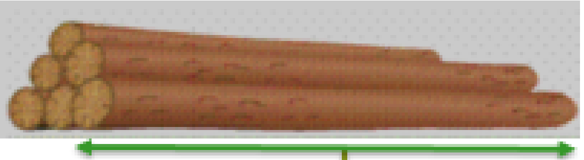
Forest Type 12: 65% Sitka spruce, 20% Broadleaf species,
Yield Class 24, Rotation of 35 years, Discount rate of 4.5%
15% **A**rea for **B**iodiversity **E**nhancement (ABE)
(*ABE = open spaces, retained habitat, hedgerows, environmental setbacks*)

FT7- Productive broadleaf forest



Forest Type 7: 85% Sycamore, Yield Class 10,
Rotation of 65 years, Discount rate of 4.5%
15% **A**rea for **B**iodiversity **E**nhancement (ABE)

Timber Prices



Product	Length (m)	Small end diameter (cm)	Mill Gate Prices July – Sept 2024 €/tonne (ex VAT)
Pulpwood	3		48 - 62
Palletwood	3.1	14+	68 - 77
Palletwood	3.7	14+	70 - 75
Sawlog	4.9	16 - 20+	89 - 110

- Prices are indicative and fluctuate according to a range of factors
- Prices have remained stable since 2023:
  - Strong prices reported for small to medium logs
  - Reported opportunities for increased domestic sawlog supply arising from the suspension of Scottish log imports in August 2024

Source: industry feedback, 2024

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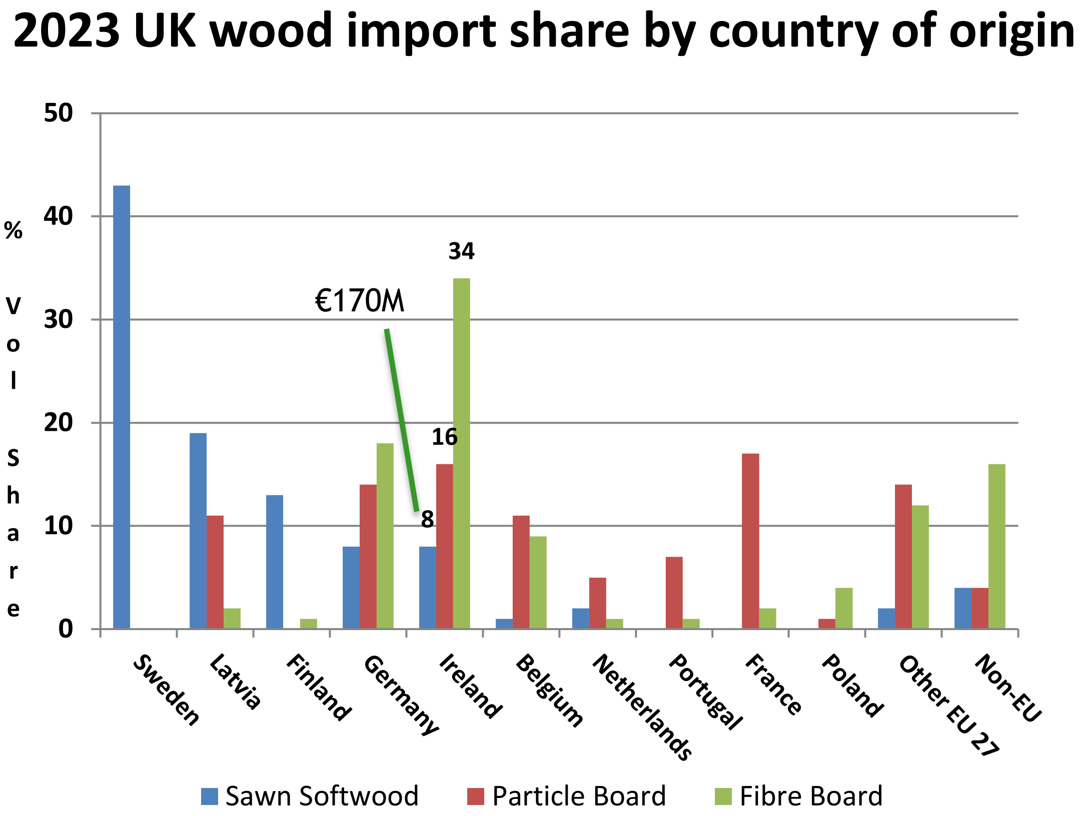
Timber Markets

2023

- Exports of 1.44 million tonnes of forest and wood based products:
  - Valued at €647 million
  - Decrease of over 6% in volume and 17% in value on 2022 levels

