

FOREST POLICY GROUP - POSITION PAPER

TOWARDS A FUTURE FOREST

Summary

This paper by Forest Policy Group (FPG) sets out an overview of current policy issues and is intended as a contribution to a debate about the future direction of forestry in Scotland. FPG comprises woodland organisations (Scottish Native Woods, Community Woodlands Association, Reforesting Scotland, Borders Forest Trust, North Highland Forest Trust, Association of Small Hardwood Sawmillers) together with forestry professionals who engage in forestry policy work in Scotland. The paper argues for continuing commitment to the diversification of forestry and provides an analysis of policy under the following headings: woodland types and tree species; ownership, tenure and participation; timber processing and other economic opportunities; and forestry and other land uses.

Forest Policy Group

Forest Policy Group comprises woodland organisations and forestry professionals who engage in forestry policy work in Scotland (see www.forestpolicygroup.org). Members subscribe to a view of forestry in which:

- *environmental and social issues are treated as core parts of forestry on an equal footing with the timber-related economic interests;*
- *diversity is fostered – diversity of tree species and woodland types, woodland ownership, timber production and processing, and wider economic opportunities;*
- *opportunities are strengthened for local people to engage in forestry activity;*
- *small scale timber processing is encouraged as part of a thriving timber processing sector;*
- *native woodland is expanded in area, is designed where feasible with timber production in mind, and developed for all its biodiversity, landscape and economic values;*
- *true sustainability and public benefit are sought in forestry activities.*

Membership: *Core members of FPG are: Scottish Native Woods, Community Woodlands Association, Reforesting Scotland, Borders Forest Trust, North Highland Forest Trust, Association of Small Hardwood Sawmillers, Rick Worrell, Ruth Anderson, Piers Voysey, Bernard Planterose, Simon Pepper.*

Activity: *FPG seeks to:*

- *Contribute informed inputs to the forest policy debate in Scotland.*
- *Facilitate networking amongst its members in order to maximise the effectiveness of policy work carried out by its member organisations.*

1. Introduction

The world is changing fast, with large global-scale changes increasingly affecting forestry – witness for example the arrival of climate change, the biomass market, new pests and diseases, peak oil, the influence of emerging economies and the volatile timber market. These and other factors will inevitably drive changes in forestry and it is vital that forestry is designed to be able to thrive in what may be a more turbulent future.

One important aspect of policy over recent years has been *diversification* - as a means of both meeting the challenges of the future and providing the taxpayer with increased public benefit. This paper sets out the ways in which forestry could be improved by strengthening our commitments to diversification *in practice* – encompassing diversification of the forest resource, woodland ownership, tenure and participation, forest products and other economic opportunities, and forestry's contribution to other land uses.

Credit where credit is due

Forestry practice has diversified on many fronts. For example, native woodland, community participation, farm and urban woodlands and small sawmills have all made an appearance in the last 15 years. The design of conifer forests is generally improving. Forestry is slowly becoming more relevant to a more diverse range of people, institutions and businesses (e.g. energy companies, architects, the health sector, small sawmillers, tourism, farming). However diversification *on the ground* only proceeds slowly and forestry still retains some outdated features inherited from previous eras. It is important that the profession reaffirms its commitments to diversity as a cornerstone of policy and practice, so that we can move towards more adaptable and resilient forests in the future.

The forestry policy morass

Policy has clearly diversified hugely in recent years and it is now possible to find statements in policy documents supporting virtually any aspect of forestry you care to name. This has almost reached the point of being unhelpful. Firstly, it is often difficult to match the rhetorical picture painted by the policy documents with reality on the ground. Secondly, it has become increasingly challenging to discern to what extent particular policies are actually being resourced and implemented.

