

Answering the Critics

Has the Forestry Commission lost its way?

The Editor challenged me: "We have to recognise that timber simply won't happen if all we concentrate on is car parks and cycle tracks," he said.

I know it's a widespread view: FC in England at least has lost it – abandoned timber and gone over to the environment. In his June leader David Sulman said, "FC has tried to be all things to all men... which usually ends in tears."

It's wrong, and dangerously wrong. Through the 30 years I worked in the FC in England, the forestry has steadily, quietly got better. England's senior managers have never taken their eye off the ball and if the public messages come across differently, it's perhaps because the general public are more interested in recreation and wildlife than production statistics.

Timber management

Timber management was a bit

hit and miss in the North Yorks Moors I joined in 1977. FC was still heavily biased towards planting, although in England there'd been little for many years. The Douglas fir in the Dalby Dales was some of FC's earliest and most successful planting. They'd been so well thinned, a search for telegraph poles failed.

Dalby clearfelled for several years at an average pole of over 1 cubic metre. More typically, thinning fell off the further you went from the forest office, and huge swathes of post-war planting had barely been touched. Early traditions that saw Assistant Conservators marking the first thinning hadn't died. Each stand had to be carefully considered and the result was that most simply weren't worked.

When Sandy Calder took over as District Officer we set out to thin the district end to end, block by block. Many stands were 15 years over theoretical first thin and yielded spectacular volumes. But a tariff at 104 cubic metres per hectare surely had to be a mistake, I asked, and got the unarguable answer that it was a one in four line thinning! Close to a traditional local nursery, all the surplus plants had gone in to give a 3-foot spacing in the row – and it was 15 years overdue.

A big barrier was that most foresters had come from Kielder

and the whole of north-east England was still in shock from endemic windthrow. It took some persuading to convince them that their trees wouldn't go down in the softer Yorkshire environment.

Our big assets in Yorkshire were pine and larch, and a thriving pitwood market. We kept going through the price crash of the early 80s, and after 4 years I was shocked to find I had to scabble for the 0.2m³ thinnings the pitwood market wanted. Luckily, I was posted and Brian Mahony inherited the problem. He'd probably say nothing much has changed since.

A passion for thinning

What hasn't changed, too, is that since then all the senior FC foresters in England have been passionate about thinning: when Roger Busby took over south and west England region he made thinning the whole region his top priority. Later, that spread to the whole of England. Tim Sawyer introduced a new dimension when he resurrected real management of south-west England's big hardwoods.

I joined the FC in the Nett Discounted Revenue era. Discounting meant that the longer ahead something was, the less it was worth, and the

Douglas fir in Dalby Dales.



Langdale Forest from Baker's Warren, North Yorks Moors, 1981.

harvesting of a conventional hardwood crop was so far ahead that hardwoods planted were seen as worthless – and by extension all hardwoods. Of course, the reality is that they do take a long time to grow, but if someone has done it for you, Napoleonic Oak in the ex Royal Forests for example, hardwoods can be very valuable. Oak values have held up all through the bad times.

FC went one better when Brian Mahony struck a deal with Mike Henderson that meant the big hardwood plantations of south-east England could be thinned. Margins were wafer thin: we all understood this was for the crop, not for money.

For a couple of years David Williamson and his team pushed south-east England up to number two for timber, ahead of Thetford. I think this was a really great piece of forestry and everyone involved has a right to be proud of the way it transformed stand after stand, brightening the woods for people and wildlife alongside launching a valuable timber crop.

Private was best

When I started, I think the charge that the private sector did it better was probably right. Recently, I've had the privilege, through the RFS's 'Excellence in Forestry' competition, to visit some of the best forestry estates in England, and I have to say that the top private foresters probably are still the best. I was hugely impressed, for example, by Donald McDonald's extensive sample plots on Cowdray Estate which he used to tweak the thinning and yield from his immaculate conifer stands. However, as many private woodlands have reduced management in the face of disastrous prices and FC has worked

away at improving its management, FC may now, on average, be better than the private sector.

Up to the present I'd speculate that forestry in England has probably lost more volume and value from lack of thinning than all the environmental pressures put together. It's not just volume you lose when you don't thin – far more important is percentage sawlog, the key to getting in the money. Those Douglas at Dalby were coming in at over 90% sawlog at clearfell.

But that just can't be right! All the FC ever talks about is recreation and wildlife, so how can it possibly claim to be doing a better job than ever on timber?

Recreation v timber production

Well, first, exactly how does recreation impact on timber production? The buildings, Forest Centres, tend to be on bare or previously developed ground, and even when they aren't, they maybe take up four or five hectares. A Go-Ape course will, I admit, sterilise three or four hectares for timber felling, but step forward the forester who'd forego the £50,000 per annum rent! And trails and other facilities? What space do they take up? That's one side of the coin.

