

## Health and Harmony: the future for food, farming and the environment in a Green Brexit

Confor: Promoting forestry and wood ([www.confor.org.uk](http://www.confor.org.uk)) is a not-for-profit membership organisation which represents 1500 sustainable forestry and wood-using businesses across the UK. Confor represents the whole forestry and wood supply chain and focuses on strategic issues vital to the success and sustainable future of the sector. It produces regular policy papers, including several directly relevant to this consultation.<sup>1</sup>

### INTRODUCTION

Confor welcomes the references to timber production and forestry within the consultation document, as well as many of the proposals including those for:

- An alternative to Direct Payments;
- Excellence in plant health standards;
- Increased productivity and competitiveness;
- The principles of 'public money for public goods' and 'polluter pays'.

Confor strives to promote integrated land use and thriving rural communities and seeks to remove barriers between different land uses, in particular those which restrict tree planting and woodland management.

It favours a post-Brexit system for the countryside which recognises that the types of rural activity supported by CAP are not the only form of productive land use.

Confor wants a new policy framework for the countryside that allows farmers to integrate forestry or other activities into their businesses seamlessly. The public goods intrinsic to timber production should be recognised in any system of public reward.

### Why forestry and timber?

Once established, modern forestry is profitable and provides a wide range of enduring benefits. Forestry and timber is a £2bn UK industry,<sup>2</sup> wood prices are at record levels and the global forecast for future decades is for demand to rise and rise.<sup>3</sup> Wood is the ultimate sustainable and versatile material, a viable alternative in many situations to replace concrete, steel and oil with a carbon-capturing, renewable and non-polluting alternative. Forestry is also one of the

<sup>1</sup> <http://www.confor.org.uk/news/brexit/>

<sup>2</sup> <https://www.forestry.gov.uk/website/forstats2017.nsf/lucontents/8a24f70614918e3380257fe0004b2cfc>

<sup>3</sup> <https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products>

most sustainable land uses, enhancing natural capital and supporting biodiversity.

The government aspires to build 300,000 new homes.<sup>4</sup> Building more of these with wood locks up carbon and saves money over the life of a building. Growing that timber in the UK ensures that the forests are sustainably managed and keeps the jobs and profits from forestry at home.

### **Where are we now?**

The UK is a timber-poor country. It has internationally low levels of forest cover, at 13% (up by less than 0.7% in the last 20 years) barely a third of the European average. The UK is the second biggest net importer of timber products in the world, after China.<sup>5</sup> This puts us in a fragile economic and environmental position, at the mercy of global trade and timber prices, at risk of missing our climate change commitments, and lacking the raw material to participate in the development of the bio-industries on which much of our future economy will rely - for everything from housing to high-tech manufacture.

Although established forestry is a lucrative asset, woodland creation is a long-term investment, with around 35 years from establishment to final harvest of a productive timber crop. EU CAP subsidies have been a disincentive for such investment: to upfront establishment costs of around £2,500/hectare can be added lost income from CAP Pillar 1 of around £7,000/hectare. This loss of access to future annual payments discourages farmers from planting trees.

At present, tree planting and some limited support for woodland management is co-funded through CAP Pillar 2, supplemented in some parts of the UK by environment funding which helps to compensate for the loss of Pillar 1. After the UK leaves the EU in 2019, this funding has been guaranteed until the end of the current UK parliament (2022).

### **Where do we need to be?**

Forestry is a positive and important opportunity for many farmers and landowners, especially those on marginal land. It is a growing industry that provides a wide range of professional employment and career paths. Timber production will be the foundation of a future low-carbon society. It is vital, therefore, that forestry is central to future UK land-use policy. Unfortunately, from the titles of the 'Agriculture Bill' and 'food, farming and the environment' command paper, to the omission of any non-farming evidence such as Confor's **Common Countryside Policy** in the summary of stakeholder proposals, to the

<sup>4</sup> <https://www.gov.uk/government/news/autumn-budget-2017-25-things-you-need-to-know>

<sup>5</sup> [https://www.forestry.gov.uk/pdf/Ch9\\_International\\_FS2017.pdf/\\$FILE/Ch9\\_International\\_FS2017.pdf](https://www.forestry.gov.uk/pdf/Ch9_International_FS2017.pdf/$FILE/Ch9_International_FS2017.pdf)

detailed comparisons between sectors in the accompanying Evidence Compendium, it is clear that forestry and wood production have been overlooked as have other forms of non-farming rural land use.

**Confor has identified five steps the government needs to take:**

1. **An appropriately named Bill:** The bill should be named the 'Land Use Bill' or 'Countryside Bill'.
2. **Forestry and timber evidence:** Evidence on forestry and timber, for example in any detailed comparisons of productivity, profitability, employment, trade and professionalism, must be included alongside the other crops and livestock data when future policy decisions are made.
3. **Embrace public goods and widen eligibility:** Future policy must be based on an integrated analysis of current and potential delivery of public goods (carbon balance, pollution, biodiversity, landscape, recreation, culture and community) and look beyond farming to include forestry and the many other rural enterprises which are excluded from the current analysis in the Evidence paper.
4. **Links to wider public policy:** Land use policy is intrinsically linked to delivery of climate change mitigation targets as well as the BEIS Clean Growth Strategy, and this must be factored in to the bill. This is where forestry comes to the fore, with growing trees sequestering carbon and wood products locking that carbon up and replacing more carbon-intensive materials. If forestry and timber is included fairly in any future policy and support structure for land use, farmers and landowners can integrate timber production into their business model as part of a clear strategy to improve profitability and environmental performance.
5. **Devolution:** As many of the questions in the consultation will impact the whole UK and not just England, including section 13 on devolution, the consultation must be open to responses from all parts of the UK.

