



Submission to Forestry Programme 2014 – 2020 on Knowledge Transfer Groups and Producer Groups

TO THE DEPARTMENT OF AGRICULTURE, FOOD AND MARINE
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Submission on Knowledge Transfer Groups and Producer Groups

Introduction

The Irish Co-operative Organisation Society (ICOS) is a co-operative umbrella organisation that serves and promotes commercial co-operative businesses and enterprise, across multiple sections of the Irish economy. As a representative umbrella organisation for the co-operative movement in Ireland, ICOS is focused on driving the evolution of the Irish co-operative sector through the promotion of best practice, change and helping to enhance the sustainability of our member co-ops. We endeavour to:

- Advocate greater engagement with our member co-ops and foster greater interaction between ICOS and our member co-ops.
- Effectively use our collective voice and lobbying capabilities.
- Challenge our members to promote continuous improvement and competitive change, and be open for challenge ourselves within ICOS.
- Promote the principles of the co-operative movement to ensure stronger governance, education, and cooperation.
- Develop our membership base through the training and education of our grass-roots membership.
- Promote greater member participation within co-operatives, particularly with younger generations of members.
- Deliver tangible value to our members in the services we provide, the initiatives we lead and the programs we promote.

In this instance, ICOS are facilitating forestry co-operatives and companies to come together in a forum to discuss and identify ways in which the private forestry sector in Ireland should be developed.

This submission is being made on behalf of the following forestry producer organisations:

- Donegal Woodland Owners Co-op
- Greengrove Bio-fuel Co-op
- Irish Wood Producers Ltd
- Timber Kilkenny Co-op
- The Forest Owners Co-op
- Irish Woodland Owners Co-op
- Limerick and Tipperary Woodland Owners Ltd

These groups, while all legal entities, are still developing their core business with the support of state and national agencies including Department of Agriculture, Food and Marine, Teagasc and relevant LEADER groups.

For these and other reasons, it is felt that **forest owners will gain less from the kind of peer – to – peer advice promoted in the Sheep, Beef and Dairy programmes**. The structure of the proposed KTGs, and the role of the group facilitators, must be carefully considered to ensure the optimum gain to forest owners.

Structure of Producer Groups

It is suggested that criteria be developed under which Producer Groups can join an approved list. These criteria could be relatively simple, for example that each group has:

- A formal constitution, with an elected Chairperson and Secretary
- Over 50 members
- Be limited to private forest owners with a minimum of 1 hectare of forestry. This is important so that non forest owner or those working in the industry, but not owning forestry, are unable to dominate a group.

Structure of Knowledge Transfer Groups

Each Producer Group should sub-divide their membership into groups of 15 – 20 members⁴, each of which would be a Knowledge Transfer Group. Producer Groups with more than, say 5 Knowledge Transfer Groups, should be required to differentiate on the areas of their members interest. For example a group may have Knowledge Transfer Groups for their members that have:

- Hardwood Forestry
- A thinning group
- Native woodlands
- Plantations of different maturity

Joining a KTG

For the other schemes, farmers apply to a facilitator to become members of the group. It is recommended that in the Forestry Scheme, farmers should first join the Producer Group before applying via the Producer Group to become a member of a particular KTG. The importance of this is that the control should remain with the forest owners and not the facilitator.

Group Facilitators

The consultation paper proposes that group facilitators be trained to a FETAC-accredited standard. Group facilitators in other farming schemes attended a 2 day FETAC course and if this is the only criteria it is not sufficient. As explained previously, the peer-to-peer learning within the groups may be limited. For this reason it is **recommended that groups have access to a registered forester** to engage with timber producers for specific training and management planning.

As owners attend KTG meetings they will build a relationship with the group facilitator. If the facilitator can also operate as a registered Forester this would be efficient for the producer organisations. However this will only work if the Producer Groups has develop a robust commercial structure. **Requiring group to have access registered Foresters will result in significantly more timber coming to market** and this should be supported through the Forestry Development Programme.

⁴ For comparison, the beef discussion group scheme rules recommend that each group have a maximum of 20 members. Point 4, Page 3 of the Terms & Conditions.

Choosing Group Facilitators

Groups Facilitators, as described above, should be invited to apply to the Producer Group to act as a facilitator to one, or a number, of the Producer Groups KTGs. It is important that the members of the Producer Group have the ability to choose, and if necessary replace, the group facilitator. This is an important distinction from other discussion groups, where the facilitator is often the main driver.

