

Steady income from a growing asset

Very few investments deliver a guaranteed, income tax-free return. Forestry delivers these benefits and more...

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“One of the nice things about forestry is that you don't have to worry about the vagaries of the market, at least in the first 15 to 20 years, and you are independent of big agribusiness,” according to Michael Murphy, a tillage farmer from Middleton, Co Cork.

Michael planted 8ha of broadleaf trees, under the Native Woodland Establishment Scheme (NWS Est.) over the winter of 2015 to 2016. This scheme supports the establishment of new native woodlands on green field sites. In addition to his forestry crop, Michael grows 10ha of barley, incorporating some wild bird cover, and leases out the remainder of his agricultural holding.

Michael's view was that the 8ha were, at best, only suitable for summer grazing because of impeded drainage.

“This particular site has always been very wet and I felt the forestry would help to dry it out and also have a drying effect on the surrounding fields” was Michael's considered view. “You are not trying to force your land to do something nature had never intended it to do.”

Having looked into various land-use options and taking into account his interest in both the environmental



landscape and the recreational benefits of broadleaf woodland, Michael opted for the NWS Est. As well as earning a tax-free premium of €635/ha for the next 15 years, Michael feels that he will (in time) be leaving a living, vibrant legacy to future generations of his family.

The NWS Est is one of a number of options under the Afforestation Programme, supported and administered by the Forest Service. It provides opportunities to protect and expand Ireland's native woodland resource and associated biodiversity and is a key biodiversity measure within Ireland's national forest policy.

It also supports a wide range of other benefits and functions arising from native woodlands. Benefits include reversing wider habitat fragmentation, the protection and enhancement of water quality, landscape enhancement, cultural heritage, wood and non-wood products and services, the practice of traditional woodland management techniques, environmental education and carbon sequestration.

Unusually for a farm forestry owner,

Michael decided to take on much of the work himself. As required by the scheme, he used the expertise and guidance of a registered forester, Mark Donnelly, to draw up the planting application.

Taking into account the wet ground conditions of part of the proposed plantation, Michael and Mark decided to plant a combination of 30% alder, 30% oak and 30% birch, with the remaining 10% consisting of biodiversity-enhancing species such as holly, Scots pine, hazel, etc.

Paths and open areas were planned and integrated throughout the plantation. These will provide further access to this recreational haven for the enjoyment of Michael and his family into the future.

The planting application was submitted and received grant approval from the Forest Service. Michael sourced the trees himself, organised ground cultivation and then preceded to plant (with assistance) the 8ha area over the winter of 2015-2016.

Maintenance work in 2017 included spot-spraying of the grass vegetation



Michael Murphy from Middleton tending to his trees.

with a herbicide, particularly around some of the slower growing broadleaf trees. A small number of dead trees were also replaced as part of routine management.

Michael has availed of the free advisory service provided by myself, John Casey, and we discussed the cur-

rent and future management of his emerging woodland. Both of us were impressed by the additional lammas growth apparent at the end of the 2017 growing season.

Lammas growth is the additional growth that occurs sometimes in autumn, particularly in plantations

IN SUMMARY

If you have any thoughts of planting, here are some key points to be aware of:

- The afforestation (new planting) grant generally covers all establishment costs.
- The forestry premium is paid annually for 15 years and is income tax-free; USC is payable.
- Land planted since 2009 remains eligible for its BPS payment provided it meets certain criteria.
- Matching the most suitable tree species to your land is critical.
- Forestry is a permanent change of land use.
- Planting forestry may affect other farm payments, for example under the Areas of Natural Constraint scheme.
- Environmental restrictions may affect grant approval.
- Forestry allows you to heat your home by growing your own fuel (from thinnings) and improves the environmental and amenity value of your farm.
- Early forest management (the first four years) will largely determine the ultimate quality of your forest and the return on your investment.
- Timber is a valuable, sustainable and natural crop.

For further information, contact your local Teagasc forestry development officer or visit www.teagasc.ie/forestry

where the trees are thriving.

Michael is keen to avoid herbicide use unless absolutely necessary, so trampling of vegetation around individual trees, also known as standing down, might be a new activity in 2018.

The next major task for Michael will be the shaping of the broadleaves at the four- to five-year stage. This is the process of removing forks and large competing side branches and is essential to achieving long straight lengths of quality timber.

Michael says he is very happy with his native woodland plantation, as well as his active involvement in its on-going management. “In the past, we always had plenty of red squirrels and badgers in this area, but in the last 15 years they have become increasingly rare.

“Hopefully the forestry will give them some habitat to recover. Frogs have virtually disappeared locally, with the exception of this particular field, so with a number of wet patches in the site which are not suitable for tree planting, they should have some protected space.”