

Forestry Review and Outlook 2022



Tom Houlihan, Teagasc Forestry Specialist

Overview

■ Forest Sector 2020/2021

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

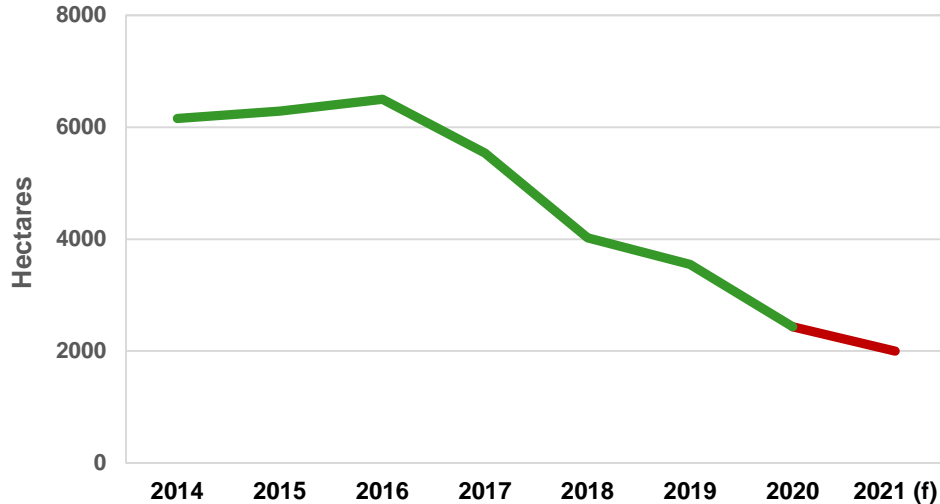
■ Outlook 2022

- Net realisable timber volumes
- Timber markets 2022
- Forests and climate change mitigation
- Final messages



New forest creation

Annual planting levels 2014 to 2020, with 2021 forecast



Source: DAFM (Various years)

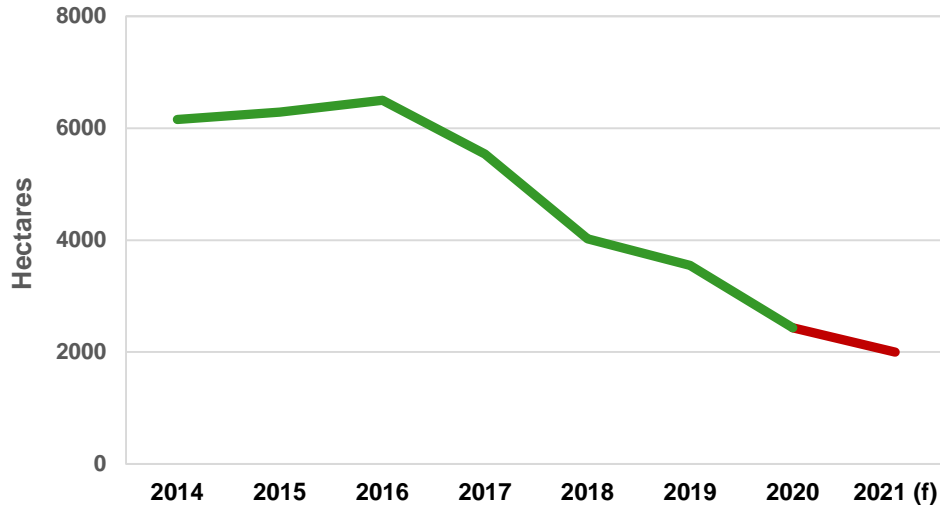
Project Woodland

Established in February 2021 to address key forestry challenges in Ireland and to progress new woodland creation as well as other licencing activity.