The other, and perhaps more serious, is the belief that management focus has shifted, and it's inevitable timber must be being neglected. It isn't so. FC management, astonishingly, has been doing two things at once and improving both of them.

And I can prove it.

Forestry in England

The amazing graph that is Figure 1 appeared in the shelved consultation on the future of the national forest estate from before the last

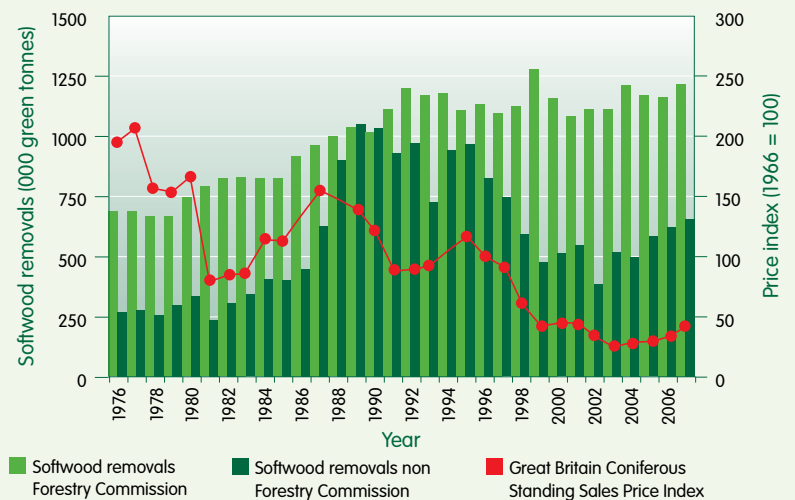


Figure 1: Timber availability and price for Forestry Commission public forest estate and non Forestry Commission estate timber. (Courtesy FC England.)

election.

It explains what has been happening in forestry in England. FC timber production rose from 1976 to even out at around 1.2 million cubic metres in the late 1990s. FC's UKWAS reports show that it's been running at just over 100% of allowable cut – the UKWAS upper limit is 105%. Far from timber fading from FC's activities, the hard evidence is that it's been pushing it to the wire.

Not so the private sector: from a peak in the late 1980s when it just beat the FC for two years, in 2002 it fell to just a quarter of FC output. The explanation is sadly all too obvious: the lethal red line. From 1976 the real value of timber declined by five times. That is not by a fifth: it is five times! Inflation is such that a pound in 2011 has the buying power of a mere 20 pence in 1976 – probably slightly less. But instead of smallwood prices having risen five-fold to retain parity, we are getting almost exactly the same number of pounds today as we did then. I was paid about £3,000 in 1976. I don't think I'd want to try and live on that now. That private owners withdrew from the market as it hit rock bottom may be regrettable – but I'd struggle to argue with their business logic.

The lethal red line

It is that lethal red line that has dominated forestry throughout my career. The faster we ran, the worse it got. Every 10% gain in efficiency has been matched by a 20% drop in price. It's not just forestry. The value of primary products, whether it's timber, coffee or copper, has been driven down and down by globalisation. It was a presentation in the mid 90s by Bob McIntosh, just before the mega crash we are only now climbing out of, that brought the message home to me:

there was no logical reason why real prices should go up. There would be peaks and troughs, certainly, but each peak would be lower, each trough deeper. The financial ground was disappearing from under our feet.

In 1996 FC England timber income peaked at £38m. In 2002 it bottomed out at £17.5m for the same volume and product mix. Rather than timber subsidising recreation, the rapid growth in recreation income as FC diversified its business base took some of the edge off the growing losses.

The two big messages:

First, the facts don't support the idea that FC has abandoned timber – and that's both statistics and what you see on the ground and at the mill.

Second, contrary to popular opinion in the sector, the core problems are forestry problems, not the environment, recreation or anything else with the exception, perhaps, of public opinion.

Our real woes are founded firmly in the disastrous slide in the value of timber which has taken growers at least below the poverty line. It's not surprising people are unhappy and it's human nature to look for something to lash out at, but as we enter a turbulent time for forestry it's also dangerous to avoid the hard facts.

But, I can hear you thinking, that's dodging the issue. Perhaps recreation needn't mean less timber, but what about habitat restoration? It's a fair point: ancient woodland and heathland restoration are reducing FC's timber output and it's conifers that are bearing the brunt. FC forecasts show a long-term drop of about 100,000m³ per annum on present plans and that will increase if larger areas are converted to open



Thinned stand at Haldon.