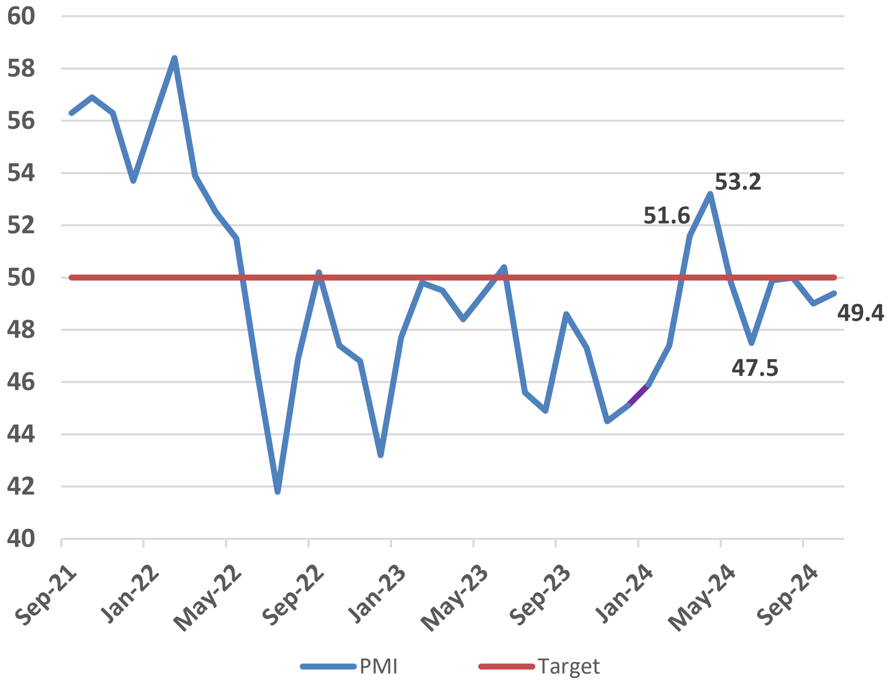
Source: *DAFM 2024*



Source: *Forestry Commission, 2024*

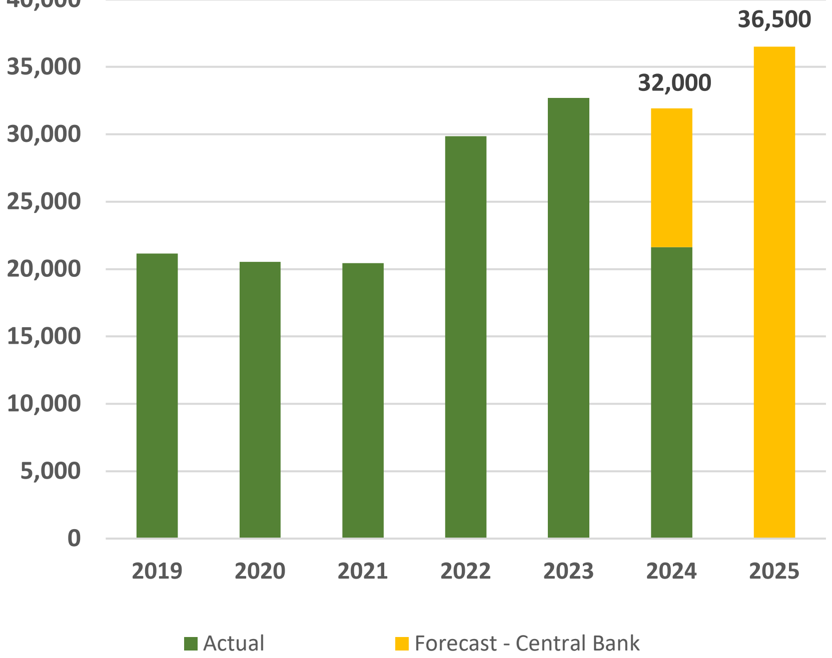
Domestic Timber Markets 2024 - Construction

BNP Paribas Real Estate Ireland Construction PMI Sept 2021 to Oct 2024



Source: S&P Global, 2024

New Dwelling Completions, RoI, (actual and forecast) 2019-2025



Sources: CSO 2024, Central Bank 2024

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UK Markets 2024

- Value of UK softwood imports 3.4 % lower Jan-July 2024 compared with same period in 2023 (1.3% reduction in import volume)
- Reported fall in timber import deficits during 2024
- Overall imports of softwood are forecast to fall by 2.9 % for 2024 over 2023 levels (TDUK National Softwood Division)

Source: CPA Autumn Forecast 2024;

Source: *Global Wood Market Info, October, 2024*

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OUTLOOK FOR 2025

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Planting Levels 2025

Afforestation Scheme approved	Since Sept / Oct 2023		Issued - year to date	
	No	Hectares (ha)	No	ha
Afforestation Scheme licences	626	5,355	537	4,360
Afforestation licences, previously approved, and now approved under new scheme	202	1,606	114	833
Native Tree Area Scheme	357	389	327	356
Total	**1,185**	**7,346**	**987**	**5,549**

Source: DAFM, 2024 Weekly Dashboard

- Over 7,300 ha currently licenced for planting
- Significant decrease in turnaround times for new planting applications
- **Forecast increase in planting levels in 2025**

- Support decision making on options for conversion of land licenced for planting into new forestry
- Help ensure an increasing trend in new planting applications