- Development of coherent Vision and Forest Strategy
- Regulatory review of licencing system
- Process of pre application discussions
- Environmental planning grant

New forest creation

Annual planting levels 2014 to 2020, with 2021 forecast



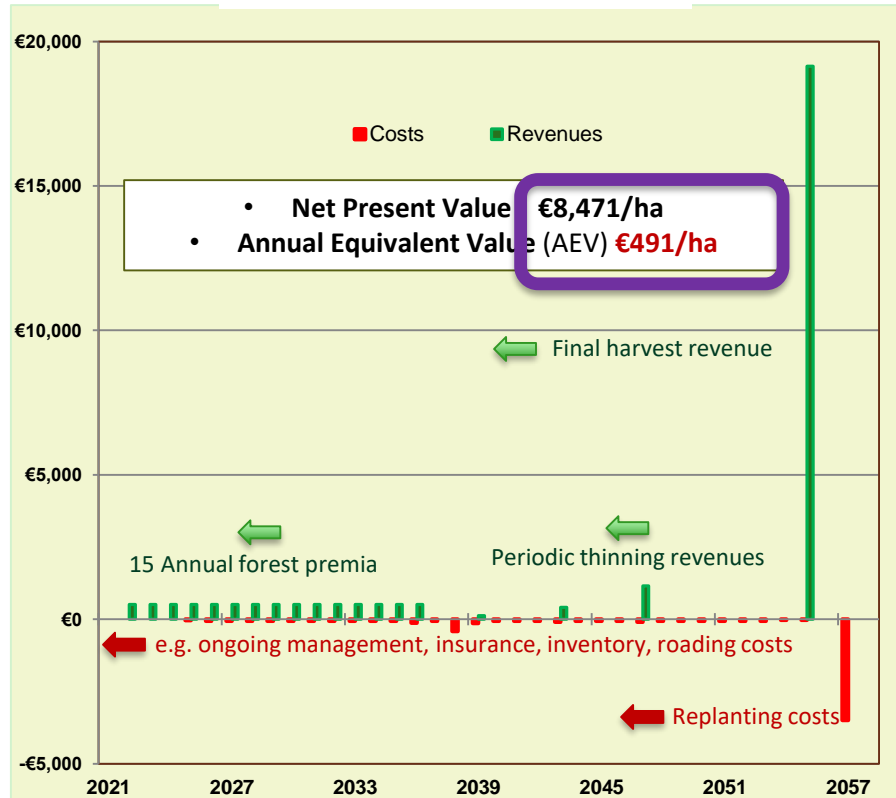
Source: DAFM (Various years)

Feedback from sector

- Urgent need for sustained increase in the supply of licences for afforestation and other forest activities
- Industry is fully reliant on a continuous flow of licences
- Support farmers and land-owners
 - re-engagement with the forestry as a viable and complementary land use option
 - build confidence on the merits of planting