**A revised set of data that integrates forestry and wood into the current Evidence Compendium is attached.**

**Throughout this consultation, Confor has replaced farm, farming or agriculture with land management and/or forestry in red text where applicable.**

## CONSULTATION QUESTIONS

### Moving away from the Common Agricultural Policy in England

#### Reform within the CAP

**Please rank the following ideas for simplification of the current CAP, indicating the three options which are most appealing to you:**

- a. Develop further simplified packages**
- b. Simplify the application form**
- c. Expand the online offer**
- d. Reduce evidence requirements in the rest of the scheme**
- e. Other**

**How can we improve the delivery of the current Countryside Stewardship scheme and increase uptake by farmers and land managers to help achieve valuable environmental outcomes?**

The priority should be to improve the experience of agreement holders and perceived experience of potential applicants. Timely payments, clear communication and agreements that are concluded and signed before they are due to start will improve the reputation of the scheme and therefore attract new applicants.

The current scheme has been poorly taken up by the forestry sector for the following reasons:

- The joint scheme, administered by Forestry Commission and Natural England is unintegrated, complex and flawed;
- The application process is unduly complicated with a mix of digital and paper forms;
- There are not enough Woodland Officers for the workload;
- There are not enough Administration Officers for the workload;
- There are constantly changing goal posts;
- The application guidance is poor;
- The annual short application windows do not work for the forestry sector. There should be a rolling application window;
- Evidence requirements are too onerous and the systems for managing them is archaic and costly for applicants to collect and submit.

Across the UK, there is a strong investment market in creating new productive woodlands. In 2016-17 Scotland planted over 3,000 hectares of productive conifer, and is on target for 10,000 hectares new woodland creation this year, of which over half is productive. This compares with only 300 hectares in England and Wales, with little sign of improvement in the coming year.<sup>6</sup> The reluctance to invest in England and Wales is due to the complexity and uncertainty of the woodland application process. An improved application and approval process,

<sup>6</sup> [https://www.forestry.gov.uk/pdf/Ch1\\_Woodland\\_FS2017.pdf/\\$FILE/Ch1\\_Woodland\\_FS2017.pdf](https://www.forestry.gov.uk/pdf/Ch1_Woodland_FS2017.pdf/$FILE/Ch1_Woodland_FS2017.pdf)

within an integrated land use strategy, would encourage additional investment and much greater woodland creation.

See **[How Forestry Investment Zones can support and drive forward new planting in England](#)**

After the UK exits the EU, immediate changes should include:

- Returning to rolling application windows to avoid the surge of applications: As well as creating a bottle-neck on agency resource, the single start date has meant many land managers have had to wait up to 11 months between the end of their old agreement and a possible new one. This has put stress on many rural businesses and undermined environmental achievements.
- Reviewing evidence requirements: The quantity of and processes for recording evidence requirements have become disproportionate, due to a fear of withdrawn funding and fines if every EU requirement is not met. These processes should be reviewed, with the emphasis being on the agency to demonstrate why a piece of evidence is required.
- Reviewing all scheme guidance: Current scheme guidance is based in part on meeting the requirements of the EU. There should be a full-scale review of the guidance with the objective of improving, not necessarily simplifying these materials.
- A new approach to audit and control: Within the EU, driven by a fear of penalties if every condition is not met, the Rural Payment Agency (RPA) has taken a myopic and overly detailed view of audits. Under-delivery is currently recorded to two decimal places whilst over-delivery is not counted. New guidance for inspectors should be created, providing greater use of discretion.

## **An agricultural transition**

**What is the best way of applying reductions to Direct Payments? Please select your preferred option from the following:**

**a. Apply progressive reductions, with higher percentage reductions applied to amounts in higher payment bands \***

**b. Apply a cap to the largest payments**

**c. Other (please specify)**

**\* Please provide views on the payment bands and percentage reductions we should apply**

Annual reductions should be applied to phase out all Direct Payments equally. During the transition period, areas of new forestry should be eligible for Direct Payments, to enable land managers to diversify. Beginning with higher payment bands or largest payments would mean a shorter transition for those on lower payments, who are the least able to adapt quickly.

Direct Payments should be reduced on the same basis on which they are paid - on the basis of equal hectare payments to all recipients. Any attempt to reduce some more than others will risk distorting the market in unintentional ways during the transition period, which will affect the implementation of the new policy.

