

Name of example: Gatehouse Nursery Firewood

Place: Aberfeldy, Perthshire

Headline: Substantial local firewood business operating throughout Highland Perthshire, developed by (former) tenant farmer, now employing 3-4 people.

Keywords: firewood, enterprise

Context:

The firewood market has grown hugely over the last 20 years, offering opportunities for local enterprise, suiting those with skills in agriculture and forestry, and with the land to develop the necessary infrastructure. Prices for hardwood and softwood firewood are now high enough to support harvesting from clearfell and thinnings, with the market expanding. Neil Black was a tenant sheep farmer affected by changing landlords, foot and mouth, and declining sheep prices back in the early '90s (like many, he remembers selling a flock of ewes for £1 each). He was ready to take up new opportunities to make a living.

Original aims:

This enterprise has evolved by seizing local opportunities, rather than being pursued as a big vision. Neil started by using his tractor to help a local forestry contractor convert unwanted timber to firewood. This activity expanded into clearing fallen trees, and then into selling the firewood that was surplus to his requirements.

What actually happened and what has been achieved?

He took up opportunities to expand as they arose, and when he lost his tied house with an ownership change, he was able to buy the property at Gatehouse and took the option of 16 acres of land alongside. He continued his farming on leased ground, but eventually sold all his sheep as the firewood business expanded to meet a demand which happened to be growing at the time. He says this was all 'luck', but there was clearly a good dose of business sense, hard work and relevant skills involved.

The business has grown rapidly, with major investment in machinery (processors, diggers, vans and trailers) as it has developed. He now delivers over 2,000 tons of firewood annually to addresses within a 30mile radius. He offers logs in 10 different size categories to suit most needs, and has a loyal customer base. Logs are bought in from throughout central Scotland, with Perthshire providing 25-50% of the supply. Supply comes from conventional commercial forestry interests including Forest Enterprise, increasingly as tendered lots. (Neil even imported high quality straight logs from Norway recently, more expensive but much more efficient to process). He benefitted from a grant of 50% from the Farm Business Development Scheme (FBDS) at a crucial juncture to build a new shed and buy a digger to start a major growth phase. He employs himself, two workers 7-8 months of the year and his wife helps extensively with deliveries. This has helped provide a firewood supply to support the growing market in woodburning stoves; with concomitant environmental benefits from replacing fossil fuel with carbon-neutral biomass energy.

What is the evidence for these outcomes?

A thriving firewood supply business with a turnover of about £200k, providing approximately 3 FTEs employed.

What were the factors that contributed to those outcomes?

Luck, he says, has played a big part. The market grew as the business grew. And if that was the 'pull', the slump in sheep prices was the 'push'. He reports no problems with demand (even after recent slump in oil prices), but getting sufficient supplies of reasonable quality (i.e. straight) logs is challenging. Being able to buy the house and land at an affordable price – because of the unusual location (?) was crucial. The FBDS grant was also critical at a key juncture. But there has also clearly been a canny approach to investment (c£100,000 in the last year alone) to grow the business, taking care at the same time not to over-reach. He is also able to draw on his wife's spare capacity to drive the delivery truck when her nursery business is slack in the winter months, and to capitalise on part time workers with particular skills to fill gaps according to need. This form of energy supply appears to be suited to local/regional scale producers and has not yet been scaled up and captured by external interests. Its economic flows circulate in the local area, rather than losing the profits to bigger, distant operations.

How replicable is this experience?

This is a successful example of the myriad of firewood businesses operating all over Scotland, with similar benefits; so the model is clearly replicable. The diversity of these is a positive thing; in many cases this activity is one of multiple income streams of farmers and estate owners diversifying to make ends meet. The balance between supply and demand is quite finely tuned, and procurement of a suitable supply of logs is getting harder as competition grows.

Suitable metrics by which benefits could be measured include:

- Local jobs (direct FTEs and indirectly supported)
- Areas of woodland brought into management
- Emissions saved (although note recent doubts cast over the benefits of woodburning - <http://www.gov.scot/Resource/0048/00482501.pdf>)

Key messages:

- Firewood supply business is well suited to a local/regional scale business model, with growing demand still evident. Farmers are well suited to doing this type of enterprise. They have machinery, are not afraid of hard work (generally) and often have the space and storage for handling timber.
- As the world changes, opportunities are always opening up for new enterprises and initiatives. These have a better chance to thrive if well targeted support is available at the right time. Business skill, hard work and commitment are also vital. Local control has captured the benefits of this enterprise in the area, supporting local jobs.
- This is an object lesson in intelligent evolution of a business, rather than a grand vision:
 - Importance of acquiring suitable house and land at affordable price to develop a business;
 - Role of FBDS and a culture of support for such enterprises at a key time;
 - Indirect benefits in renewed woodland management (yet to be explored);
 - Could FES help more to meet supply needs of this kind of local business, as for other parts of the sector?