A flawed model of forestry

Forestry has adopted a model which could be described as “conifer plantations with add-ons”, in which conifer plantation forestry, somewhat modified from previous decades, forms the bulk of activity; whilst other woodland types and management styles are still peripheral and somewhat “second class”. A further problem is that many of these “second class” woodlands and management approaches - including native, community, and farm woodlands – have been developed with insufficient focus on timber production and other economic benefits; and those that have (e.g. quality broadleaves) exist at too small a scale. Scotland can only be considered to have a properly functioning forest when:

1. The conifer plantation resource has been diversified in a rational way that increases public benefits, strengthens their biological resilience, expands the range of timbers available whilst still supporting stable levels of softwood production centred on spruce.
2. The “second class” woodland types are far better represented in the resource, occupy core positions in forestry activity and policy, have resource allocations appropriate to their importance and incorporate a proper focus on timber production and wider economic benefits.

Diversification of the resource sometimes gets a bad press by being equated with a loss of timber productivity and operational efficiency; and there are indeed examples where this has happened. However, we now have sufficient experience to show that forests can be designed in ways which deliver diversity alongside timber production and rational working. Our view is that the job of diversifying forestry has only started. Looking to the future we see many reasons to strengthen recent progress.

2. Diversity of woodland types and tree species

Diversity of woodland types and tree species underpins the diversification of many fundamental aspects of forests - from timber products to community engagement and integration with other land uses. It is also important for ecological adaptability in the face of climate change and to provide for the unpredictable nature of society’s future demands on forests. New planting has included a wider range of species in recent years, whereas restocking, which now forms the bulk of planting, has changed far less. The actual changes in the species composition of the resource are only happening relatively slowly; i.e. proportion of broadleaves has increased by 4% in the last fifteen years with a concomitant drop in conifers (see table 1).

Table 1. Percentage of forest area according to conifer / broadleaved species: at the last forests inventory 1995 and in 2009 (source: FC National Inventory of Woodland and Trees and Forestry Commission Statistics Branch)

Year	Proportion of conifers		Proportions of broadleaves	
	1995	2009	1995	2009
Forestry Commission	95	94	5	6
Privately owned	74	70	26	30
All	82	78	18	22

Problems with current model of forestry

- Many important tree species are under represented in the resource - especially quality hardwoods and quality durable conifers such as European Larch and Douglas Fir.
- Currently we import virtually all our hardwood; and homegrown quality larch and Douglas fir needed to supply new markets such as decking and cladding appear to be declining in availability.
- The representation of native species is still amongst the lowest of any European Country and we are failing to create native woodland for timber production.
- A large proportion of conifer restocking adopts a simplistic pattern with quite low diversity, except on a few highly visible or ecologically important sites.
- Native woodland design is also often fairly simplistic with an over-emphasis on birch and pine; with entire habitats still largely missing (e.g. floodplain and montane forests); and with too few landscape-scale native forests.
- Woodland creation in recent years has delivered too small an area of productive timber, and restocking has had too low a proportion of native species and durable softwoods (larch, Douglas fir etc).
- Most of the forest area is managed on a low input, no thin model resulting in a relatively low value timber crop – this style of management is reflected in the silvicultural aptitude of many foresters. Many foresters are still poor at assessing sites and making informed species choice.
- High deer numbers are an increasingly serious impediment to growing a wider range of species, especially for quality timber.

Proposals for the future

1. ***We should plan to move towards a resource in the long term where native species¹ comprise about half of the forest area; and quality durable conifers (especially larch and Douglas fir) comprise at least 5%. Policies influencing the species mix in both woodland creation and restocking need to be brought together and designed to achieve this.***
2. ***Substantial areas of quality hardwoods should be established. A far higher proportion of native woodland should be designed and managed to produce timber. The mentality still found in a few quarters that suggests that hardwoods should not be felled for timber needs to be overcome.***
3. ***Better “models” of conifer restocking need to be deployed that achieve species diversification, maintain acceptable levels of timber production and improve rational working of sites.***
4. ***More attention needs to be paid to native woodland design to avoid over-representation of birch and pine and under-representation of ash and oak.***
5. ***All timber species (or groups of similar species), both conifer and hardwood, need to develop age-class profiles that deliver reasonable continuity of supply to industry, albeit at very different scales depending on the type of timber.***

¹ This includes native species in plantations as well as native woodland.