**What conditions should be attached to Direct Payments during the 'agricultural transition'? Please select your preferred options from the following:**

- a. Retain and simplify the current requirements by removing all of the greening rules**
- b. Retain and simplify cross compliance rules and their enforcement**
- c. Make payments to current recipients, who are allowed to leave the land, using the payment to help them do so**
- d. Other (please specify)**

**What are the factors that should drive the profile for reducing Direct Payments during the 'agricultural transition'?**

**How long should the agricultural transition be?**

The land management industry needs a clear timescale of transition with a clear final destination. This means that the transition should not be long enough for the final destination to be changed during the process.

**A successful future for **land management: forestry** excellence and profitability**

**How can we improve the take-up of knowledge and advice by farmers and land managers? Please rank your top three options by order of preference:**

- a. Encouraging benchmarking and farmer-to-farmer (**business to business**) learning**
- b. Working with industry to improve standards and coordination**

- c. Better access to skills providers and resources**
- d. Developing formal incentives to encourage training and career development**
- e. Making Continuing Professional Development (CPD) a condition of any future grants or loans**
- f. Other (please specify)**

All options should be investigated and developed, working with bodies such as Confor and the Institute of Chartered Foresters. Skills and training needs are also covered elsewhere in this consultation.

In the **British Woodland Survey**, woodland owners stated, "a strong preference to receive *Advice from an onsite advisor* over any other type of support, whilst *Printed information* was least popular. Some groups were more likely to seek *Information online*. Overall, most respondents felt that their views were poorly represented in policy formulation, development of practice guidance, and in the setting of research priorities, although professionals and businesses felt better represented, especially among members of Confor and the Institute of Chartered Foresters".

**What are the main barriers to new capital investment that can boost profitability and improve animal and plant health on-farm/**in-forest**? Please rank your top three options by order of the biggest issues:**

- a. Insufficient access to support and advice**
- b. Uncertainty about the future and where to target new investment**
- c. Difficulties with securing finance from private lenders**
- d. Investments in buildings, innovation or new equipment are prohibitively expensive**
- e. Underlying profitability of the business**
- f. 'Social' issues (such as lack of succession or security of tenure)**
- g. Other (please specify)**

**What are the most effective ways to support new entrants and encourage more young people into a career in **forestry** and land management?**

**Does existing tenancy law present barriers to new entrants, productivity and investment?**

The **timber processing sector** has invested some £275 million over the last two years across the UK.

At the small business scale the take-up of productivity funding, i.e. LEADER funding has generally been good. However, Confor can give the following feedback on some of the possible barriers to Countryside Productivity Fund take-up:

- Businesses are so confused and irritated by the years of different funds and mounting bureaucracy that private finance/ lease schemes are more attractive.
- The forestry sector would be very keen to see a move back to delegated grant schemes where forestry professionals are responsible for administering forestry grants and therefore reducing the bureaucracy and risk to government.
- There is a lack of forestry-specific advice and facilitation.
- Excessive appraisal requirements that are disproportionate to the risk of non-compliance.
- Forestry is fundamentally different to farming in that the people who do the work (i.e. contractors) are not, unlike farmers, asset rich (and thus able to get loans on good terms), in charge of their own land (so they can make decisions based on long term planning) and used to working with, and paying for, advisers and consultants.

Support productive forestry so landowners and businesses can afford to take on new entrants. The popularity of Forestry Commission Scotland's recent apprenticeship scheme with 351 applications for 8 positions, clearly shows the widespread enthusiasm and talent pool that is available. Varied rural work with clear career opportunities is demonstrably attractive to young people.

A thriving woodland management sector can supplement farming employment, and help ensure that local rural people are able to combine summer-focused farm work with winter-focused forestry, enabling more young people to live in rural areas.

See these case studies in a **diverse and dynamic sector** to see how Government could promote careers in forestry.

Actions should include recognition of forestry as a STEM subject and building on apprenticeship ambitions.

## **A successful future for forestry: forestry technology and research**

**What are the priority research topics that industry and government should focus on to drive improvements in productivity and resource efficiency? Please rank your top three options by order of importance:**



- a. Plant and animal breeding and genetics**
- b. Crop and livestock health and animal welfare**
- c. Data driven smart and precision forestry**
- d. Managing resources sustainably, including agro-chemicals**
- e. Improving environmental performance, including soil health**
- f. Safety and trust in the supply chain**
- g. Other (please specify)**

In discussion with research providers, the big challenges and opportunities that Confor has identified are:

- to support financially sustainable forest management that drives the use of local timber in construction;
- to help woodland owners and managers respond to the threat of pests and diseases and the challenge of climate change;
- to support the transition to a low-carbon economy;
- to help address key policy issues, including diversifying our 20<sup>th</sup> century planted forest.

**How can industry and government put land managers in the driving seat to ensure that forestry R&D delivers what they need? Please rank your top three options by order of importance:**

- a. Encouraging a stronger focus on near-market applied forestry R&D**
- b. Bringing groups of businesses together in research syndicates to deliver practical solutions**
- c. Accelerating the 'proof of concept' testing of novel approaches to land management constraints**
- d. Giving the forestry industry a greater say in setting the strategic direction for research funding**
- e. Other (please specify)**

**What are the main barriers to adopting new technology and ideas on-farm/in forest, and how can we overcome them?**

Historically, forestry research has been dominated by Forest Research, which has done essential work particularly on issues around tree pests and social forestry. However there needs to be an increased focus on silviculture (the growing and cultivation of trees) and forest management, particularly in growing more of the timber and other forest products which the UK currently imports. There are significant opportunities to share Research and Development from

agriculture to forestry, for example the use of drone technology for field work and improvements in remote sensing to detect changes in plant health.

