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Rural Development
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Funding for Woodland Creation
and Woodland Management

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Benefits of Woods

- Shelter
- Reduction of diffuse pollution
- Bank stabilisation
- Flood reduction
- Sporting
- Source of firewood / chip-wood for on-site boiler
- Alternative income stream, both grants and timber
- Succession planning



Tax Benefits

- Growing asset which adds value to farm
- No income tax on timber sales or grants
- No capital gains tax on the growth in value of trees
- 100% relief on inheritance tax



Funding for New Woodland



- Initial planting grant
- Coupled with annual (x 5) maintenance grant
- Fencing: deer, stock, rabbit, upgrade, marking
- Tubes and vole guards
- Bracken control
- Gorse removal (new)
- Sheep and Trees package
- Keep Basic Payment



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Planting Grants



| Woodland Creation option | Payment rates in standard areas | | | Payment rates in target areas | | |
|--|--------------------------------------|---|---------------------------|--------------------------------------|---|---------------------------|
| | Initial planting payment rate (£/ha) | Annual maintenance payment rate (£/ha/year) for five years* | Total payment rate (£/ha) | Initial planting payment rate (£/ha) | Annual maintenance payment rate (£/ha/year) for five years* | Total payment rate (£/ha) |
| Conifer | 1920 | 208 | 2960 | 2160 | 234 | 3330 |
| Diverse Conifer | 2160 | 336 | 3840 | 2430 | 378 | 4320 |
| Broadleaves | 2880 | 528 | 5520 | 3240 | 594 | 6210 |
| Native Scots Pine | 1840 | 272 | 3200 | 2070 | 306 | 3600 |
| Native Upland Birch | 1840 | 128 | 2480 | 2070 | 144 | 2790 |
| Native Broadleaves | 1840 | 272 | 3200 | 2070 | 306 | 3600 |
| Native Low-density Broadleaves | 560 | 96 | 1040 | 630 | 108 | 1170 |
| Small or Farm Woodland | 2400 | 400 | 4400 | 2700 | 450 | 4950 |



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Example Cashflow 14ha Conifer



| ESTABLISHMENT COSTS | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Deer Fencing | 22,468 | | | | | |
| Mounding & Drainage | 4,274 | | | | | |
| Plants and Planting | 13,153 | | | | | |
| Tree shelters/guards | 607 | 18 | | 9 | | |
| Weeding | | 3,789 | 1,579 | 789 | | |
| Replace losses | 1,346 | 678 | 339 | | | |
| Sundries/ contingencies | 2,092 | | 96 | | | |
| Supervision | 4,000 | 673 | 673 | 336 | 336 | |
| Professional Fees | 2,635 | | | | | |
| TOTAL COSTS | 50,574 | 5,158 | 2,687 | 1,134 | 336 | |
| INCOME | | | | | | |
| Planting & maintenance | 63,922 | 2,960 | 2,960 | 2,960 | 2,960 | 2,960 |
| Tree shelters & bracken control | 502 | | | | | |
| Deer fencing | 23,016 | | | | | |
| Basic Payment | | 2,291 | 2,291 | 2,291 | | |
| TOTAL INCOME | 87,440 | 5,251 | 5,251 | 5,251 | 5,251 | 5,251 |
| NET INCOME(EXPENDITURE) | 36,866 | 93 | 2,564 | 4,116 | 4,914 | 5,251 |
| CUMULATIVE INCOME (EXPENDITURE) | 36,866 | 36,959 | 39,523 | 43,639 | 48,553 | 53,804 |



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Example Cashflow 40ha Conifer



| ESTABLISHMENT COSTS | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Deer Fencing | 31,875 | | | | | |
| Mounding & Drainage | 7,997 | | | | | |
| Plants and Planting | 44,226 | | | | | |
| Weeding | 8,271 | 13,321 | 8,422 | 1,515 | | |
| Sundries/ contingencies | 4,618 | 666 | 421 | 76 | | |
| Supervision | 8,000 | 1,300 | 1,300 | 1,300 | 650 | |
| Professional Fees | 2,635 | | | | | |
| TOTAL COSTS | 107,622 | 15,287 | 10,143 | 2,891 | 650 | |
| INCOME | | | | | | |
| Planting & maintenance | 199,155 | 12,533 | 12,533 | 12,533 | 12,533 | 12,533 |
| Tree shelters & bracken control | 3,912 | | | | | |
| Deer fencing | 36,784 | | | | | |
| Basic Payment | | 7,431 | 7,431 | 7,431 | | |
| TOTAL INCOME | 239,851 | 19,964 | 19,964 | 19,964 | 12,533 | 12,533 |
| NET INCOME(EXPENDITURE) | 132,229 | 4,677 | 9,821 | 17,073 | 11,883 | 12,533 |
| CUMULATIVE INCOME (EXPENDITURE) | 132,229 | 136,906 | 146,727 | 163,800 | 175,683 | 188,216 |



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Funding for Woodland Management



- Long Term Forest Plan
 - Woodlands over 100ha
 - £20/ha first 200ha, £5/ha thereafter
 - Covers most, if not all, cost
- Alternatively Woodland Management Plan (no grant)
- Restocking
 - £300/ha standard
 - £550/ha increased diversity



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Funding for Woodland Management



- Livestock Exclusion
 - £40/ha/year x 5 years
 - + fencing grant
 - Management plan
- Woodland Grazing
 - Woodland grazing plan (£1,200 grant)
 - £100/ha/year x 5 years + fencing grant + livestock equipment
 - Management plan



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Funding for Woodland Management



- Infrastructure (roading)
 - For woods ready to harvest, up to 50ha
 - Roding £25.80/m
 - Lay-bys £6.60/sq. m
 - Bell-mouth junction £32.40/sq. m



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Woodland Grazing Example



| | | |
|------------------------|-------------------------------|----------------|
| Income | | |
| WGP grant | 1 item @ £1,200 | £ 1,200 |
| Woodland grazing grant | 58ha @ £100/ha x 5 years | £29,000 |
| Fencing grant | 1,980m @ £5.50/m | <u>£10,890</u> |
| | Total grant | £41,090 |
| Expenditure | | |
| Fencing | 1,980m @ £5.50/m | £10,890 |
| Monitoring | 2 visits/yr @ £320 ea x 5 yrs | £ 3,200 |
| WGP (as above) | 1 item @ £2,943 | £ 2,943 |
| Grant application | 1 item @ £340 | <u>£ 340</u> |
| | Total expenditure | £17,373 |
| | Net income over 5 years | £23,717 |



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FAS Advice



- Phone 0300 323 0161
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Thank You

