

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

DRAFT BUDGET 2017-18; FORESTRY

SUBMISSION FROM BSW SAWMILLS LTD

Sales and acquisition of Forestry Commission Scotland assets

The principle of the sales and acquisition of forest assets whilst broadly maintaining a similar stocking and land holding is quite normal in the management of a dynamic and sustainable forest estate. However the focus of the repositioning programme in Scotland has been to sell off sections of productive forest with least public benefit and/or limited accessibility and using the funds mostly to create non-productive woodlands in and around towns.

Further repositioning of this kind, coupled with a backlog of restocking, puts at risk the ability of the NFE to uphold its commitment to maintain a supply of timber at current volumes to the market in the medium to long term.

BSW would therefore urge the Committee to recommend a comprehensive review before undertaking a new repositioning programme which demonstrates that the SG and FCS will retain the capacity and ability to deliver on its promised sustained supply of timber to the market.

Planting targets and whether there is funding and incentives available to meet them.

For the past 5 years SG's planting target of 10,000 ha per annum has actually achieved an average of 7,300 ha pa and of that only 2,300 ha pa was conifer, the group of species most useful to the forestry industries. That is a total of 11,500 ha compared to the 60% target of 30,000 ha of conifer over that 5 year period, this shortfall of nearly 20,000 ha undermines our confidence for the long term as a sawmiller.

There are many reasons why the planting targets are not being met (and the less formal "aspiration" of 60% productive woodland planting). The most commonly highlighted is the long process to establish schemes from concept to planting; this has been under an SG review and we await the results. The discredited SRDP has not helped in the delivery of good woodland creation schemes and the extent of the initial bias in woodland grants in favour of broadleaves a serious mistake.

By all accounts, there are no shortage of potential investors interested in woodland creation. The funding model is at long last satisfactory but we need an efficient approval process if we are to capture the long-term benefits to the Scottish economy from the targeted creation of productive woodlands.

Challenges from pests and diseases in the face of climate change, and what funds are being directed towards addressing these challenges

Pests and diseases recognise no borders and the greatest risk of spread remains with globalisation. Whilst weather and climate will have an effect on the virulence of pests and diseases, infection is spread through human activity and travel. Effective control of the import of infected plants and of goods and materials hosting pests and diseases is of paramount importance.

The future devolution of Forestry Commission and the decision on the organisation and arrangements to manage UK plant health issues is critical to the safety and security of our woodlands and trees. In another consultation, BSW have strongly recommended that a coherent UK/GB national plant health expertise and facility must be maintained. The funding of such would have to be subject of a forestry devolution settlement.

The potential impact of Brexit in relation to SRDP funds from the EU.

With so much uncertainty to the final outcome of Brexit negotiations it is difficult to offer any competent comment on this. We are concerned that uncertainty to the future structure of rural funding will lead to the curtailment or postponement of new woodland planting schemes.

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