Timber is one of the few crops without some form of levy scheme to fund Research and Development and there should be an investigation whether the Agriculture and Horticulture Development Board should be extended to cover the production of forest nursery trees and/or harvested timber production.

Any future forest and timber production research must include a range of practitioners and focus on “close to market” opportunities.

There are some real barriers to investment and change that have the potential to limit opportunities to develop profitable and resilient businesses for the future. These include skills, investment and running costs relative to benefits, practicalities and access to finance. Externally, the regulatory regime for new technologies can either add cost or complexity in bringing it to market.

### **A successful future for **forestry**: labour - a skilled workforce**

**What are the priority skills gaps across UK **forestry**? Please rank your top three options by order of importance:**

- a. Business / financial**
- b. Risk management**
- c. Leadership**
- d. Engineering**
- e. Manufacturing**
- f. Research**
- g. Other (please specify)**

**What can industry do to help make **forestry** and land management a great career choice?**

**How can government support industry to build the resilience of the **forestry** sector to meet labour demand?**

Please see [\*\*A Forestry Skills Study for England and Wales\*\*](#). This report was commissioned in 2017 to, ‘provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland’.

The recommendations arising from this study will inform the preparation of the Skills Action Plan.

There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

The popularity of Forestry Commission Scotland's recent apprenticeship scheme with 351 applicants for 8 positions, clearly shows the widespread enthusiasm and talent pool that is available. Varied rural work with clear career opportunities is demonstrably attractive to young people.

Industry is participating in the England Forestry Skills Forum. There are similar initiatives in Scotland and Wales. The Institute of Chartered Foresters and the Royal Forestry Society (England and Wales) and the Royal Scottish Forestry Society are actively engaged with training providers. See the case studies at [a \*\*diverse and dynamic sector\*\*](#) to see how the industry is promoting careers in forestry.

There are already a number of highly regarded and very successful graduate programmes offered by businesses within the industry.

A thriving woodland management sector can supplement farming employment, and help ensure that local rural people are able to combine summer farm work with winter forestry work, enabling more young people to live in rural areas.

### **Public money for public goods**

**Which of the environmental outcomes listed below do you consider to be the most important public goods that government should support?  
Please rank your top three options by order of importance:**

- a. Improved soil health**
- b. Improved water quality**
- c. Better air quality**
- d. Increased biodiversity**
- e. Climate change mitigation**
- f. Enhanced beauty, heritage and engagement with the natural environment**

Of the public goods listed, climate change mitigation is the most urgent, reflected in the fact that it is the subject of the international Paris Agreement<sup>7</sup> setting targets and timescales for carbon reduction. An essential component of carbon mitigation must be the immediate sequestration of carbon from the atmosphere. Growing trees, locking up timber in buildings, and growing more trees in their place is our only proven technology to do this: as the government's Clean Growth Strategy further says, 'a conveyor belt of locked-in carbon in our homes and buildings'. Also, unlike other proposed carbon capture techniques, growing timber for construction will create jobs, economic growth, and added value.

All of the public goods listed represent crucial outcomes and should be supported by the Government. Well-managed productive woodlands can deliver all of the public goods listed. All managed woodland includes significant areas, often as much as 40 per cent of the area in new woodlands, that are managed for wildlife and the environment under the UK Forest Standard. This provision of public goods is supported by the productive component of the woodland but does not attract continued public funding. The Clean Growth Strategy<sup>8</sup> states, 'incentivising farmers to plant more trees across England, provides not just carbon reduction but recreational space for our growing communities and timber for our bio-economy'. In addition, recently published natural capital accounts by the Office for National Statistics show that Britain's woodlands provide services of £2.3 billion per year to the economy in terms of recreation, carbon sequestration, timber and air pollutant removal.<sup>9</sup>

Most of the benefits are integral to timber production, rather than an alternative to it, and can therefore take place at the same time and on the same piece of land. It is essential that any public goods scheme does not disincentivise this efficient provision of multiple benefits, by failing to reward public goods provided as an intrinsic part of production.

This infographic, '[the many benefits of modern forestry](#)', illustrates that the forestry sector is already delivering multiple benefits.

**Of the other options listed below, which do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance:**

<sup>7</sup> [https://en.wikipedia.org/wiki/Paris\\_Agreement](https://en.wikipedia.org/wiki/Paris_Agreement)

<sup>8</sup> <https://www.gov.uk/government/publications/clean-growth-strategy>

<sup>9</sup>

<https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/uknaturalcapital/landandhabitatecosystemaccounts> Sum of totals in Table 8.

