

Ms. Marian Harkin MEP,
28 Emmet Place,
Union St.,
Sligo.

28th August 2009

Dear Marian,

I am writing to you on behalf of the Donegal Woodland Owners Society Ltd. of which I am a Committee member. Our Society is a group of Donegal farmers and other land owners who have afforested our lands under the Government Afforestation Grant (CAP Programme). Collectively we have approximately 10,000 acres of sustainable managed forests at various stages of production. The society's aim is to co-operatively manage our crops going forward, providing local employment and added value.

The Society has become increasingly concerned with the precedent set in the last emergency budget, where the premium paid to farmers who have afforested their lands under contract to the Government and the EU was severely cut and taxed. When each of our members entered into the forestation scheme we were guaranteed a 20 year, tax free, premium for the use of our lands for the production of trees from the outset. Our Society would question the legality of the 8% reduction in our premiums and the introduction of the 2% and 4% income levy. The funding for this program, when we entered into it, was primarily EU grant aid in support of "Growing for the Future" A Strategic Plan for the Development of the Forestry Sector in Ireland.

As our Independent MEP we request that you might make enquiries in Europe on our behalf, to establish whether this 8% reduction in premium and the introduction of the income levy is indeed a legitimate action by the Irish Government.

It is our opinion that the Government is in breach of contract with farm foresters, and indeed when we entered the scheme each parcel of land to be planted had a contract number and was referenced too by the Department as a contract. Forestry is a long term commitment on behalf of our members, it is not the situation that after years of growing trees that a farmer can change his or her mind and transfer their land back to other agricultural production. The 20 year tax free premium was paid to farmers for taking their land out of agricultural production and planting new forests. 20 years being the average time span a farmer would have to wait before he could earn an income from his or her forest. This was the reason for the 20 year contract in the first place.

The early management of our crops is essential for the development of an economically viable timber segment in the North West. Management costs money, and under the present economic climate grant aid for such things as forest roads and other forestry support measures has all but ceased. Our members need to be assured that they will have their agreed forestry tax free premium going forward in order that they can manage their sustainable woodlands and add to the economic viability of the North West through timber production going forward.

I hope that you will be able to investigate the legitimacy of this action by the Irish Government within the EU and revert to us with some positive outcome. A small delegation from our Committee would be prepared to meet with you at any time convenient to you to discuss this issue further, if there are any questions you would like answered in this regard.

Yours Sincerely

Owen C Doyle, (PRO for Donegal Woodland Owners Society Limited)

Irish Forestry: A Growth Sector - The Facts

Ireland's forest industry contributes up to €2 billion yearly and growing, to the Irish economy with over 16,000 sustainable jobs, mostly in rural areas. This is one sector of our economy that can sustainably grow.

Farm Forestry is the growth area for further afforestation but confidence has been broken because of broken contracts with our Government

Ireland has the best growth rates for a range of tree species; this gives it a massive natural competitive advantage.

Ireland has the lowest forest cover at only 10% compared to an EU average of over 30%

Ireland has a massive underutilised land bank, surplus to agricultural requirements, suitable for afforestation.

In Ireland today the afforestation rate (new forest planting) has dropped to a new 20 year low.

Ireland's wood for energy market is developing rapidly, our forests being the largest source of biomass.

If we do not increase forest cover in Ireland we will not reach a sustainable critical mass of forestry to grow and sustain our wood energy markets and our timber processing industries.

Ireland's Forests provide huge environmental benefits to the nation; we need rapid sustainable growth in this industry, now.

The environmental benefits of our forests are not being recognised or rewarded. Our forests play a vital role in carbon sequestration, water protection, wildlife habitat, protected areas for endangered species and a very positive role in combating climate change. Timber is the "greenest" building material by far.

Fast Track Irish Forestry Now

Donegal Woodland Owners Society Ltd. 28 08 2009