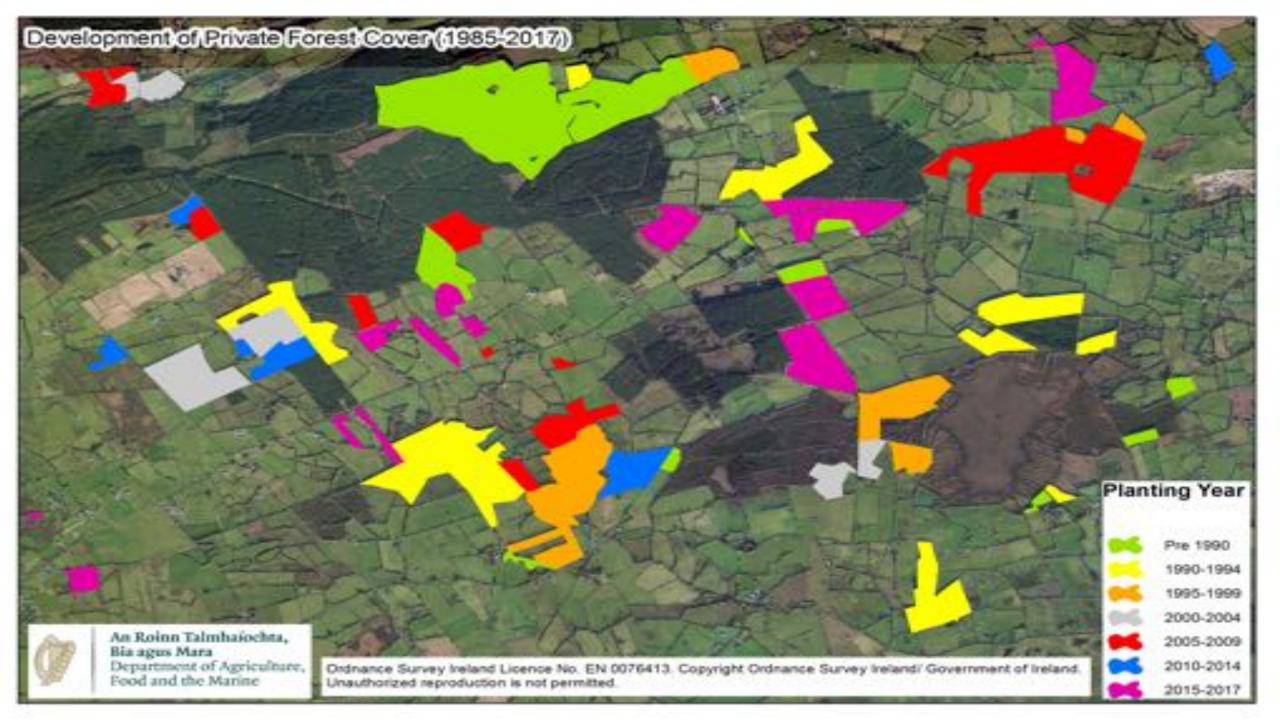


# Cattle farming and trees

**Pat Hennessy** 

Smart Farming Spring Seminar Tuesday, 30<sup>th</sup> April 2019





# Why I planted...

No upfront costs, 100% establishment grant.

Income tax free premium.

Land was suitable and very productive for growing trees.

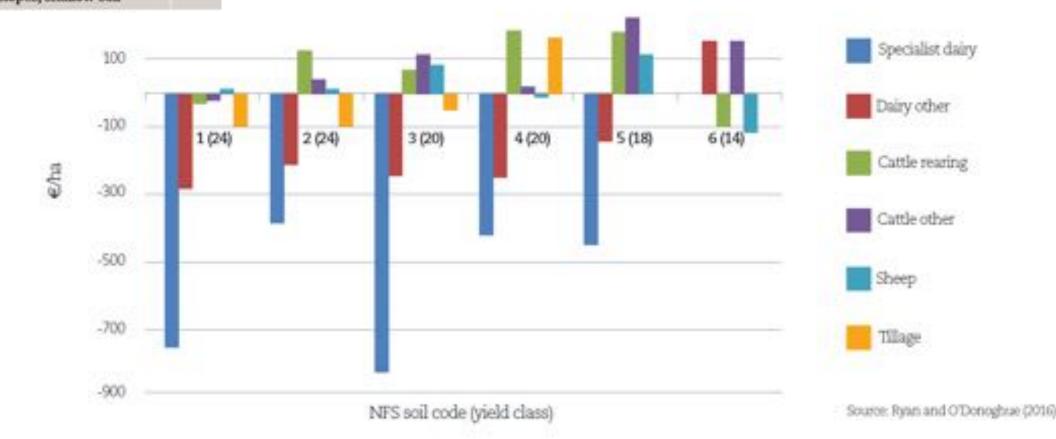


| Soil<br>Class<br>(SC) | Agricultural use  | Soil type                                    | SS<br>yield<br>class |
|-----------------------|-------------------|--|----------------------|
| 1                     | Wide              | No limitations                               | 24                   |
| 2                     | Moderately wide   | Minor limitations                            | 24                   |
| 3                     | Somewhat limited  | Higher elevations, heavier, poorer structure | 20                   |
| 4                     | Limited           | Poor drainage                                | 20                   |
| 5                     | Very limited      | Agricultural potential greatly restricted    | 18                   |
| 6                     | Extremely limited | Mountainous, steep<br>slopes, shallow soil   | 14                   |

Source: Teagasc

Over the long-term farmers who benefit the most from forestry are those that plant on land that is marginal for agriculture but highly productive from a forestry perspective.

