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New forestry premiums should 'encourage farmers' to plant

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The new premium rates and the extension of annual payments from 15 to 20 years for farmers in the new Forestry Programme should encourage farmers back in to the scheme, Society of Irish Foresters technical director Pat O'Sullivan has said.

"The new premium increases between 46% to 66% and the return to the 20-year premium for farmers have piqued the interest of farmers and will give many a reason to relook at forestry as an option on their farms, particularly in areas that complement their existing enterprises," said Jason Fleming, IFA farm forestry chair.

Mark McAuley, director of Forest Industries Ireland (FII) – the forestry group in Ibec – said the new programme "is a massive vote of confidence in the future of the forest sector", especially compared with the old schemes.

"A farmer who wishes to plant 10ha will now receive over €120,000 more funding compared with the last programme," he said (Table 1).

"For commercial forest, the new payments add up to nearly €150,000, up from €77,000," he added.

"The Government has realised that we need to adequately incentivise tree planting because it is absolutely critical to our climate change targets."

Fleming noted that "the area of broadleaves now required has increased from 15% to 20%, in addition to the area that a farmer needs to set aside for biodiversity enhancement".

He explained that this reduces the productive forest area by 30% and although farmers will receive premiums for the total area, the financial return for timber sales is reduced to 70% in the long term. "It is vital that ecosystem services are properly valued to pay farmers for non-wood benefits provided by their forests beyond the 20-year premium period."

Donal Whelan, technical director of the Irish Timber Growers Association (ITGA), said members welcomed the strong funding for the afforestation schemes but said it is vital that the further six proposed interventions are also well supported to maximise the benefits from our existing forests.

"These include supports for sustainable forest management and certification, infrastructure and technology investment and climate resilient reforestation, including reconstitution funding such as ash dieback," Whelan said.

"The new Forestry Programme is a great commitment from Government to woodland creation," said Marina Conway, CEO of the Western Forestry Co-op.

Table 1: Premium comparisons between existing and new forestry programme for 10ha of afforestation carried out by farmers*

Old forestry programme (2015-2020)			New forestry programme (2023-2027)		
Scheme	**Premium**	**10ha**	**Forest type**	**Premium**	**10ha**
GPC3: Sitka + 10% native	€510	€76,500	FT12 Sitka + 20% native	€746	€149,200
GPC:9/10:Native woodland	€665	€99,750	FT1 - Native	€1,103	€220,600

*Premium payments over 20 years for farmers; 15 years for non-farmers (FII)

"However, I must note my concern regarding the lack of a premium differential between a farmer and non-farmer. I am concerned that institutional investors will outcompete local farmers for land because of access to the same high forest premiums. This has the potential to distort land markets with consequential impacts on farm forestry and farm families."

Padraig Egan, general manager of SWS Forestry, reflected the overall response of forestry companies.

"The premium increases are extremely welcome and should attract strong investment in afforestation," he said.

"However, the 20% grant increases do not reflect increased costs and need to be adjusted in line with inflation."

Michael Moroney, CEO of the Association of Farm & Forestry Contractors in Ireland (FCI), said: "Investment in farm forestry has never been more attractive and will be supported by a forestry contractors."

He shared Padraig Egan's view about the increase in the establishment grant, which does not take inflation into account.

"For example, recent increased costs include a doubling of fuel and lubrication oil prices and an increase of over 30% in machinery costs," he said.

"In addition, there has been a trebling in the cost of diesel exhaust additive – commonly known as AdBlue. All these increases have occurred at a time when skilled labour is scarce and increasing in cost."

A number of stakeholders including the IFA said that ash dieback has to be addressed within the new programme to restore confidence.

"The programme requires a major promotional drive to ensure its success," Pat O'Sullivan added.

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