



Limerick and Tipperary Woodland Owners Ltd.

Business

Spring 2016

Hello to all members of the Limerick and Tipperary Woodland Owners Group Ltd

New members are always welcome, please call us on our mobile number or email us and we will send on the necessary membership form. (087 6086085) admin@limerickandtipperarywoodlandowners.ie or simply attend our AGM.

Our AGM will be held in Newport Co.Tipperary on Saturday April 2nd.

Group funding and Management

With the assistance of Teagasc, two meetings of all Forestry producer groups in Ireland were arranged for Tullamore in April and November which we attended. The consensus was that all groups wished to do more, but for financial reasons mainly, were unable to do so. Just one group are in receipt of Leader funding to cover a managers salary but their present turnover is insufficient to cover expenses without aid. In terms of membership and activities, LTWO Ltd is in the top three groups in Ireland.

There is a continued need for funding by the State. Hopefully, this will materialise through the *aid to producer groups* and *support for knowledge transfer initiatives* of the recent Forestry Programme. There is equally a need for more involvement by members both by requesting advice and services from the Group and by becoming involved in Group management at various levels.



Some of the attendance and exhibits at the open day at Dan Butlers Forest in Cahir

Lobbying

In association with ICOS and on our own behalf we have been very active in lobbying the Govt to deliver on their commitment to support producer groups and to facilitate knowledge transfer. We believe that Producer Groups such as LTWO Ltd. are the ideal vehicles for facilitating training for small scale forest owners. These Groups have no vested interests other than the enhancement of their members. Our detailed submissions request a scheme similar to schemes already available to other commodity producers such as beef and dairy farmers, which include a cash incentive for forest owners to engage in knowledge transfer. In our view this is essential to encourage what are essentially part time forest owners to acquire new management skills, put these into practical use and achieve the best financial return from their forest.

Visit by Finnish Forestry Group to Limerick and Tipperary

In September last Limerick and Tipperary Woodland Owners Ltd hosted a visit of six Finnish foresters who spent four days in the region.

Länsi-Uusimaa

These foresters are employees of a Forest Management Association based in which is a district located west of Helsinki along the south coast. This association is one of about 100 private forest owners associations in Finland. In Länsi-Uusimaa there are about 72,000 ha of forests and about 3,200 forest owners. They manage the harvesting of about 320,000 m³ each year. Growing conditions and of course forest history and importance to the economy are very different in Finland. So the visitors came to see how a producer group operates in Ireland and to sample some Irish culture.

The Itinerary

They had a busy schedule beginning with a visit to Emo Park in Co Laois hosted by Coillte where they were welcomed by Kevin Hutchinson, Ger Buckley and Richard Jack as well as our own members Jeremiah Long and Piers McCann and vice chairman Con Little. On Wednesday they visited Laura and Peter Fletcher's oak Forest near Clonmel where a presentation was given by Laura Fletcher and Ted Horgan. From there a short trip was made to a Sitka Spruce "continuous cover" site at a Coillte site in Tickincor. A presentation was made by continuous cover expert Dr. Seamus Kennedy of the Forest Service and Kevin Power from Coillte. The group accompanied by some LTWO members then toured the estate of Lord Waterford at Curraghmore where they were kindly met by Lord Waterford himself. After a long day the Group travelled to Doon in Co Limerick where they were guests at a hurling match organised by James O'Brien of the local club.

On Thursday they were taken to the award winning forest of LTWO member John O'Connell near Adare. This was followed by a trip to Curraghchase Forest Park and by lunch in Adare Manor. The remainder of the afternoon and evening was spent touring Limerick City's historical sites.

Presentation

The group were based in Ballykisteen Golf and Country Club where a presentation was made on Friday morning by Pertti Vuoristo, on behalf of the visitors where he outlined their purpose and activities. In return the visitors were presented with a hurley each made by one of our members John Carey of Rearcross.

All in all the visit was a great success and was blessed by good weather through out. Limerick and Tipperary group members who attended the various events found them informative as did our Finnish guests

The Finnish group being shown hurley planks at John O'Connell's wood in Kilcornan Limerick



Danish Producer Group Visit Skovdyrkerne September 2015

In September, we organised a visit to Denmark, available to all members, to meet a group there that was established in the early 1900's. They have membership of about 6,000 owners and again is run as a business. They are totally flexible in order to meet members demands, from advice only to a full purchase and sale of crops. They have developed markets in other countries and continents from matchsticks to hardwood flooring, woodchip heating, foliage and wildlife management. Up to the recent financial crash, all foresters had half their salaries paid for by Govt subsidy. This was a major factor in their development.

Group Characteristics and Detail

- The Skovdyrkerne Group has 6000 members, which are in 6 separate Unions plus one head-quarters.
- It was formed in Jutland 1904, with 163 members who owned 1,300 hectares forestry.
- State subsidies for Groups were established in 1919.
- Today, total plantations are divided equally between hardwoods and conifers.
- No large assets are owned, inc machinery or buildings. Where possible, office space is shared with Government advisory services. Employees are foresters and administrators.
- The main areas of income are, timber sales, woodchip, afforestation, Christmas tree sales, Greenery sales, Game management, Nature and landscaping services, administration for members, advisory services. Services to non-members are charged at a higher rate than to members. Non members include Insurance companies, Local Authorities, professional investors, non resident forest owners, Legal issues including land transfers.
- Forest owners have similarities to Ireland, including low average size, limited knowledge of management and on their own, are price takers and subject to exploitation.
- Membership comes in two forms: basic at €60per annum which includes newsletters and visits to educational events. Regular at €100, plus €5/hectare on every hectare. This also includes free telephone advice and a free forester visit to the members site every year. The annual visit is considered "essential" to maintain contact. Not all members take up the visit for various reasons and these members are contacted by phone, again to maintain contact. The visit consists of general advice and recommendations and often leads to more work. The forester is expected to cover 4 visits per day. These are co-ordinated to reduce travel costs.
- Due to scale, the group can negotiate better prices from contractors and saw mills than individual owners. This allows the group to charge 15% on top of contractors fee to harvest and extract to roadside. If asked to market the crop, the group deducts 10% from receipt of sawmills payment. The benefits to members are that they are confident the job will be done properly, this includes the properly, this includes the correct trees being cut, correct machinery used, correct time of year, correct volume paid for, any ground damage repaired and they are guaranteed payment. They would be unable to negotiate a better nett price (unless they are a very large and experienced grower)

Business Assessment

For Producer Groups like ourselves to progress past a discussion forum, by scaling up activities and income to a level where it can be a sustainable business, it was decided to seek professional advice on how this could best be achieved.

A proposal was put together and submitted to Enterprise Ireland who awarded us a grant to the value of €5,000 to be put towards the cost of producing a Business Model.

The most suitably recommended consultants were a company called RIKON Ltd, based in WIT and having access to the Forestry academics in that Institution. The first meeting with the team took place in February and LTWO was represented by John Reardon and Michael Ryan. The history of producer Groups in Ireland and a detailed background of LTWO Ltd was relayed, including possible aims and ambitions for the future.

A variety of outcomes are expected, depending on the implementation or non-implementation of Dept. proposals.

Further meetings are scheduled before a final report is produced.



Left: Our Finnish visitors at Laura and Peter Fletcher's Plantation of Oak and Wild Cherry near Clonmel

Below: Attendance at Continuous Cover talk and demonstration in Clonmel.

Facilitated by Dr Seamus Kennedy and Con Little



