

Cynulliad Cenedlaethol Cymru | National Assembly for Wales
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig | Climate Change,
Environment and Rural Affairs Committee
Ymchwiliad i ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng
Nghymru | Inquiry into the Future of Agricultural and Rural Development
Policies in Wales

AAB 13

Ymateb gan Confor
Evidence from Confor

1) What are the fundamental outcomes we want to see from agricultural, land management and rural development policies?

A greater focus on land management that provides benefits, ideally multiple benefits, for the people of Wales not just for individuals within Wales. Wales is a small county, land is in short supply so policy should focus on making the best use of each piece of land.

Employment and economic growth must be a high priority as any land management prescription that is financially self-sufficient will stand the best chance of succeeding.

In addition policy should encourage and support land managers to achieve the widest possible benefits from every piece of land. Provisioning services like timber and food production, biodiversity and providing leisure facilities are often the primary land function, but water management (flood prevention and improving water quality) or cleaning the air we breathe are fundamental requirements of society, any form of land management should aspire to protect and improve these most basic of requirements. Land management prescriptions that achieve multiple benefits should be the preferred option and policy should enable WG, regulators and managers to make the difficult choices needed to achieve these goals.

Land management policy should concentrate on the outcomes we want for Wales and not be influenced by the likelihood, or not, that public financial support may be available to support it.

Any policy, and by definition the public support that may, or may not, follow the aspiration of that policy, should be entirely based on management operations that will achieve multiple benefits.

Expanding the area of woodlands in Wales is a certain way to achieve the majority of outcomes that will benefit all the people in Wales, land management and rural development policies that encourage and support woodland creation and management can help to achieve these benefits for society.

Woodlands for Wales Strategy⁵ (WfW) notes that woodland has long been recognised as a valuable setting for a wide range of community activities and public involvement for all sectors of society. Woodlands and forests can help to improve people's health and wellbeing, support community development and provide learning opportunities. In many cases the same activities also support economic objectives such as job creation and enterprise development. These jobs and businesses may involve the direct use of trees and timber products, or the use of woodlands as a setting for leisure and tourism enterprises - which are a significant part of the Welsh economy, particularly in rural areas.

WfW strategy⁵, identifies four key outcomes where woodlands could improve the quality of life:

- More communities benefit from woodlands and trees.
- More people enjoy the life-long learning benefits of woodlands and their products.
- More people live healthier lives as a result of their use and enjoyment of woodlands.
- More people benefit from woodland related enterprises.

Rural policy should support the desired outcomes of the WFW strategy and the WfW vision that:

“Wales will be known for its high-quality woodlands that enhance the landscape, are appropriate to local conditions and have a diverse mixture of species and habitats.” These will:

- provide real social and community benefits, both locally and nationally
- support thriving woodland-based industries and
- contribute to a better quality environment throughout Wales.

a) Climate change is probably the biggest challenge humanity will ever have to face and Wales is playing its part with the Well Being & Future Generations and Environment Acts.

Rural policy should focus on how best to mitigate against climate change, including preventing flooding, at an all Wales level and it should recognise the true value of forests and timber products as climate change mitigation measures.

Both the Read report of 2010⁶ and the Wales Climate Change Strategy 2010⁷ recognised that forestry creation was one of the best ways of mitigating against climate change and recommended a vast increase in woodland creation in Wales, which has not yet been achieved.

The Read report of 2010⁶ stated that “Sustainable forest management can maintain the carbon store of a forest at a constant level while the trees continue to remove CO² from the atmosphere and transfer a proportion of the carbon into long-term storage in forest products”. And that “Woodland creation provides a highly cost-effective and achievable abatement of GHG emissions when compared with potential abatement options across other sectors. The two most cost-effective options were conifer plantations and rapidly growing energy crops”⁶.

In addition the WG own Climate Change Strategy for Wales⁷ recognises the benefits Welsh woodlands provide for climate change mitigation which acts as a net carbon sink as well as providing fossil fuel substitution benefits through woodfuel and solid timber as a material. The report⁷ calls for “the expansion of woodland in Wales to 5,000 ha per annum maintained over 20 years. This will expand the carbon sink and so off-set emissions. Secondary benefits will be obtained if carbon is locked in wood products (e.g. increased use of wood for buildings substituting for more energy intensive materials such as steel and concrete”.

If climate change mitigation and flood prevention is to be a fundamental objective of land management then rural policy must link to climate change policy and address and remove the barriers and obstacles to woodland creation and be a driver of woodland creation not a shackle to burden the forestry sector.

b) Any policy, and by definition the public support that may, or may not, follow the aspiration of that policy be entirely focused on sectors that will eventually achieve financial self-sufficiency. Welsh policies should focus on winners not losers. Public support for any sector must have clear objectives and outcomes and most importantly an end date.

Upland Forestry WALES study⁸ 2015 makes a compelling argument that farmers, land managers and the public purse would benefit from a change in land use towards more commercial forestry. It reports that:

- Forestry once established currently produces almost five times the economic output of farming before subsidy.
- Forestry in the future is expected to produce one and a half times the economic output of current farming before subsidy.
- Forestry's spending in the economy is currently double that of farming.
- Once established, forestry trades at a surplus, farming at a loss, before subsidy.
- Employment - Forestry currently supports 60% more jobs than farming in the surveyed areas at present.