The highest gains are on marginal land yield class 18 and 20.

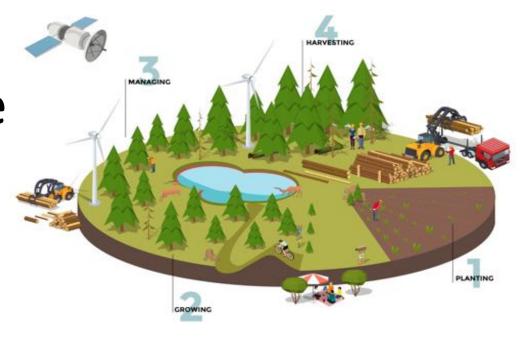


#### Afforestation & Woodland Creation scheme

- 100% establishment grants.
- 15 year forest premium, which is income tax free but liable for USC and PRSI.
- Can be paid forest premium and BP on afforested land subject to retaining 10% of eligible area (minimum of 3ha) in agriculture.
- Minimum grant aided area is 1ha for conifer and ≥0.1ha broadleaf with a minimum width is ≥40m
- It is a condition of the scheme that the land must remain under forestry and is subject to a replanting order.

| Grant Premiums Category                                 | Total<br>Grant<br>(C/ha) | Premium<br>Rate<br>(€/<10ha) | Premium Rate<br>(€/>10ha) | Duration of<br>Premium (years) |
|---|--------------------------|------------------------------|---------------------------|--------------------------------|
| GPC 1 – Unenclosed                                      | 2,140                    | 185                          | 190                       | 15                             |
| GPC 2 – Sitka Spruce / Lodgepole Pine                   | 3,105                    | 440                          | 450                       | 15                             |
| GPC 3 – 10% Diverse Conifer / Broadleaf                 | 3,215                    | 510                          | 520                       | 15                             |
| GPC 4 – Diverse Conifer                                 | 3,710                    | 590                          | 600                       | 15                             |
| GPC 5 - Broadleaf                                       | 5,280                    | 605                          | 620                       | 15                             |
| GPC 6 - Oak   | 5,620                    | 645                          | 660                       | 15                             |
| GPC 7 - Beech   | 5,620                    | 645                          | 660                       | 15                             |
| GPC 8 – Alder / Birch                                   | 3,595                    | 605                          | 620                       | 15                             |
| GPC 9 – Native Woodland Establishment<br>(Scenario 1-3) | 5,620                    | 665                          | 680                       | 15                             |
| GPC 10 – Native Woodland Establishment<br>(Scenario 4)  | 5,280                    | 665                          | 680                       | 15                             |
| GPC 11 - Agroforestry                                   | 5,620                    | 645                          | 660                       | 5                              |
| GPC 12a – Forestry for Fibre                            | 3,215                    | 510                          | 520                       | 15                             |

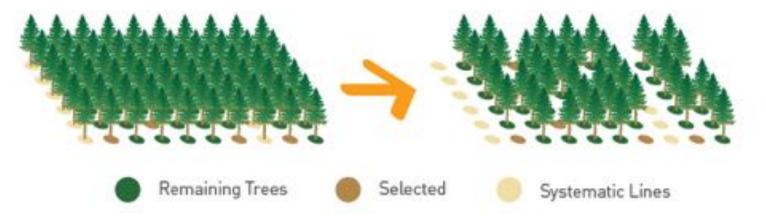
# Good management practice



- Take the time to learn about the crop.
- Walk your forest regularly to make sure the trees are growing well.
- Planning is the key to success.



# Thinning



Improves the quality of the forest to (i) create access for future management and (ii) to remove deformed or poorer quality stems to focus future growth on the most valuable sawlog and the final crop.

#### The timing of thinning operations is very important.

- Talk to other farmers that have thinned, attend any information or field days about thinning.
- Get to know the markets and timber prices.
- Know the value of your crop and expected volumes to be harvested.
- Get a forester to oversee operations.