2021 Indicative Forest Returns (per ha.)

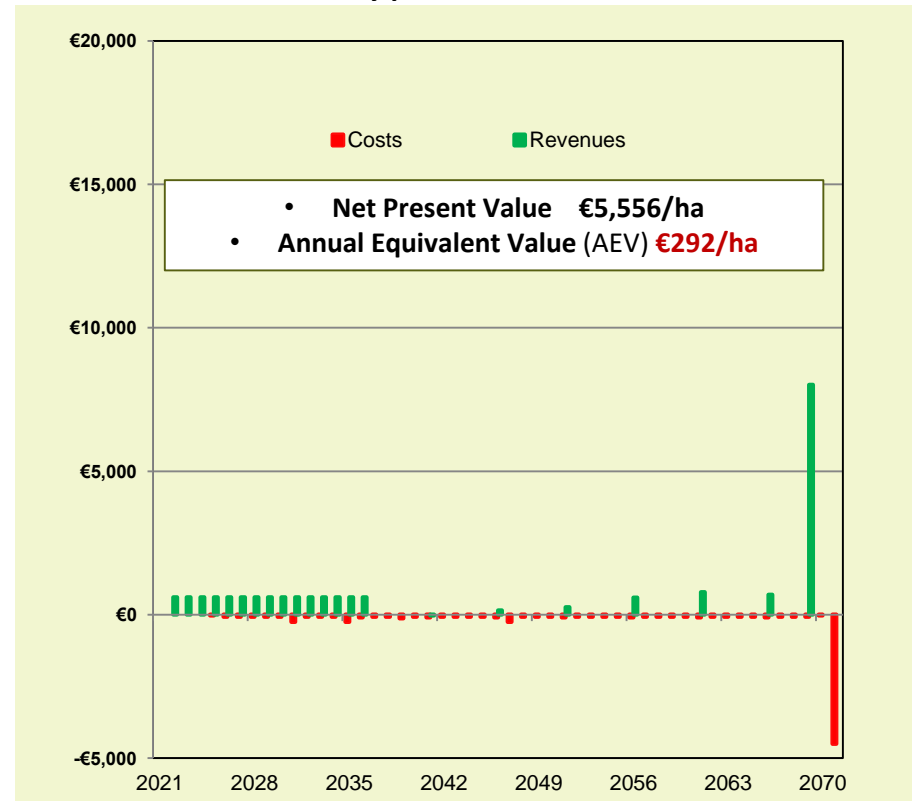
Mainly productive conifer forest



GPC 3: 70% Sitka spruce, Yield class 24
 15% Broadleaf species,
 15% Area for Biodiversity Enhancement (ABE)

(ABE = open spaces, retained habitat, hedgerows, environmental setbacks)

Mainly productive broadleaf forest



GPC 5: 85% Sycamore, Yield Class 8
 15% Area for Biodiversity Enhancement (ABE)

Timber Markets

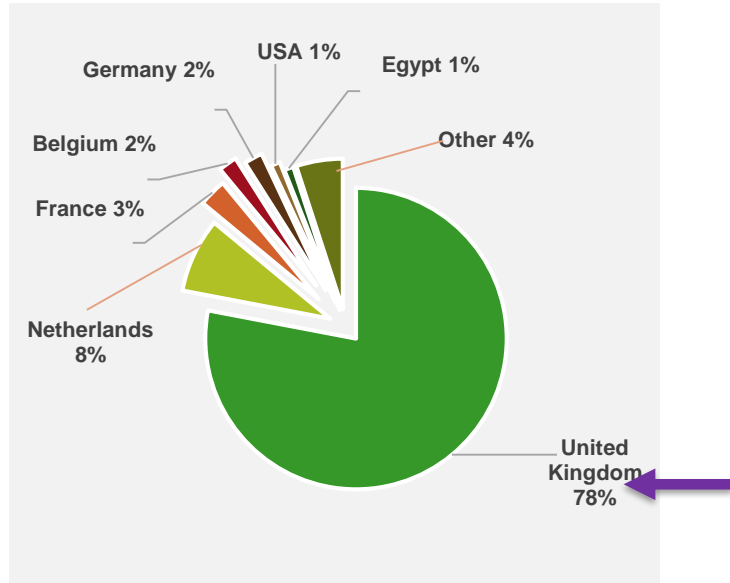
2020

- Exports of forest and wood based products estimated at €446 million
- Reported Coillte log sales of 2.31 million m³