- a. World-class animal welfare**
  - b. High animal health standards**
  - c. Protection of crops, tree, plant and bee health**
  - d. Improved productivity and competitiveness**
  - a. Preserving rural resilience and traditional farming and landscapes in the uplands**
  - b. Public access to the countryside**
- Are there any other public goods which you think the government should support?**

The UK is the second biggest importer of timber in the world.<sup>10</sup> Many timber products are imported in higher quantities than our food products (see Confor's Evidence Compendium attached). Supporting greater availability of UK timber and promoting it as a market choice for consumers will deliver several public goods:

- Protection of irreplaceable global forests. The UK has very little ancient natural forest to lose, so we rely on other countries to preserve theirs. Yet our timber imports put major pressure on these forests which are in danger of being over-exploited and degraded, when we could grow the resource ourselves on land of far lower international conservation value, to the UK Forestry Standard<sup>11</sup>, a global gold standard of sustainability.
- Securing raw material for the UK economy. Timber is essential for everything from housebuilding to plastic-free supermarket packaging. Global timber prices are at a modern-day high; and the long-term forecasts are for ever-increasing rises due to greater demand from growing economies, and the greater impact of climate change causing forest fires and other events which reduce availability. Timber may soon become the 'new oil', the raw material which enables or limits the global economy. Being so timber-poor and relying so heavily on imports puts the UK economy at the mercy of these price rises and lack of supply, instead of becoming a timber-rich country able to benefit from high prices by using our home-grown timber and exporting it overseas.

<sup>10</sup> [https://www.forestry.gov.uk/pdf/Ch9\\_International\\_FS2017.pdf/\\$FILE/Ch9\\_International\\_FS2017.pdf](https://www.forestry.gov.uk/pdf/Ch9_International_FS2017.pdf/$FILE/Ch9_International_FS2017.pdf) p.17

<sup>11</sup> <https://www.forestry.gov.uk/ukfs>

- Plant health and biosecurity. Every timber import poses some risk of introduced pests, diseases and invasive species, particularly for low-processed wood such as firewood and logs for sawmills.<sup>12</sup>

While timber itself is a private good, the value of UK timber for global biodiversity, UK economic resilience and plant health is not recognised by the market and should be considered by Defra for inclusion as public goods.

Any similar benefits provided by other productive land uses should also be considered, on the basis of a level playing field.

These are in addition to the well-known benefits of the forest while it grows, such as carbon sequestration, biodiversity, air quality, flood mitigation, landscape enhancement, health and leisure.

### Enhancing our environment

**From the list below, please select which outcomes would be best achieved by incentivising action across a number of farms or other land parcels in a future environmental land management system:**

- a. Recreation**
- b. Water quality**
- c. Flood mitigation**
- d. Habitat restoration**
- e. Species recovery**
- f. Soil quality**
- g. Cultural heritage**
- h. Carbon sequestration and greenhouse gas reduction**
- i. Air quality**
- j. Woodlands and forestry**
- k. Other (please specify)**

All the outcomes listed can be incentivised in future schemes through environmental management, woodland creation and management of existing woodland.

In general it is not in the interests of independent businesses to co-operate, so any scheme must identify a sufficiently strong reason for participants to overcome the extra work and loss of control. Successful examples of co-operation in forestry are group certification schemes, where a number of woodlands can gain certification without the need to undertake the entire

<sup>12</sup> <http://www.confor.org.uk/media/246818/plant-health-and-brexit-statement-jan18.pdf>

application and audit process separately; Conifer Improvement Co-operative through which companies pool resources to improve tree stock; and agricultural machinery rings which have now expanded to improve forestry.

**What role should outcome based payments have in a new environmental land management system?**

**How can an approach to a new environmental land management system be developed that balances national and local priorities for environmental outcomes?**

**How can farmers and land managers work together or with third parties to deliver environmental outcomes?**

Confor supports the comments made in the response by the Country Land and Business Association.

### **Fulfilling our responsibility to animals**

No comment on this section.

### **Supporting rural communities and remote farming**

**How should farming, land management and rural communities continue to be supported to deliver environmental, social and cultural benefits in the uplands?**

**There are a number of challenges facing rural communities and businesses. Please rank your top three options by order of importance**

- a. Broadband coverage**
- b. Mobile phone coverage**
- c. Access to finance**
- d. Affordable housing**
- e. Availability of suitable business accommodation**
- f. Access to skilled labour**
- g. Transport connectivity**
- h. Other, please specify**

**With reference to the way you have ranked your answer to the previous question, what should government do to address the challenges faced by rural communities and businesses post-EU Exit?**

Improving infrastructure, especially telecommunications, addressing failures around planning and providing alternative incomes through commercial forestry and environmental enhancement could ensure these areas thrive.

The command paper makes no reference to commercial forestry and the potential contribution this could make to remote rural areas. If effectively incentivised and supported with advice, there is huge potential for responsible commercial afforestation to enhance agricultural incomes.

