

Forestry Review and Outlook 2023



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Overview

■ Forest Sector 2021/2022

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

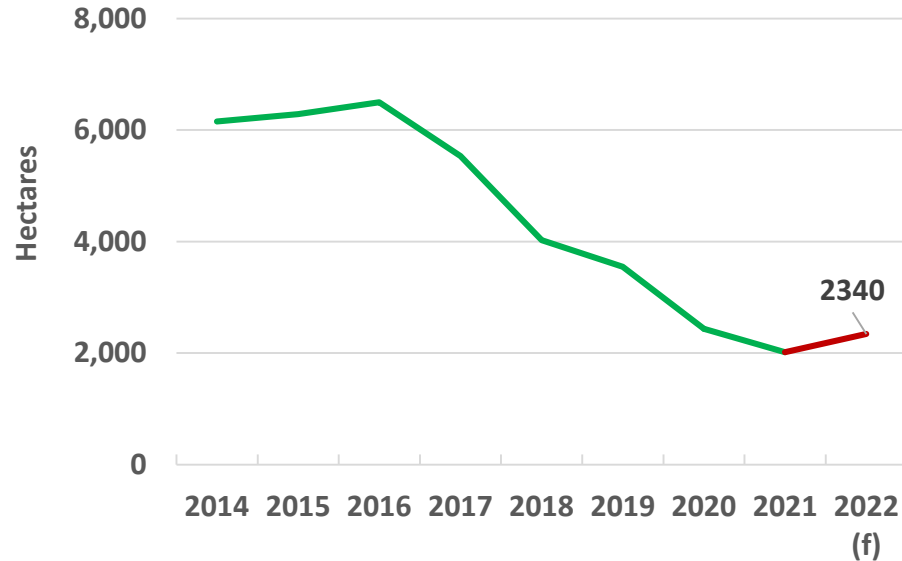
■ Outlook 2023

- Sustainable Forest Management supports
- Net realisable timber volumes
- Timber markets 2023
- 2023 challenges and opportunities



New forest creation

Annual planting levels 2014 to 2020, with 2022 forecast

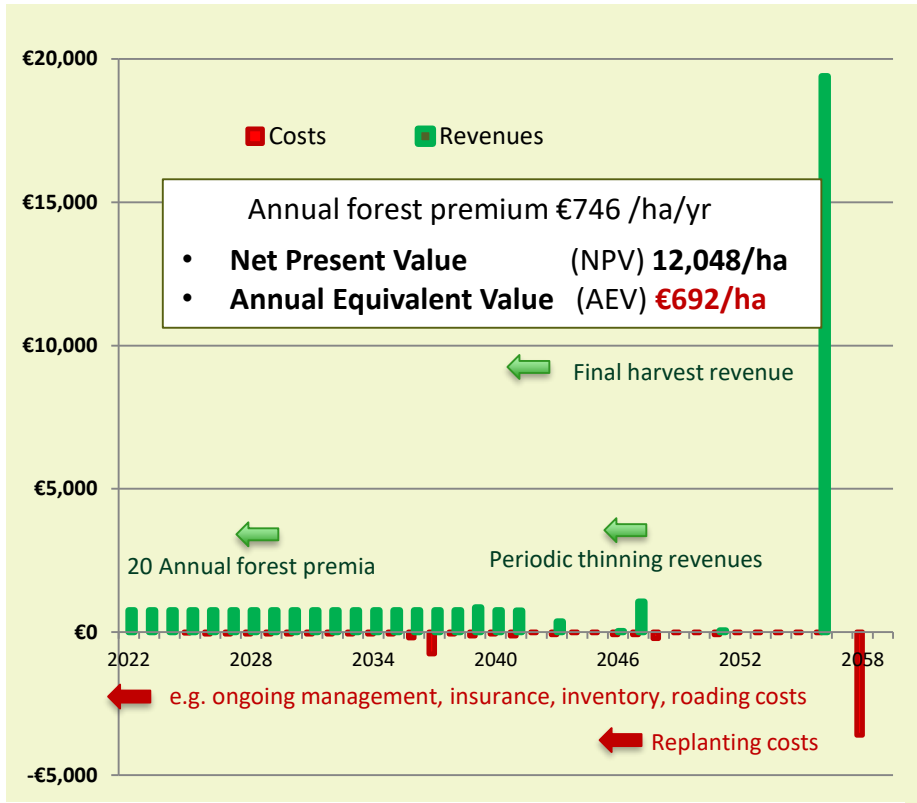


Source: DAFM (Various years)

- **New Forest Programme 2023 -2027 being finalised**
- **Options for new forest Creation:**
 - 12 Forest Types
 - Meeting economic, environmental and social objectives
 - Proposed premia increases 46 - 66%
 - 20 - year farmer premia
- **Need to support farmers and land-owners**
 - Re-engagement with the forestry as a viable, complementary land use option
 - Continued progress on licensing