# My management plan

| Description                 | Year  |  |
|-----------------------------|-------|--|
| Planted (38 hectares)       | 1991  |  |
| Constructed harvesting road | 2006* |  |
| 1st thinning                | 2006  |  |
| 2 <sup>nd</sup> thinning    | 2010  |  |
| 3 <sup>rd</sup> thinning    | 2014  |  |
| Clearfelled (8 acres)       | 2018  |  |





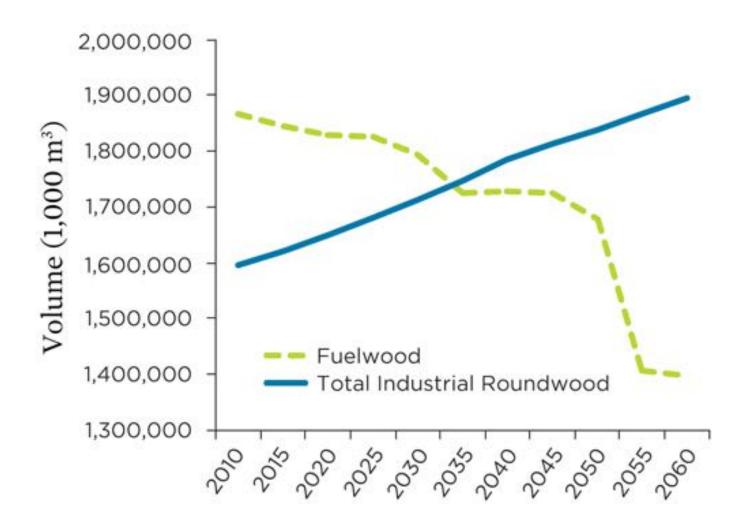


### Returns for clearfell

| Product            | Tonnes | Price*  |  |
|--------------------|--------|---------|--|
| Sawlog (16cm plus) | 969    | €56     |  |
| Pallet             | 329    | €41     |  |
| Stakes             | 46     | €40     |  |
| Pulp               | 73     | €29     |  |
| Firewood           | 30     | €30     |  |
| TOTAL              | 1467   | €73,284 |  |

<sup>\*</sup>Net roadside after harvesting and haulage costs.

### Global demand for wood products



#### The drivers for demand include:

- Growing world population is projected to increase to 8.2 billion in 2030.
- Environmental policies and regulation: exclude more forests from wood production.
- Energy policies: the use of biomass, including wood, is increasingly encouraged.

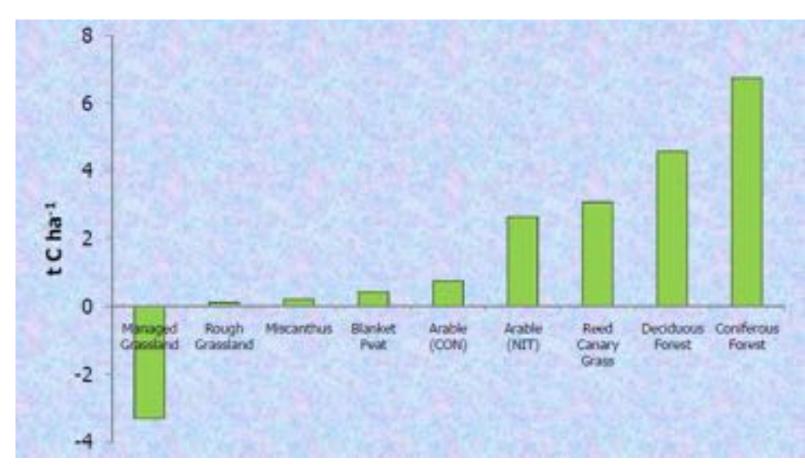
# New innovative products being developed





# Carbon storage in forests





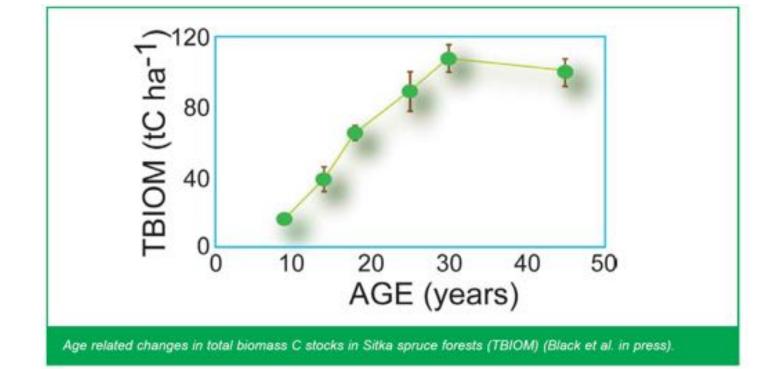
Note: There are 5 pools of carbon storage in forests: aboveground, belowground, deadwood, litter and soil.

#### Carbon markets

 Payment for carbon sequestration to mitigate climate change is one of the fastest-growing environmental markets.

• Carbon price, which is approx. €26 per tonne, is forecast to quadruple

by 2030 in Europe.



#### Some of the benefits....

- Diversifies farm income.
- Creates shelterbelts for animals which positively impacts production.
- Enhances biodiversity on farms.
- Improves drainage and water management.
- Produces a high value, sustainable and renewable product.
- Improves carbon balance on farm.