Confor's report on forestry and local economy gave examples of the ways in which forestry can increase the number of jobs, residents and small businesses in a rural area.<sup>13</sup> Our report on farm forestry explored the ways in which forestry could improve the farm business, through capital injection, financial stability, and enhancing livestock productivity through shelter belts, paddock creation and access improvements.<sup>14</sup> Forestry runs at a profit of £80-150 per hectare, compared with losses of between £20 and £220 per hectare for hill sheep farming.<sup>15</sup> Far from being in competition, forestry can provide security for a farmer to ensure they can continue in farming. This has been recognised by the Scottish government in their 'Sheep and Trees' scheme 'to help keep sheep on the hills by integrating trees into their business and increasing their farm viability'.<sup>16</sup>

The Government can only address the challenges of rural communities by integrating support payments and regulation across all rural business and land managers. The current "Reaganomics" approach to agriculture does not address many issues, in particular communication (both physical and digital) and also innovation and diversification. The creation of a level playing field of support and regulation for all rural business will help address some of these challenges.

## Changing regulatory culture

**How can we improve inspections for environmental, animal health and welfare standards? Please indicate any of your preferred options below:**

**a. Greater use of risk-based targeting**

<sup>13</sup> <http://www.confor.org.uk/media/246920/westwater-larriston-forestry-and-local-economy-feb-2018.pdf>

<sup>14</sup> [www.confor.org.uk/media/246612/confor-farm-forestry.pdf](http://www.confor.org.uk/media/246612/confor-farm-forestry.pdf)

<sup>15</sup> [http://www.confor.org.uk/media/246147/33\\_eskdalemuirreportmay2014.pdf](http://www.confor.org.uk/media/246147/33_eskdalemuirreportmay2014.pdf)

<http://www.confor.org.uk/media/79583/upland-forestry-in-wales-report.pdf>

<sup>16</sup> <https://scotland.forestry.gov.uk/supporting/grants-and-regulations/sheep-and-trees>



- b. Greater use of earned recognition, for instance for membership of assurance schemes**
- c. Increased remote sensing**
- d. Increased options for self-reporting**
- e. Better data sharing amongst government agencies**
- f. Other (please specify)**

**Which parts of the regulatory baseline could be improved, and how?**

**How can we deliver a more targeted and proportionate enforcement system?**

In January 2011, a group of industry and stakeholder representatives started work on reviewing the full suite of regulations, grants and wider policy environment which impact on the forestry sector. Their task was to identify ways to reduce the regulatory burden on those who seek to create and sustainably manage forests, thereby making it easier to do more. In October 2011, they reported to Government. It was agreed that unlocking more of the forestry sector's potential could be realised by removing unnecessary barriers and prioritising Government's interventions, including regulation, where they make the most difference. The **recommendations** from that task force, albeit from a previous Government, are still current.

The UK forestry sector has worked to a voluntary international sustainability standard (forest management and Chain of Custody) for over 20 years. Around 70% of UK timber and forest products are harvested from forests which are independently audited against a management standard endorsed by WWF, RSPB, Woodland Trust, National Trust, and others.<sup>17</sup> Whilst we welcome the reference to assurance schemes in the document, it is important that lessons are learnt from the forestry sector. There must be an integrated approach to land management regulation, with a consistent approach to environmental and social issues across all rural businesses.

Standards need to be outcome-focussed and risk adjusted, with a clear and consistent approach to enforcement and, if necessary, prosecution.

### **Risk management and resilience**

**What factors most affect **forestry** businesses' decisions on whether to buy **forestry** insurance? Please rank your top three options:**

- a. Desire to protect themselves from general risks (e.g. – revenue protection)**
- b. Desire to protect themselves from specific risks (e.g. – flooding, pests or disease)**

<sup>17</sup> <http://ukwas.org.uk/about-us/membership>

- c. Provision of government compensation for some risks**
- d. Cost of insurance**
- e. Complexity and administrative burden of insurance**
- f. Availability of relevant insurance products**
- g. Other (please specify)**

**What additional skills data and tools would help better manage volatility in **forestry** production and revenues for (a) forestry businesses and (b) insurance providers?**

**How can the current arrangements for managing market crises and providing crisis support be improved?**

The forestry sector already has a well-developed system of insurance for issues such as fire and storm damage, although this is more common amongst the larger investment forest owners and managers. There are many opportunities to make better use of "big data" from remote sensing and from harvesting machinery to better understand risks across the forest sector by region and by forest.

Recent sharp rises in the price of timber and a prospect of higher prices in the future make it vital that better data is provided to ensure the future of the UK timber processing sector and future investment in this vital of the sustainable rural economy. This includes far more detailed and regular data on timber prices, on what is harvested and what it is used for (sawn, chip, biomass etc), and forecasts of availability based on standing timber.

### **Ensuring fairness in the supply chain**

**How can we improve transparency and relationships across the **timber** supply chain? Please rank your top three options by order of importance:**

- a. Promoting Producer Organisations and other formal structures?**
- b. Introducing statutory codes of conduct?**
- c. Improving the provision of data on volumes, stocks and prices etc.?**
- d. Other (please specify)**

**What are the biggest barriers to collaboration amongst **land managers**?**

**What are the most important benefits that collaboration between **land managers** and other parts of the **forestry** supply chain can bring?**

**How could government help to enable this?**

Historically, timber production has been dominated by the National Forest Estate (NFE) and this consistent timber supply has enabled significant investment in timber processing. However, as timber from the NFE has gradually declined to around 40%, there is a greater influence of market forces on UK timber prices and the influence of external factors such as currency values on the price of timber means that UK timber prices are likely to be more prone to unpredictable swings. It is important that there is sustained and continued Government commitment to incentivising private sector planting of new productive woodlands to enable all parts of the forestry supply chain from nurseries to sawmills to continue to invest with confidence.