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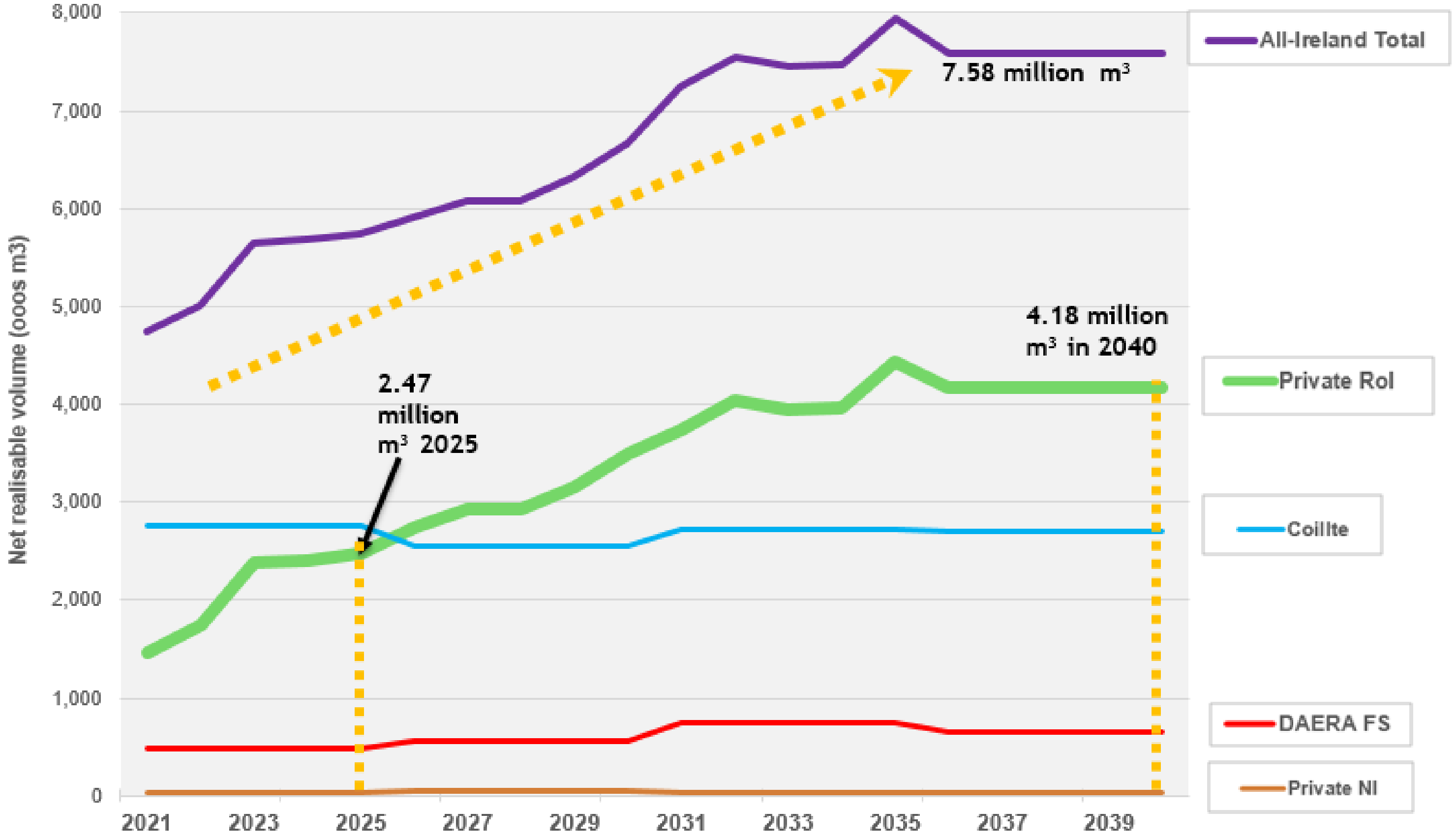
All Ireland Net Realisable Timber Volumes 2025 and Beyond (000's m^3)



Source: COFORD 2021

Domestic and UK Markets - 2025

- **New dwelling completions of between 36 – 41K**
- **Focus on timber use in construction**
  - Inter-Departmental and Industry Steering Group
- **Opportunities to expand wood energy use**

- **UK construction output forecast to rise by 2.5% in 2025** (CPA, 2024)
  - Private housing and RMI impacts
- **Room for positivity**
  - Autumn 2024 budget measures to support construction sector in UK
  - Linked to need to decarbonise built environment
- **Optimise market opportunities**
  - Flexible, responsive and market-focused approach required

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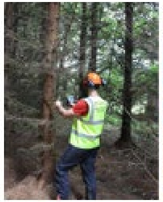
Other 2024 Challenges and Opportunities

New forest creation

- Awareness-raising and decision support

Sustainable management and timber mobilisation

- Capacity building forest owners



Forest certification

- Preparatory work progressing towards a Irish Nation Group Certification Scheme

Ash forests

- Progression of reconstitution of Ash Dieback-affected woodlands

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THANK YOU

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