

Coillte Forest



Coillte Forest manages all aspects of the Group's forestry business, including the establishment of plantations, harvesting, timber sales and marketing, recreation and environmental management and the provision of forestry services to farmers and other landowners.

Timber markets

Coillte Forest and its sawmill customers historically have been highly dependent on the construction sector and the collapse in house construction in Ireland had a negative impact on performance in 2009. In the first half of the year there was little demand for logs for construction end uses. We worked with our customers to ensure suitable timber was available to them to meet the changed market requirements and to facilitate them entering the UK construction market and displacing imports of construction timber into Ireland.

We developed and implemented a successful marketing strategy in conjunction with Enterprise Ireland and our sawmill customers to market and promote Irish timber for the UK construction market. Implementation of this strategy boosted demand for logs substantially in the second half of the year. Coillte Forest sold 2.4m m³ of logs, a 5% increase on 2008. However, prices were on average 20% lower than in 2008. We planted 4,800 ha of forests and we built or upgraded over 200km of forest roads.

As part of the group focus on costs, Coillte Forest made good progress by implementing a voluntary redundancy scheme, reducing operating costs and increasing the level of crop establishment undertaken by contractors.



Other key achievements in the year included:

- Development of a residue bundling project to evaluate the biomass value of forest residues for sale to energy users;
- An extensive public consultation programme communicating our medium term plans for our forests to a wide range of local and national stakeholders. Forest Management Plans were made available online for the first time to help people get a better understanding of how we manage our forests.

Recreation

2009 saw National Trails Day (Sunday 4th October) become an all-Ireland initiative with 100 events north and south of the border. Coillte was a lead partner in the creation and organisation of the national event which included biking, walking, orienteering, cave walks, canoeing and kayaking with water 'trails' included for the first time. Our partners in the event included the Department of Community, Rural and Gaeltacht Affairs (CRAGA), the National Trails Office of the Irish Sports Council and Fáilte Ireland. The Northern Ireland Forest Service and Northern Ireland Tourist Board also participated for the first time.

During 2009 we received funding from CRAGA as well as the Dublin Mountains Partnership and the Irish Sports Council which allowed us to continue to improve and enhance the recreation resource we provide.

Coillte is a member of the Dublin Mountain Partnership (DMP) which was set up in 2008. Significant progress was made in developing the Dublin Mountains Way a 40km trail running from Tallaght in West Dublin to Shankill in South Dublin. In 2009 the DMP launched a dedicated 'Dublin Mountaineer' rambler bus to link Dublin Mountains to the city and a Volunteer Ranger Service which recruited and trained its first members.

Environment

Coillte manages 15% of its estate for biodiversity and in 2009 we retained our Forest Stewardship Council (FSC) certification following an independent audit. The production of certified timber is a vital part of our marketing strategy as we look to expand our export markets, in particular into the UK and Europe.

We also successfully completed our third EU LIFE project "Restoring Priority Woodland Habitats in Ireland". This project has removed exotic tree and shrub species from over 550 hectares, thus putting in place conditions that will allow priority native woodlands to regenerate naturally in future years. The very high quality of Coillte's previous LIFE-Nature Project on Raised Bogs has been recognised by its selection among the best LIFE-Nature projects out of the 73 that were evaluated in 2009 across Europe.

Outlook for 2010

House construction starts in Ireland are predicted to fall to 10,000 units in 2010 which will continue to challenge the Irish forestry industry. Consolidating the position established by Irish sawmills in the UK in 2009 remains a priority, as well as diversifying our revenue streams. Issues in relation to long term pricing, exchange rates and the response of competitors operating in the UK make it a difficult year to predict. While some of these factors are outside our control we will maintain our focus on supporting our customers and on reducing costs in 2010.

Tree Day 2009



Mr. Brendan Smith, T.D., Minister for Agriculture, Fisheries and Food is pictured with PJ Fitzpatrick, Coillte District Manager, planting a tree in Dun a Rí Forest Park to mark Tree Day 2009.

On Thursday, 8th October, 2009 all primary school children in Ireland were encouraged to leave their school bags at home and spend the day learning about trees in a fun and relaxed environment to mark Tree Day, a Tree Council of Ireland initiative.

Many schools took the opportunity to participate in guided woodland walks at over 120 locations throughout the country. These walks are hosted by Coillte, as well as the National Parks & Wildlife Service, the Heritage Service of the OPW, the Dublin local authorities and private forest owners.