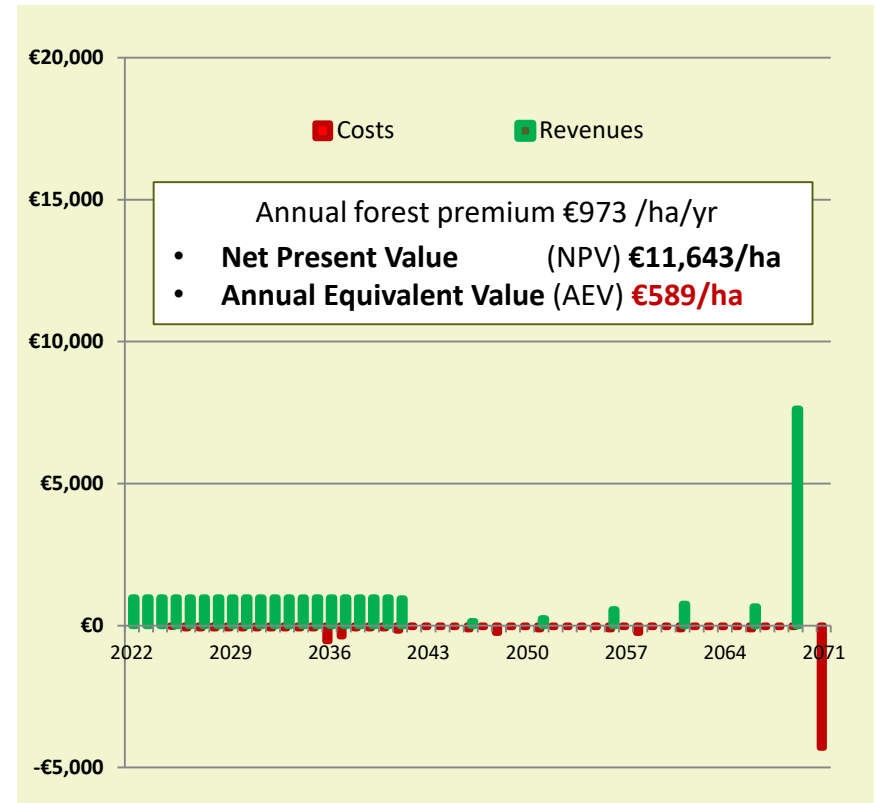
Indicative returns for proposed Forest Types (FTs)

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



Forest Type 12: 65% Sitka spruce, Yield class 24
20% Broadleaf species,
15% Area for Biodiversity Enhancement (ABE)
(ABE = open spaces, retained habitat, hedgerows, environmental setbacks)

FT7- Productive broadleaf forest



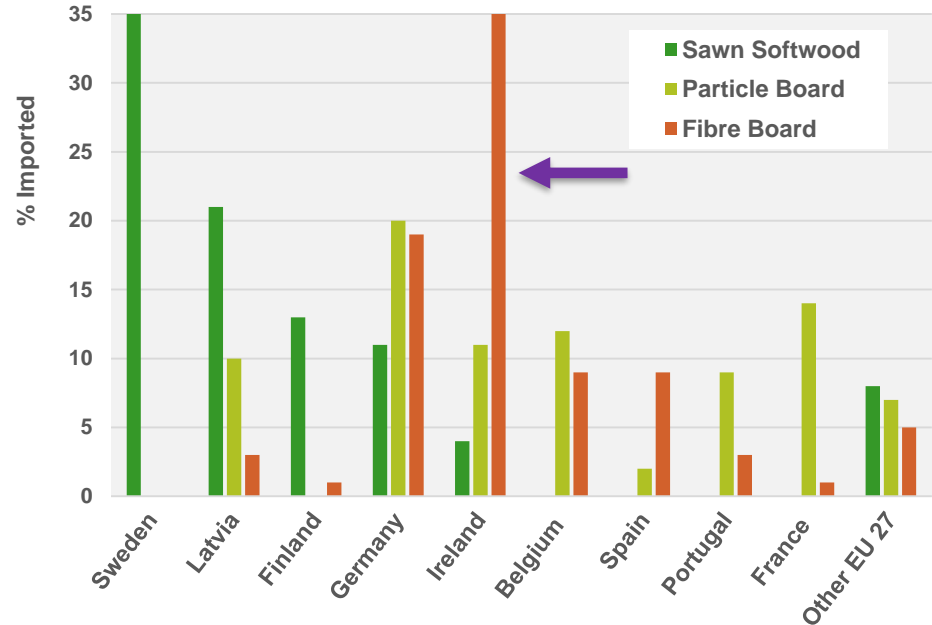
Forest Type 7: 85% Sycamore, Yield Class 8
15% Area for Biodiversity Enhancement (ABE)

Timber Markets

2021

- Exports of 1.37 million tonnes of forest and wood based products
- Valued at €682 million