Unthinned Douglas fir – south-west England.

ground habitats. So where will the sector look for its material?

Again, the FC graph tells the story: it shows that by 2007 private sector conifer had crept back to 600,000m³ per annum, and although still 400,000 short of the 1988 peak output, has risen since by a further 12% across GB in 2010. That timber is still out there, plus some from stood-over volume. However, Confor figures suggest a potential England softwood output of over three million m³ per annum, nearly a million m³ above England's actual maximum production to date. Even if that figure is high it looks like a fully exploited English conifer resource will more than replace the loss to habitat restoration for the medium term at least.

With one million m³ per annum from neglected woods (some of which will be double-counted conifer) the prospects look good for England solving another perennial problem: FC's dominance in the marketplace. We really should be able to get total private sector felling over two million m³ per annum and that would quite simply reduce FC's 60% market share to nearer 30%.

Restructuring

Restructuring is another 'environmental' cause of timber loss. Stands are felled early, and nicely landscaped and increasing areas are left as open ground or planted with broadleaves. What has drifted away into the mists of time is that restructuring is first and foremost a forestry measure: breaking up age classes to control the sweep of endemic windthrow. It would be interesting to calculate the future impact restructuring is having on timber output. We've probably taken most of the pain from early felling in England and now it's all gain: I wonder how many years we've added to rotations,

how many stands get thinned that would have been too risky in the past? And that is all without taking into account the big storm that must surely one day come again.

At a crossroads

But David Sulman is right: we are at a crossroads. Two problems loom in particular and both are forestry, not environmental, problems. The first is disease. Whilst what is happening around *Phytophthora ramorum* is terrifying, red band needle blight is already with us in force. A high proportion of Corsican pine has stopped growing. The eastern pine market is the second most cohesive after the cross-border spruce market, and its prospects look grim.

The longer term depends on how the disease develops: in the short term, wait-and-see rather than panic felling looks right – in contrast to *ramorum*, the trees are mostly still alive.

In the medium term, one glimmer of hope is that there is a lot of unmanaged or undermanaged pine currently outside the market. The broader picture on disease is completely unpredictable but drives home the species diversity message.

The other is the benefits and



Stansted Park head forester Michael Prior.



Stansted coppice with standards.

risks around wood for energy. Energy is already lifting growers from near-starvation prices. For the first time there is a serious prospect of reversing the slide in timber values in the long term. But how will it play out? Will government subsidy push burnable wood further and further up the tree? Is there a risk that as existing industry struggles to compete, growers end up back where they started, victims of an even more ruthless global price setter in the form of co-firing the electricity industry? The bottom line is that, as a society, we really have to get our act together on carbon values – giving more value to wood for heat (90% efficient) compared to co-firing (50% at best), and most of all to saw timber, locking up carbon for generations. While we're sorting ourselves out, at least the state-owned volume gives the timber industry a potential cushion against the unintended consequences of political action.

Final reflection

As a final reflection, if FC has got it so wrong, what is the private sector doing? Judging the RFS Excellence in Forestry competition in the South East was a revelation. I'd gone there with the assumption foresters would be under intense anti-felling pressure from the public and that it would be impossible to make money. FJ has already featured Duke of Cornwall joint winner, Hampton Estate, and their story is typical of what we found: businesses just as diversified as FC, often with a stately home rather than a forest centre at the heart of open-access woodland recreation. Beautiful woods and a positive attitude to people are topped off by direct sales of fencing, firewood and garden furniture that are both profitable and build public support for woodland management.

At joint Duke of Cornwall win-

ner Stansted Park, head forester Michael Prior personally leads wildlife walks, another link to the public. This isn't Mickey Mouse forestry, either: virtually all the conifer is harvester-felled, and we were surprised by the quality and quantity of cutting-edge equipment in the woods. Crown Estate head forester Derek Stickler was positively gleeful over the income his Go Ape course, the first not on FC land, was pulling in. Along with booming firewood, it contributed to a very profitable final year before he retired.

So FC isn't even out of line with its closest private sector comparators. All the evidence is that it really is succeeding across the board. It's up there with the best on timber and nature conservation (99% of SSSIs in favourable condition compared to RSPB's 93%), and may actually be the very best big land manager for countryside recreation (compared to country parks, national parks and the National Trust, for example).

I'm not surprised, though, that people in the sector are nervous: a lot, perhaps too much, depends on FC continuing to get it right during forestry's next phase. I'm hoping we really will see a rebirth of forestry in England as a seriously viable business, but the ride could well be bumpy. Without a strong, popular FC now, the prospects of reaching a place where most private woods are in management and FC can take a real step back look slim.

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References

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