6. ***Scarce native woodland types should be expanded and landscape-scale native woodland needs to be fostered at suitable locations across Scotland.***
7. ***Foresters' skillsets need to be strengthened to deliver the changes outlined above, especially site assessment and species choice.***
8. ***Control of all deer species needs to be improved, so that restocking with the full diversity of species and woodland creation by natural regeneration are both widely feasible.***

3. Diversity of ownership, tenure and participation

Forestry would be strengthened by having a wider range of people involved with owning and managing woodlands, and this may in turn foster more diverse forests. While there are a number of different models for successful forestry in terms of the scale of land holding and the type of owner, it is clear that forestry in Scotland has:

- a high proportion of very large ownerships and few smaller ones;
- owners generally drawn from a limited number of sectors of society;
- a relatively high proportion of owners for whom forestry is not their primary business or motivation (e.g. land held for tax purposes, as a “trophy” of business success, for sporting or capital appreciation etc).

At the same time there is a pool of people wishing to own and manage forest on a smaller scale with greater personal involvement and commitment. Examples abroad such as in Scandinavia suggest that forestry can be successful with larger numbers of local people owning forests in smaller units. Diversifying the ownership of forests to include a greater number of locally based people and communities would involve more sectors of society in forestry, bring more innovation to the industry, provide different income streams and a more robust and socially just ownership pattern.

Problems with current model of forestry

- The number of forest owners is very low compared to most other European countries and the pattern of land ownership means that most woodlands are owned and traded in large and expensive blocks, which effectively excludes many people from ownership.
- There are few good examples of forestry being integrated with farming and other land uses; and many of the aspects of the current model of forestry militate against this.
- Tenant farmers are still largely excluded from forestry.
- Forestry is integral to rural communities in many parts of Europe, but is too often still regarded as being of marginal relevance to many communities in Scotland. Forests with low public benefit and where timber is processed remotely provide few opportunities for local people to engage.
- FCS has had to reduce its outreach functions to owners in recent years and government has introduced increasingly bureaucratic grant schemes. These factors have disadvantaged smaller owners.

Proposal for future

1. ***More forests should be owned and managed by people living close to them in a way that draws the best from the Scandinavian model and avoids the pitfalls of undermanagement seen in, for example, parts of England.***
2. ***Mechanisms that encourage the trading of woodland (and other land) in smaller but still viable areas should be promoted. This needs to link with Land Reform policies. Alternative forms of tenure such as long term leasing need to be developed, aimed at drawing people into forest management where outright purchase is not an option.***

3. ***Support to communities wishing to be involved in forestry and acquire woodlands needs to be on a more long term, stable basis and involve less bureaucratic structures.***
4. ***Work is required to increase the engagement of farmers, especially tenants, with forestry – via imaginative changes in SRDP actively supported through extension services.***
5. ***FCS should work to develop lasting solutions for outreach to owners via joint working with the voluntary sector, and should seek to develop a grant scheme that properly serves smaller owners and communities.***

4. Diversity of timber processing and other economic opportunities

The 20th century saw the demise of many smaller rural businesses, exemplified by the reduction in the numbers of sawmills. This led to a concentration of processing capacity built around a few types of product. Such large scale industries, making use of economies of scale, are vitally important, but offer a limited range of economic opportunities. The last decade has seen the beginnings of a diversification of timber and other businesses (e.g. non-timber forest products, tourism) often enabled by new technologies. These typically flourish best in a diverse resource and have the potential to be important contributors to local economies. At the same time major opportunities for marketing types of timber traditionally regarded as difficult (low grade hardwoods, minor conifers, thinnings) have appeared in the energy sector; and this will help underpin management of a more diverse timber resource.