Source: Forestry Commission, 2021

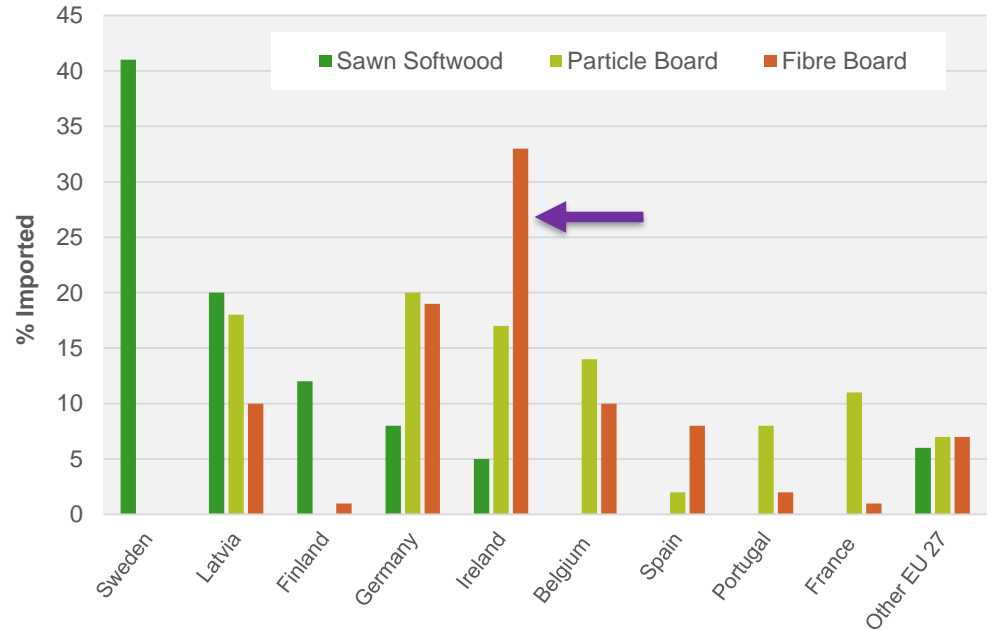
Timber Markets

Top destination countries for our forest and wood-based exports 2020



Source: DAFM 2021

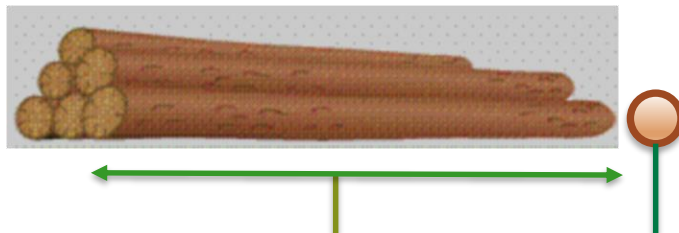
Country of origin of wood imports to the UK, 2020