### **Protecting crop, tree, plant and bee health**

**Where there are insufficient commercial drivers, how far do you agree or disagree that government should play a role in supporting:**

- a. Industry, woodland owners and others to respond collaboratively and swiftly to outbreaks of priority pests and diseases in trees?**
- b. Landscape recovery following pest and disease outbreaks, and the development of more resilient trees?**
- c. The development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors?**

**Where there are insufficient commercial drivers, what role should government play in:**

- a. Supporting industry, woodland owners and others to respond collaboratively and swiftly to outbreaks of priority pests and diseases in trees?**
- b. Promoting landscape recovery following pest and disease outbreaks, and the development of more resilient trees?**

**What support, if any, can the government offer to promote the development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors?**

Only the Government has the resources and authority to lead and co-ordinate a national response to a pest or disease outbreak, working in partnership with the private sector.

Only the Government has the resources and authority to deliver changes to create a more bio-secure supply chain.

Plant pests and diseases not only threaten individual landowners' ability to produce timber, but also the nation's timber security as well as the natural environment. As pests and diseases operate across ownership and national boundaries and land ownership in the UK is diverse and fragmented, it is therefore essential and entirely legitimate that government and its agencies should take a lead in instigating and supporting responses to outbreaks of pests or disease that threaten national timber or environmental security. Even if an outbreak is discovered early and is confined to a small area, only the Government has the resources and authority to lead and co-ordinate a national response, crucially organising any requirement for further surveillance to establish the real extent of the outbreak.

Whilst it is important that the Government takes a lead, it is also important to note that responses to threats are most effective when the private sector is engaged at the earliest stage. Usually the owners of the trees, who are likely to bear the brunt of the costs, have greater expertise in the practicalities of delivery. The increased incidence of serious pests and diseases in trees has meant that the most recent lessons learnt about addressing pests and diseases are tree-related. The development of the excellent Plant Risk Register was a direct result of appearance of Ash dieback in the UK; and dieback, whilst undoubtedly a disaster for the UK's Ash trees, has prompted several positive developments in the UK's approach to tree health which could be replicated more widely.

The greater importance and resources being devoted to tree health within Defra has paid real dividends in improving the UK's ability to address the increased threats. The establishment of several public and private forums for the development and implementation of tree health policy/strategy at a local, national and UK level has raised the level of knowledge of tree pests and diseases and promoted significant private sector engagement. Outreach by Forest Research and by the various tree and forestry organisations, including Confor, has significantly improved tree health awareness amongst owners and practicing tree and forestry professionals at all levels. The development of contingency plans for the pests and diseases identified as high risk by the PHRR will hopefully enable an improved response to future threats and the soon to be published Tree Health Resilience Plan will hopefully pull together the various strands required to help protect our trees.

Given the reality that we are unlikely to be able to prevent all future pests and diseases entering and becoming established in the UK, creating a more resilient tree-scape is the most important step we can take. It is also worth noting that the number of ash trees that will die over the next few years exceeds the Government's aspirations for new tree planting. This will lead to a diminution of the natural capital asset of woods and trees. It is therefore important that the Government incentivises a significantly increased level of tree planting focussed

on maximising delivery and whilst not planting the wrong tree in the wrong place abandoning the mantra of the right tree in the right place.

The development of more bio-secure supply chains within the UK and with our international trade partners can only be a good thing and again, as the Government controls many of the levers and mechanisms for enabling the change, it should take a lead, along with support and building upon some of the private sector initiatives already being developed. It is also important than when considering bio-security measures that they are evidence led and practical, while actually address the main vectors in the spread of pests and diseases, so it is pointless to focus on washing boots if the main vector is the wind or a flying insect. It is also counterproductive if the measures introduced are so costly or onerous that they effectively shut down the supply chain they are supposed to be protecting. The current UK agency proposals for Timber Passports to be implement in the EU are an example where the proposed measures are impractical and disproportionate.

In October 2016, Confor produced a report, "[\*\*A thriving forestry and timber sector in a post-Brexit world\*\*](#)". With input from members, this report asked five big questions and set out policy recommendations that could allow the forestry and timber sector to thrive post-Brexit. "How can we strengthen plant health and protection without restricting domestic trade?" was one of the five questions. The recommendations to make this happen were:

- Phytosanitary certificates should be required for all imported material: Better regulation of all plant material (horticultural products as well as forestry) would limit the chance of new exotic pests and disease entering the UK.
- Restrict importation of firewood: This would reduce the risk of pest and disease entering the UK and increase demand for low-grade fuel wood from the UK's under-managed woods.
- Achieve consistent levels of new planting to enable nurseries to plan effectively: Short-term, inconsistent grant schemes lead to yooying in planting. Long-term, consistent support for woodland creation enables nurseries to better plan production, reducing both reliance on imported plants and disease risk.

In January 2018 Confor produced a position statement on the ban of importation of live plant material and firewood [here](#).

