

Woodfuel Workshop Summary Report

(FR/RRSP Workshop 1st October 2009)

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1. Introduction and Background

The promotion, establishment and support of an effective woodfuel sector is a key policy goal for the Forestry Commission, and other government departments, across Great Britain. As part of this, the Forestry Commission is seeking to encourage the production of woodfuel from privately owned woods, especially from those currently considered to be 'under-managed', and to provide wider support where necessary and appropriate.

A workshop held on 1st October at the Woodland Enterprise Centre in Flimwell, East Sussex, was part of Forest Research's various programmes of research relating to woodfuel aimed at supporting these objectives¹. The workshop was conducted in partnership with the Rural Research and Strategy Partnership². The event was attended by approximately 35 people, mainly private woodland owners, other landowners, forestry and land management businesses, along with researchers.

The objective of the day was to exchange information between researchers and woodland owners, and between owners themselves. This was in order to understand (i) the range and importance of influences upon the decisions taken by private woodland owners regarding the production of woodfuel, and (ii) the types of partnership working arrangements preferred by them. Additionally, the workshop organisers hoped that new contacts would be made between the participants and useful information obtained to enable them to consider woodfuel production. The first session featured presentations from four invited specialists on the operational, social and business 'opportunities and constraints' of the woodfuel sector, along with the current Forestry Commission interests and activities in the South-east region³. After lunch smaller group discussions focused upon influences on decision-making and partnership working 'scenarios'. The following is an initial summary analysis of the afternoon's discussions.

2. Factors influencing private landowners' decisions to engage in woodfuel production

Workshop participants identified a broad range of influences affecting the woodfuel sector and landowners' decisions relating to engaging in woodfuel production (summarised in Table 1). Social influences were most numerous, but economic influences were perhaps strongest. Although operational concerns were expressed, these were not in general as important as social or economic influences.

¹ See www.forestryresearch.gov.uk/fr/INFD-7THBDU; <http://www.forestryresearch.gov.uk/woodfuel>; <http://www.biomassenergycentre.org.uk>

² <http://www.rrsp.org.uk/>

³ These presentations are available at <http://www.rrsp.org.uk/woodfuel.aspx>

Economic Influences	Social Influences	Operational Influences
Lack of regional market infrastructure	Pro-management values	Pragmatics of work
Woodfuel is not a discrete woodland product	Knowledge of woodland resource, technical processes and markets	Complexity of woodfuel as a product
Long-term market viability	Opportunities for cooperative working	Availability of a quality resource
Price	Public opposition	Health & safety of woodland workers
Vulnerability to change	Lack of strong, diverse social networks	Limited availability of workforce
Limited nature of grants	Legislative and regulatory burden	
High capital investment	Accessing grants an administrative burden	
	Limits of 'culture' and the need for cultural change	
	Not enough demonstrations of working woodlands are known	

Table 1 – Influences upon private woodland owners' decision making. (**Bold** text indicates most important influences)

Economic factors included:

- The forestry and woodland management sector in the South-east was clearly considered to be weak and **lacking a strong basic infrastructure**. Examples of this included an absence of saw mills in the area and the shift away from economic production by the Forestry Commission, which had previously provided a base for the region's woodland sector. Without this infrastructure woodland owners feel they have nothing to engage with.
- Clear concerns related to the **long-term viability** of the woodfuel market. In particular concerns were expressed about long-term supply, resource availability, demand and economic competitiveness. Owners were clearly reluctant to invest resources in a sector that may have only limited long-term security. However, participants also noted that woodfuel can contribute to energy security through diversification of source and increased localism.
- **Woodfuel is not a discrete product** of woodland management, and understanding how woodfuel fits with or compares to other products, and how economic return might be maximised, is complex. This requires the investment of substantial time and effort by owners and/or obtaining professional advice.
- The basic **price** obtainable for wood product is generally considered to be so low as to make extraction uneconomic – owners do not want to lose money managing their woodlands. There are significant issues of scale here, with smaller woodlands lacking the 'economy of scale' of larger woods. Having said this, there was clear recognition of woodland management as offering intrinsically low margins and that owners do not expect substantial return. Even

small increases in price have potential to improve economic viability. These low margins are, however, vulnerable to additional costs, including added regulation.

- **Vulnerability to commercial and/or environmental change.** Linked to concerns about long term security and viability, the woodfuel sector is influenced by world markets (especially other fuel sources) and is vulnerable to the emergence of new markets for wood products and/or changes in the environmental conditions of woodlands (such as caused by the 1987 storm or, in the long term, climate change). Owners need to be able to adapt to such change.
- The **limited nature of grants.** It is felt that governmental grants may become less available in the medium term and should only be considered to 'plug' funding gaps that the commercial market does not fill. The existence of grants is not a substitute for commercial market forces.
- There are concerns that the **high capital investment** costs associated with the installation of woodfuel boilers acts to restrain development of strong demand for woodfuel product.