Group Meetings

It is suggested that owners be required to attend 4 meetings per year. This is welcome. However owners also need targeted advice. It is suggested that each owner may be required to have a one hour face to face meeting with the group facilitator each year. The facilitator should prepare a brief report for the owner after this meeting.

Conditions under which Owners should receive assistance to join Groups

The draft programme proposes that owners would complete a KTG programme over a two year period. **A two year period is not considered adequate and a smaller number of owners should be supported for a longer space of time.** This could be done by limiting KTGs to owners who are thinning, or are about to thin, their forestry. Alternatively, KTG's that focus on afforestation could be limited to a single meeting per year and members of these groups receive a smaller contribution.

This could be further facilitated by ensuring part of the grant producers receive for participating in a KTG, a portion of this grant aid should be paid back to their producer group for the organisation of training and other services to them.

KTGs should be constructed in such a way that owners who are ineligible for funding should be able to join at their own cost.

Sharing information within the Producer Group

A particular challenge of harvesting private sector timber is the relatively small size of plantations. Some Producer Groups have successfully clustered and harvested thinning's and this approach should be encouraged. To enable this, members of KTG's should be encouraged, but not obliged, to share summary information about their forestry with the producer group.

Targeted Training and Advisory Services

Sections 5.7.4 and 5.7.5 of the consultation paper proposes that Target Training and Advisory Services be provided to forest holders. The former will be through accredited training organisation and the latter primarily by Teagasc (who currently provide an excellent service to Forest Owners).

If this Forestry Programme wishes to develop Knowledge Transfer and Producer Groups, the training and advisory services should also be channelled, or co-ordinated, through the groups. To maximise the effect of these services and increase the efficiencies of the producer groups, it is important that contact with owners is concentrated through these groups.

Measure 8: Setting up of Producer Groups

In September 2012, Teagasc published a booklet listing 26 Forest Owner Groups (Producer Groups) in Ireland. Of the 10 groups within this booklet that list their membership numbers, 8 have between 50 and 120

members. However if support is provided by the Forest Service, it is likely that the average membership will grow.

Support for Producer Groups

The establishment of producer groups are integral to the future development of the forestry sector in Ireland. However once producer groups are established as legal entities, support should not stop there as is suggested in 5.8.3

A legal entity does not infer that the group is gone beyond 'start-up' stage. The complexities involved in organising the governance and personnel of producer groups means that once the legal entity is in place, in reality, it could take years for the entity to be a sustainable commercial entity.

Understanding that the programme requires that any supports available need to have limits in order to ensure that funding available is directed towards those who need it most, this paper maintains that a 'start-up' should be defined as follows:

- 1) a producer group less than 7 years since it registered as a legal entity
Or
- 2) an organisation which can show on its balance sheet that it is not making sufficient profits to pay out to its directors/members

At present, the existing groups are not sustainable, profitable entities. They are highly dependent on voluntary effort on their members to ensure smooth running of business and also from support through Teagasc and LEADER. Should these groups be overlooked for support due to the fact that they were the first to constructively develop their sector, this would be detrimental for the development of other producer groups.

Need for establishment of producer groups

Growers need individual and targeted advice if they are to apply for grant schemes, comply with legislative requirements and generally organise to mobilise their timber resource. It is unrealistic to expect an owner thinning their first plantation to complete harvesting plans or site hazard maps, both of which are legal requirements. It is important that owners have a go-to person for forestry advice, and unfortunately this is becoming diluted by the range of services on offer. Amalgamating the KTG's with existing Producer Groups, and funnelling advisory services through this structure, would make it easier for owners to engage with the range of services on offer and also easier for the Department of Agriculture and other state agencies to engage with forestry growers.

A large number of private owners have timber that is ready to be thinned but are not doing anything. If Ireland is to reach a round wood supply of 7 to 8 million cubic meters / annum as detailed in the recently published document "Forests, Products and People", then a **game changer is needed within the private forest industry.**

Other European countries have a stronger history of both forestry and forest owner (producer) groups. A 2008 report by the Confederation of European Forest Owners (www.cepf-eu.org) shows that in several countries over 20% of the harvested timber comes from Producer Groups. Currently less than 10,000 tonnes/year, or significantly less than half a percent, of Irish timber is harvested by Producer Groups.

The recent rise in Irish Producer Groups shows an appetite for an alternative option which mirrors the trend across Europe. However, in other European countries the groups provide a significantly wider range of services

than those in Ireland. The Irish groups are in their infancy and are not yet bringing significant levels of timber to market. The careful development of sustainable and commercial Irish Producer Groups could result in very significant volumes of timber coming to market.