Problems with current model of forestry

- Government support to small sawmills and other micro-businesses is very modest and more difficult to deliver effectively than to larger scale enterprises. The enterprises themselves are more diverse and require a wider range of knowledge and skills to service.
- Timber is sold in large parcels using systems that small sawmills find hard to work with.
- Business support via SRDP is poorly tailored for small businesses and overly bureaucratic.
- There is potential for short rotation energy forestry to develop quickly in ways that could work against diversification of the resource and local processing.

Proposals for future

1. **Government should increase ongoing stable business support to small sawmills and other local timber and NTFP enterprises.**
2. **FCS and the private sector should continue to develop systems for making small parcels of timber available to small sawmills.**
3. **Business support via SRDP needs to be simplified and made more appropriate for smaller enterprises.**
4. **The energy sector needs to be encouraged to develop in a way that contributes to diversification of the resource, and a major focus for support should be schemes which are locally controlled and scaled to the local availability of raw material.**

5. Forestry and other land uses

The 20th century saw the homogenisation of land use as the most economically efficient land uses were determined by market forces acting in concert with subsidy regimes. Large parts of the uplands became dominated by sheepwalk and conifer forests, rendering local communities dependent on limited opportunities. The trade in land as an asset and tax vehicle, together with government subsidy, have artificially inflated land values in a way that excludes local people and limits land use change. Thus the lack of diversity seen in forestry is also encountered in other

land uses. This has also acted to compartmentalise the different land uses and impeded land use integration. Diverse forests have considerable potential to strengthen both the diversification and integration of land use. For example native woodland can be relevant to farmers (shelter, fuelwood, timber), fisheries (habitat improvement), sporting (game cover), conservation and tourism.

Problems with current model of forestry

- Forestry policy is un-integrated with other government policies, especially other land use policies.
- Forestry suffers from a legacy of being seen as of only marginal relevance to other land uses and woodland expansion is sometimes seen as a threat to farming. A process of addressing the flaws in the relationships between different land use sectors needs to be developed. The Scottish Government Land Use Strategy currently shows little promise of delivering this.
- There is little innovative thinking about land use options; this being largely attributable to conservative cultures in land management. As a result there is only slow uptake of new ideas like agro-forestry or woodland grazing.
- Upland destocking (of sheep) is happening without thought to how this could benefit native woodland expansion.
- The practical and economic burdens to forestry of large deer populations are not fully recognised by deer interests.

Proposals for the future

- 1. Effort in developing a Land Use Strategy for Scotland needs to be re-directed so as it delivers a) an analysis of the problems associated with the current uncoordinated land use policies, incentives and practices; and b) mechanisms to overcome these.**
- 2. Types of woodland and forestry practice that engage best with other land uses need to be strengthened in the next round of SRDP; e.g. farm woodlands, agro forestry, woodland grazing, native woodlands, riparian woodland.**
- 3. The integration of woodland into both agriculture and deer management can provide land use regimes that deliver carbon sequestration, timber and energy production and meat production. This could be supported by carbon management policies and would deliver meaningful land use integration.**

6. Resource allocation is key: holding decision-makers to account

The priorities outlined above are often still seen as peripheral rather than core business. As a result many are not adequately supported financially or by the allocation of government agency staff time. The best way to ensure that forestry progresses in the right direction at an adequate speed is to:

- inspect budget allocations and ensure that they reflect the correct priorities;
- assess more closely the actual outcome of work programmes;
- work with government and others to develop well targeted and realistic programmes that deliver a more diverse model of forestry.

7. Time is not on our side

Diversification of forests is a vital response to current challenges facing our environment, society and economies. These concerns are real and pressing and the response needs to be well conceived and comprehensive. This paper is intended to offer a foundation for this. Forest Policy Group intends this paper to stimulate debate and will welcome comment and contributions. Please address any correspondence to: Ruth Anderson, FPG Secretary, admin@forestpolicygroup.org.