Country of origin of wood imports to the UK, 2021



Source: Forestry Commission, 2022

Timber Prices

- Published timber prices limited during 2021
- Prices have declined in 2022 from record highs in 2021
- Prices are indicative and fluctuate according to range of factors



Product	Length (m)	Small end diameter (cm)	Mill Gate Prices July – Sept 2021 €/tonne (ex VAT)
Pulpwood	3		41 - 43
Palletwood	3.4	14+	66 - 77
Palletwood	3.7	14+	72 - 85
Sawlog	4.9	18 - 20+	104 - 115

Source: industry feedback, 2022

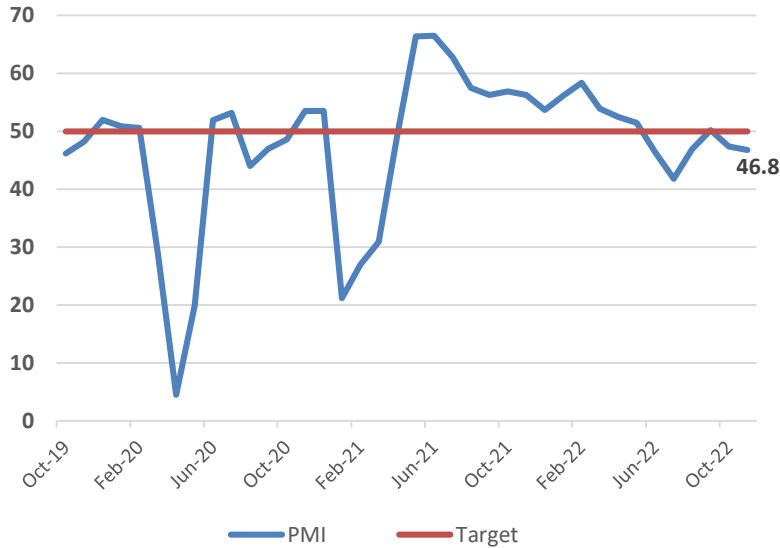
Sustainable Forest Management

- Range of measures in draft Forest Strategy Implementation Plan
 - **Woodland Improvement** – broadleaf thinning, conversion to Continuous Cover Forestry
 - **Forest management plans**
 - **Native woodland conservation**
 - Forestry **Knowledge Transfer Group (KTG)** scheme
 - **Neighbourwood** Scheme
 - Pilot **Environmental Enhancement** scheme
 - Pilot **“Forest Classroom”** scheme
 - Pilot **“Heritage Forests”** scheme



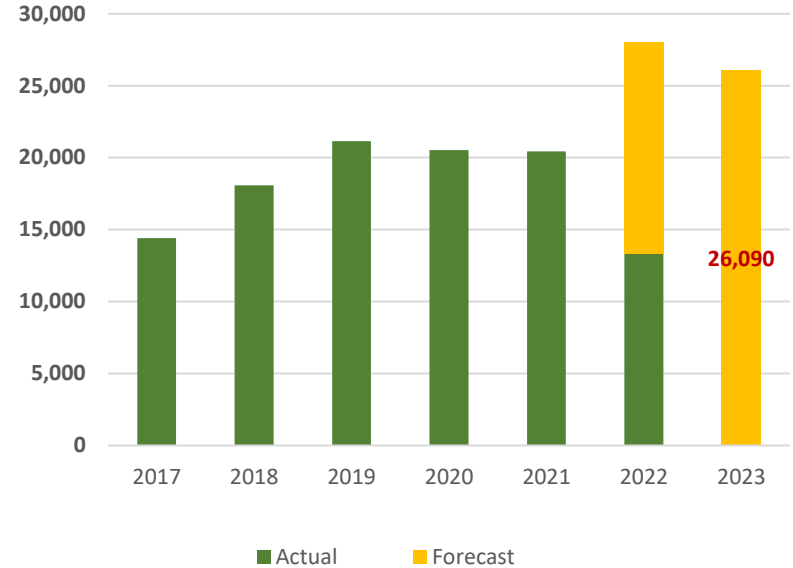
Domestic timber markets 2023

BNP Paribas Real Estate Construction PMI Oct. 2019 to Nov. 2022



Source: Tradingeconomics.com, 2022

Dwelling completions RoI (actual and forecast) 2016-2023



Source: CSO and ESRI 2022

International timber markets 2022/2023



3.9% forecasted fall in output in 2023

Source: UK Construction Products Association, 2022



Source: globalwoodmarketsinfo.com

Increasing need for low-carbon construction materials - Source: Timber Development UK

2023 Challenges and Opportunities



New forest creation

- Support to farmers and landowners
- Awareness raising of highly attractive opportunities

Sustainable management and timber mobilisation

- Support capacity building for forest owners to optimise, economic, environmental and social benefits of forests
- Urgent need for forest certification

Ash forests

- Feedback re availability of additional supports for owners of forests with Ash Dieback

Timber demand

- Forecast of 26,000 housing completions in Ireland 2023
- Challenges in UK timber market, optimise opportunities



Thank You

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