Source: Forestry Commission, 2021

Timber Price Trends

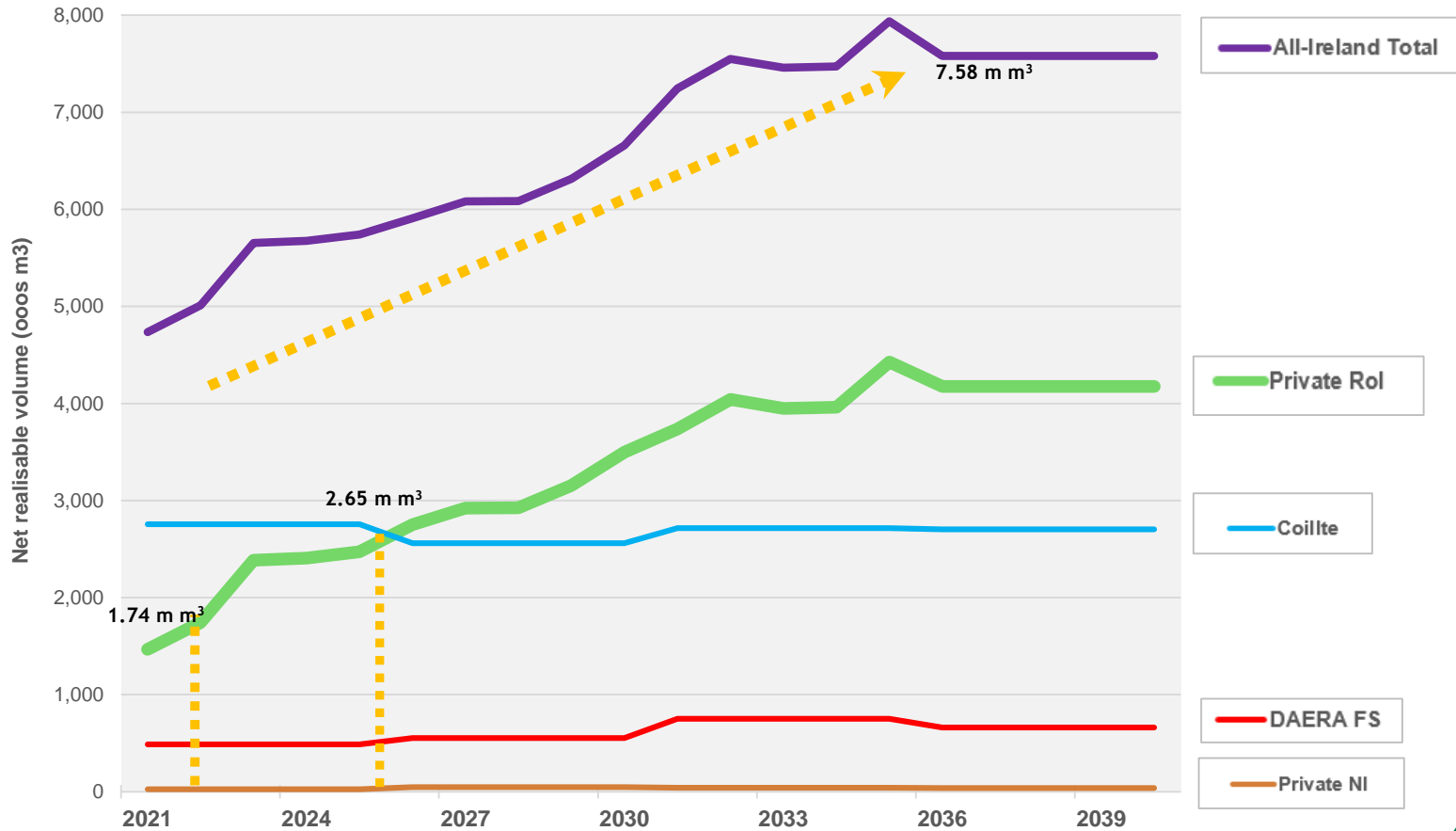
- Published timber prices not available during 2021
- Record prices for logs reported
- Prices have declined by a reported 15 -20 % in recent weeks
- Prices are indicative and fluctuate according to range of factors



| Product | Length (m) | Small end diameter (cm) | Mill Gate Prices July – Sept 2021 €/tonne (ex VAT) |
|------------|------------|-------------------------|--|
| Pulpwood | 3 | | 35 - 40 |
| Stakewood | 1.6+ | >8 <15 | 50 - 55 |
| Palletwood | 3.7 | 14+ | 86 - 106 |
| Sawlog | 3.7+ | 18 – 20+ | 115 - 134 |

Source: industry feedback, 2021

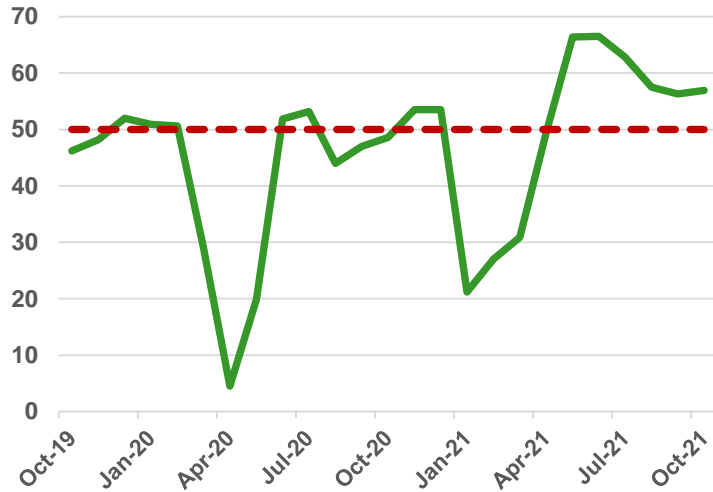
All Ireland Net Realisable Timber Volumes to 2040 (000's m³)



