

Good ground grows great crops



**Farm
Advisory
Service**

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Timber crops planted on good quality land can produce high growth rates and high quality timber. Converting ground to productive woodland provides a way to reduce the scale of your farming operations without selling land, and make an investment for the future. You can receive short term income from the Forestry Grant Scheme (FGS) for planting and establishment, and regular tax-free income from timber, starting with thinnings as early as 17 years, before clear-fell at 30-40 years.

Key figures

- Area: 48ha
- Total grant: £207,787
- Carbon credit income: £23,324
- Total cost: £105,840
- 1st year balance: +£71,217
- Estimated surplus by 2022: £125,251
- Species: Sitka spruce, Norway spruce, Scots pine, Douglas fir, larch

Auchintender Farm Woodland Creation

The Duffton family first planted a productive conifer crop in 2003, which has grown very well. In 2016 they decided to reduce the scale of farming operations and convert much of their remaining arable land to timber production.

Income from the original woodland block will begin with first thinning roughly when grant payments for the new block will finish. Splitting the planting in two phases spread the work of establishment, and will stagger the income from thinnings and clearfell over a longer period.

Why convert good land to timber production?

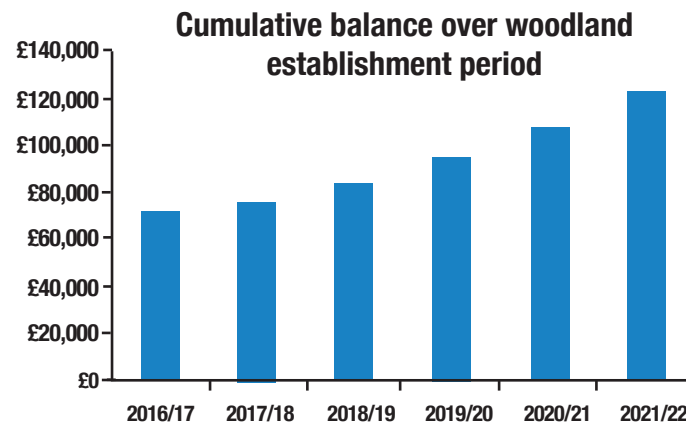
Good land will grow great trees. Make the most of good soils with grant funding for the additional cost of planting genetically improved trees, selectively bred for high growth rate and timber quality. In good conditions a crop of improved Sitka spruce could be harvested up to a decade earlier than the typical 40-year rotation.

Large, flat fields are easy to work on, which keeps down costs throughout the lifetime of the woodland. Machine planting is possible on this kind of ground, and herbicide spraying and mowing can be done by a quad bike or small tractor. This is more cost-effective than doing this work by hand, which is usually the only option on rougher hill ground.

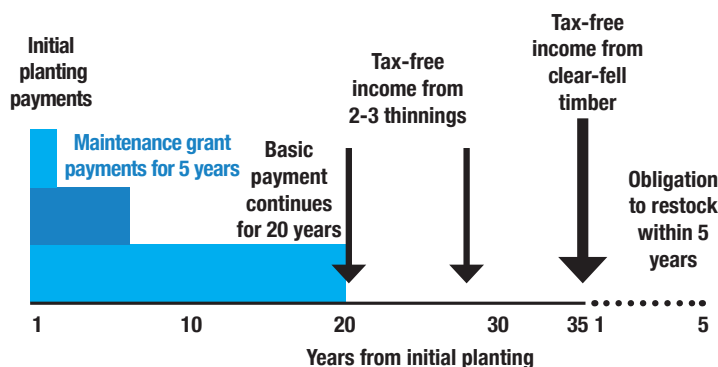
Land that is easy for harvesting machines to work on also minimises the costs of extracting timber. Combined with good prices for high value timber, profit margins should be healthy for both thinnings and clearfell.

What should I do if I want to take advantage of the Forestry Grant Scheme?

- Seek professional advice early on. Request an indicative cashflow to see how the grants and costs stack up.
- You will need temporary finance, such as a loan or overdraft facility, for the period between paying contractors and receiving grant payments.
- Plan ahead. The application process can take a number of months and contractors need to be booked in advance.



Income timeline for a genetically improved timber crop



If you need more advice on farm woodlands or any other topic, the Farm Advisory Service has a range of support and help available:

Advice line

For free telephone advice on a wide variety of topics including cross compliance, water framework directive requirements, climate change and other technical issues call us on 0300 323 0161 or email advice@fas.scot. The advice line operates between 9am and 5pm Monday to Friday.

Bespoke Advice and Grants

FAS can also help you to increase the profitability and sustainability of your farming business through Scottish Government grants including Integrated Land Management Plans (ILMPs) – worth up to £1,200. The ILMP will identify opportunities and cost savings for your business, based on an independent and confidential assessment of your business by an experienced farm business adviser of your choosing. As part of your plan you can choose to benefit from up to two further specialist advice plans.

Online

Our website contains articles, videos and much more at www.fas.scot

Scotland's Farm Advisory Service (FAS) is part of the Scottish Rural Development Programme (SRDP) which is co-funded by the EU and Scottish Government, providing information and resources aimed at increasing the profitability and sustainability of farms and crofts.

Grant support, a full programme of events, a subscription service for crofts and small farms, and a range of articles and publications form the core of this service which is designed to provide integrated advice for farmers and crofters across Scotland.



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