

Woodland Owners are missing out big time!

There appears to be a big discrepancy in the forestry sector. 2015 has seen records broken for the forest property and timber industry. Timber production has reached £12 million tonnes per annum. A total of £150 million was traded in forest property transactions and the forestry sector as a whole is estimated to be worth £270 billion to the UK economy. The timber market has never been as buoyant with timber prices remaining stable so far this year at levels similar to those in 2014. Demand is continuing to be strong for fencing, chip and biomass, despite other downward price movements. Although exchange rates will inevitably affect the price of sawlogs in the future, the forecast looks good. Despite the favourable economic conditions for timber, how is it that 47% of woodlands in the UK remain unmanaged, including 30,000 hectares in the Marches region alone? These woodlands have experienced little or no thinning or felling for many, many years.

A recent report by the Forestry Commission has revealed that farmers, including those in the struggling dairy sector, and landowners across England are missing out on millions of pounds of untapped income despite many landowners looking for new ways to open up alternative revenue streams from their existing estates. Thinning woodland not only generates income but opens up the forest floor to allow native flora, such as bluebells to regenerate, thereby improving habitat for wildlife and the overall appearance of the wood. The timber doesn't have to be of the highest quality to make a profit either. The price for woodfuel and chip-wood is now high enough for owners to diversify and realise a return. It is not just income from timber being overlooked. but also income from shooting and recreation as well as financial assistance in the form of woodland management grants under the new Countryside Stewardship scheme.

The woodland element of CS is providing financial assistance for multi-year woodland improvements (£100/ha./yr), as well as one-off woodland improvement capital grants, for example deer fencing (£7.20/metre), and capital infrastructure, such as putting in a track (40% of the cost) to improve access to extract timber. Land owners who want to apply for funding through the RDPE to improve their woodland in 2016 should prepare now by having a woodland management plan in place as the above grants cannot be applied for without a UK Forest Standard Plan first being approved by the Forestry Commission. The exception to this is the woodland creation grant (limit of £6,800 per hectare for planting and protection) and tree health restoration grant. In addition, there is also a capital grant of £1,000 to assist with the cost of writing the management plan and the FC are looking to expedite the whole planning process by introducing a simpler system using "Earned Recognition" for getting plans approved. This can only be good for owners and the UK timber industry going forward.

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