## **Devolution: maintaining cohesion and flexibility**

**With reference to the principles set out by JMC(EN) and listed in the devolution chapter, what are the agriculture and land management policy areas where a common approach across the UK is necessary?**

**What are the likely impacts on cross-border farms if each administration can tailor its own agriculture and land management policy?**

It is essential that UK-wide collaboration is maintained in plant health, forest research, the UK Forestry Standard, and Woodland Carbon Code.

Unlike farming, much forestry investment is mobile, and will be attracted to the area of the UK with the best incentives and most straightforward applications process for productive forestry. This is already demonstrated in the concentration of forestry investment money in Scotland, with areas suitable for such investment such as Wales and the north of England missing out. If farm policies for the different administrations also diverge, for example with one area supporting 'business as usual' upland farming while another withdraws support in favour of new models, this is likely to exacerbate the differences in attractiveness to forestry investment.

## International Trade

**How far do you agree or disagree with the broad priorities set out in the trade chapter?**

**How can government and industry work together to open up new markets?**

**How can we best protect and promote our brand, remaining global leaders in environmental protection, food safety, and in standards of production and animal welfare?**

The UK is the second biggest net importer of forest products in the world. Of the timber and panel products consumed in the UK 52% (by value) are from the EU, with 39% being produced within the UK.

The UK Government has a target of building 300,000 homes per year;<sup>18</sup> the only way this will be achieved will be to increase the use of off-site construction and timber frame. The lack of skilled labour within the construction industry is

<sup>18</sup> <http://www.bbc.co.uk/news/business-42043084>

another significant factor pushing construction away from more traditional methods and materials.

Over 70% of new homes in Scotland are timber frame, these homes can be built more quickly, cheaply and often are cheaper to heat; the multi million pound investment by Legal and General is a clear sign of the future.<sup>19</sup>

Due to the failure to deliver new productive woodlands for much of the 1990's and early 2000's the UK is heavily dependent on imported European softwood timber. WWF and FAO both predict that global timber demand will at least double by 2050,<sup>20</sup> the development of new markets will place the UK in a very weak negotiating position. There is huge domestic market for home grown timber products and for more farmers to grow productive timber on their farms. However it is essential that these are the right trees in the right place; it is essential that support is available to enable farmers to plant and to manage their woodlands to produce the timber that the market requires.

Approximately two-thirds of the timber grown in the UK is used in construction, through better silviculture and growing trees on slightly better ground, this percentage could be increased further.<sup>21</sup>

Sweden and Finland are heavily investing in biotechnology to develop bio-plastics and second-generation biofuels from forest products.<sup>22</sup> This will enable their economies to move away from fossil fuel based plastics and fuel, and reduce the impact of plastics in their waste streams. The UK has a well-established oil and gas industry with the skills and facilities to work with this new raw material. England has over a million hectares of unmanaged woodlands<sup>23</sup> which could help provide the feedstock for this new industry.

The UK has a choice – our rural areas could be a powerhouse to drive forward a new low carbon and sustainable industrial strategy, which will provide us with new homes, new fuels and new materials.

The UK has traditionally relied on forests in other countries to provide many of our raw materials, we have 'off-shored' our forest product footprint. In an

<sup>19</sup> <https://www.legalandgeneral.com/modular/>

<sup>20</sup> <https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products>

<sup>21</sup> [https://www.forestry.gov.uk/pdf/Ch2\\_Timber\\_FS2017.pdf/\\$FILE/Ch2\\_Timber\\_FS2017.pdf](https://www.forestry.gov.uk/pdf/Ch2_Timber_FS2017.pdf/$FILE/Ch2_Timber_FS2017.pdf)

<sup>22</sup> <https://ilbioeconomista.com/2017/03/30/an-interview-with-marc-palahi-director-of-efi-an-ambitious-bioeconomy-strategy-is-needed/>

<sup>23</sup> <http://www.rfs.org.uk/news/2017/8/unmanaged-woodlands-the-hidden-threat/>

increasingly difficult trading environment, with the demand for forest products increasing steeply our 'timber security' is very weak.

There is an enormous demand for home-grown timber which could not only replace imported material but also help the UK grow and develop new markets and new opportunities.

This is unique opportunity to develop a new vision for our rural areas and create a land-use strategy that works for the whole economy and supports our industrial aspirations.

### **Legislation: the Agriculture Bill (the Land Use Bill)**

**How far do you agree with the proposed powers of the Land Use Bill?**

**What other measures might we need in the Land Use Bill to achieve our objectives?**

Under (iii), 'promoting and increasing agricultural productivity and resilience', the wording should be changed to include forestry as well as agriculture, eg: 'promoting and increasing the productivity and resilience of rural primary industries'.

An additional power required should be: within a year, confirm the scheme which will be implemented at the end of the agricultural transition, and set a clear timescale for the agricultural transition.

It is not clear that power (v), 'take emergency measures to provide aid in extreme events' is necessary for the agriculture industry. Other industries, including forestry, take out private insurance against extreme events such as fire, windthrow and disease rather than expecting the taxpayer to foot the bill. If this power is deemed absolutely necessary, it should be very clear in what circumstances businesses are eligible for this aid, and it must be available on a fair basis to all land uses, not just farming.