Social factors included:

- **Pro-management values** held by woodland owners and others encourage management. Woodland and woodland management are considered of great cultural and environmental value and many owners wish to maintain this through active management of their woods. It is those owners who consider woodlands to be valuable in this way, rather than primarily being of economic value, that are most likely to manage woodlands as they are more willing to accept low financial returns. 'Pressure' to manage woodlands is clearly felt through both personal social networks and the media.
- **Knowing about the woodland resource, technical processes and markets.** In general knowledge about woodland management and woodfuel production is considered strong. However, owners feel they do not always have a clear knowledge of how their specific woodland resource might fit into wider markets and thus require good information. There is a substantial amount of information available but locating and understanding specific relevant pieces is often time consuming and complex, with so much general information available from so many sources and in so many formats. Bringing people together with different sets of knowledge is considered particularly important, as is having a 'person' as a source of advice.
- **Cooperative working** is considered to have the potential to increase the viability of woodland management, especially for owners of small woods. Cooperative efforts can facilitate increased knowledge exchange and improve cost effectiveness of management operations (linking local owners enabling shared use of resources and administration). A shared storage and processing area for woodfuel may be particularly useful. However, there are also a number of perceived drawbacks to cooperative working including membership apathy, personal disagreements, lack of trust and unwieldy decision-making.
- In many instances woodland owners are concerned about **potential negative reactions and opposition** to woodland management from "the public". It was suggested that public authorities are even more sensitive to this. This opposition is considered to be rooted in a lack of public understanding of woodland management, and to increase in proximity to urban areas. Having said this, clear support for woodland management is also forthcoming from some members of the public and the engagement of wider communities in woodland

management activities is considered to have the potential to strengthen communities. This is an attractive outcome for some woodland owners. At present British culture, such as the legal system and public attitudes, can set limits on what is acceptable or not in terms of woodland management. Cultural change is thus considered essential for management change. However, it was also noted that management change could lead cultural change.

- **The lack of strong diverse social (and economic) networks.** The rural community is considered weak, with woodland owners concerned that they don't know neighbouring owners. Also social structures tend to separate out different parts of the community (e.g. 'community' and 'landowners'; 'small' and 'large' woodland owners; 'producers' and 'users'). Having said this, within these sub-groups, communications and levels of trust can be strong.
- **Legislative and regulatory burden.** A wide range of legislation and regulation is considered to impact negatively upon decisions to engage in woodfuel production. These include felling licences, European competition law, smokeless zone regulations, waste (ash) disposal, listed landscapes, and tree preservation orders. Some elements of legislation and regulation are considered to have a potentially positive impact upon the sector, for example that relating to carbon reduction and the relaxation of woodland certification requirements.
- **Accessing grants can be an administrative burden.** In order to investigate what grants are available and complete the required administrative processes owners need to invest significant time and effort and/or to seek professional help. Alongside this, the grants received generally do not cover the full cost of the works involved and are often considered not worth the effort for small woodland owners.
- **Not enough demonstrations of working woodlands are known.** Having opportunities to visit actively well-managed woodlands is considered a key method through which to encourage owners to engage in woodland management, including woodfuel production. However, current social networks do not facilitate this.

Operational factors included:

- **The pragmatics of work.** The whole woodfuel process (from harvesting to end use) is considered to be labour intensive, and thus requiring substantial effort. There are widespread concerns regarding the consequent desirability of making that effort, set against the assumption that both producers and users prefer simplicity and ease of use.
- Linked to concerns about the pragmatics of working with woodfuel, there is a concern about the **limited availability of skilled workers** necessary to harvest woodfuel on the scale required. Having said this, it was also considered that the skills base simply needed time to grow and that there were jobs in woodland management for unskilled workers.
- Woodfuel was contrasted to other products, such as corn, as being more **complex** in terms of harvesting, storage, processing and supply. This complexity requires substantial input of time and resources by owners wishing to produce woodfuel.
- Closely linked to economic concerns regarding the long-term viability of the woodfuel market is a concern that in the South-east many woodlands are a 'poor quality' resource (particularly due to the lack of management and the 1987 storm) and would not be able to meet demand.

- Ensuring the **health and safety of workers** doing “dangerous” and “difficult” work in private woodlands, and the associated costs and regulations, are considered by some owners to be a burden. However, other owners consider these regulations simply to be an element of ‘best practice’ that everyone should follow to ensure efficient and effective harvesting.

3. Partnership Working ‘Scenarios’

Scenario 1 - **Public Sector Led Woodfuel Scheme**

- Strong support for this scenario, and widespread willingness to engage in this scheme.
- Strengths included the guarantee of fuel supply from public lands and clear backing from the public sector.
- Concerns were noted over where the funds might come from to run such a scheme.

Scenario 2 – **Community Led Woodfuel Project**

- Widespread willingness to engage in such an initiative.
- Strong community involvement, especially of young people, was a significant strength and could bring clear social benefits.
- Weaknesses included ensuring the quality of work carried out was of a high enough standard.

Scenario 3 – **Entrepreneur Led Woodfuel District Heating Business**

- Clear scepticism about whether this scheme could work, although some working examples were given. Few owners would agree to participate in such a scheme beyond selling wood.
- Long-term commitment to the project, relative commitments between partners and issues surrounding metering and payment were seen as significant weaknesses of this scenario.
- This was considered more likely to work where the number of suppliers and users was very limited (e.g. for large buildings with a single owner).
- The scheme’s local nature was considered a strength.

4. Conclusions

This workshop identified a considerable range of influences upon the decisions taken by private landowners to engage, or not, in woodfuel production. A range of both economic and social influences are important (see Table 1, p. 3). A number of cross-cutting issues also emerged such as those relating to scale (i.e. size of woodland and localism), type of product (i.e. woodchips/logs/non-woodfuel products), and the role of public authorities and land - all of which can significantly affect the costs, benefits and outcomes of woodland management.

The information gained via the workshop, including this summary report, will be made available to the public authorities charged with supporting the woodfuel sector, particularly the Forestry Commission, and will also inform the ongoing work of Forest Research aimed at identifying solutions to the problems pinpointed above.