Source: COFORD 2021

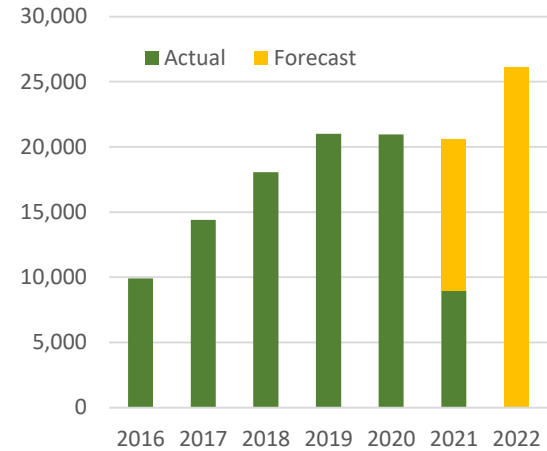
Domestic timber markets 2022

Construction Purchasing Manger's Index Oct 2019 to Oct 2021



Source: Ulster Bank, 2021

Dwelling completions RoI (actual and forecast) 2016-2022



Source: CSO and ESRI 2021

International timber markets 2021/2022

COMPANIES IN THE TIMBER INDUSTRY / DAILY NEWS / GLOBAL TRENDS / MARKET ANALYSIS / FORESTRY / LUMBER / SAWMILLING / STATISTICS / WOOD CONSTRUCTION / WOOD PRODUCTS / EUROPE / GLOBAL

🕒 June 2, 2021

European timber construction sector reports worsening supply situation and rising prices

DAILY NEWS / GLOBAL TRENDS / MARKET ANALYSIS / FORESTRY / LUMBER / SAWMILLING / WOOD PRODUCTS / WOOD-BASED PANELS / EUROPE / GLOBAL

🕒 October 5, 2021

Big increase in UK timber imports from the EU despite Brexit

Source: globalwoodmarketsinfo.com

Construction Industry
Forecasts 2021-2023

Autumn 2021 Edition -



CPA predicts continued growth into 2022

26 October, 2021

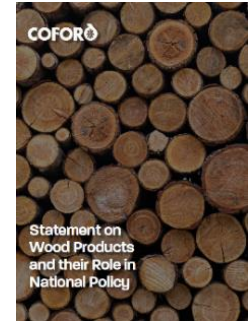
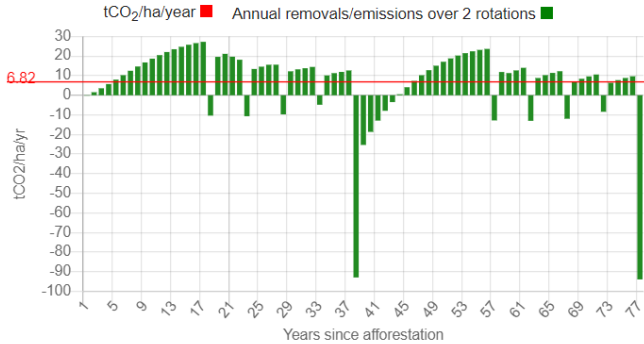
Source: UK Construction Products Association, 2021

Forests and climate change mitigation

Forest Carbon Tool



Grant and Premium Category (GPC 3): 15 % diverse conifers/broadleaves



2022 challenges



Licensing

- Sustained and enhanced flow of licences for the key forestry activities
- Sustained progress on licencing backlogs

New forest creation

- Support to farmers and landowners
- Promotion of positive messages

Timber mobilisation

- Support capacity building for forest owners to optimise, economic, environmental and social benefits of forests
- Awareness raising of needs for forest certification

Timber demand

- Forecast of 26,000 housing completions in Ireland 2022
- Optimism in both domestic and UK markets with appropriate timber supply

CAP 2023 - 2027

- Positive framework to support afforestation



Thank You

Email: tom.houlihan@teagasc.ie
Web: www.teagasc.ie/forestry