Diverting land subsidy towards commercial woodland creation on specific land types would have no net increase in costs and, had we done so 15 years ago, it would actually save £224/ha by 2019¹¹ from WG finances as woodland would no longer require direct farmland subsidy (5000ha of new forest would save £1.1m annually by 2019).

The potential saving to public funds is huge.

Woodland creation is capital intensive in the first year as trees are planted, and does not provide income for landowners in the early years which is recognised as a problem. A possible solution would be to divert land subsidy towards woodland creation by annualizing the first seven years Basic Payments landowners currently receive as a one off upfront payment which could be used to prepare the ground and plant the trees, then continue Basic Payment Scheme payments for perhaps 10 – 15 years, by which time the forests would start to provide the annual income landowners need. This would be a way of using public funds to kick start woodland creation, retain land ownership and Welsh culture and have a termination date for the public subsidy of land management, all at no extra cost to the public purse.

The commercial arm of forestry is a thriving industry and the income generated will help pay for all the other benefits forests provide in the future. The UK is the third largest importer of wood products in the world, we already have a huge market for the products right next door to Wales without having to access the single EU market¹. Wood product imports alone to the UK in 2015 were valued at £7.5 billion². Wales produces 1.5m cu m 2014³, just 5% of the UK demand so there is a massive market opportunity for Wales to exploit.

We have a modern wood processing sector in Wales that has invested heavily in recent years to become more efficient, the wood processing companies in Wales tell us they could do much more, a quote from many of them is “we would double or treble capacity if the forest timber resource was there to do that”.

We do not even need inward investment to achieve growth, most of the forestry sector is dominated by home grown family owned Welsh companies that stand ready to expand and create the jobs and growth we need.

The forestry and wood-using sector in Wales has an annual Gross Value Added (GVA) of £500 million and employs between 8,500 and 11,300 people in Wales⁴. This GVA could be significantly increased by a programme of productive woodland creation in Wales.

Forestry and wood processing is the classic sustainable sector; trees harvested to create the everyday wood products that society needs can be replanted in a never-ending cycle. Unlike other sectors, an increase in the economic activity of the forestry sector also delivers all the additional societal benefits like biodiversity habitats, recreational facilities, water management and cleaning the air we breathe.

All the sector needs is the confidence that the resource is being created. Planting a tree is effectively planting jobs for the future and those trees will fix the jobs to rural Wales.

Wales has an ideal climate for growing trees and there has never been a stronger economic case for dramatically increasing the forest area of Wales which will create a truly green economy, sustained growth and investment in very high tech industries.

Land management policy should be used to encourage woodland creation for Wales, even the public purse will benefit from a change in land use towards forestry, as once established, forestry can deliver a strong economic output and will rely far less on public subsidy.

2. What lessons can we learn from current and previous policies? What about policies elsewhere?

All the benefits mentioned above from the forestry sector and more are being put at risk as result of past and present forestry and other land use policies in Wales.

Historically policy has failed to fully implement the requirement of the WfW strategy by not “ensuring that the overall productive potential of Welsh woodlands is maintained”⁵ as a result, since 2001, the area of productive conifer woodland in Wales has decreased by 18,000 ha⁴ and as a result by 2029 there will be a major fall-off in the long-term supply of timber which will be devastating for wood using businesses and jobs they sustain in Wales¹⁰.

With global demand rising, pressure on timber imports from overseas is also rising. WWF's Living Forests report¹² estimated that "global demand for wood for timber, paper and energy could triple by 2050 as population rises and consumption increases", and that "we cannot take three times the amount of timber from global forests without investing heavily in maintaining and creating forests to meet this demand". Wales must reduce its demand on imports and ensure a sustainable long-term domestic supply of timber which historic land use policies have not addressed.

Wales does have good, fit for purpose domestic legislation (the Well Being & future Generation Act (WB&FGA), The Environment Act (EA), Woodlands for Wales Strategy⁵), much of which should help to increase the area of woodlands and forests in Wales. In addition to this the forestry sector has the UK Forestry Standard⁹ (UKFS), an internationally recognised standard which has been in place for years and is already followed by the sector. However of these some can often work against each other, either directly by injecting competition between land uses or indirectly by adding complexity and therefore indecision.

a) Rural policy should be clearer and give guidance on priorities enabling decision making and allowing the current legislation to work effectively.

b) Owner's priorities for their land management should be recognised and facilitated, too often regulators are deciding what the priorities are and imposing their version of sustainability onto land owners.

c) Most of the forestry sector in Wales is managed responsibly and managers, as professional individuals guided by professional codes, should be allowed to manage.

3. To what extent should Wales develop its own agricultural, land management and rural development policies or should it be part of a broader UK-wide policy and financial framework?

Wales does have many unique landscapes not mirrored in other parts of the UK so Welsh policy should focus on how best to manage these.

However land managers in their work, and the products they produce, do have to operate cross borders so there should be recognition that Welsh policy should try and assist this by not being radically different unless there is overwhelming evidence to do so.

Above all making a profit on any land management operation is essential in order for any farm/forest business to survive.

This submission has been read and approved by the Confor Wales Committee which includes saw mill owners, forest owners and managers and contractors associated with the forestry sector.

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