3. ECONOMIC DEVELOPMENT

We want the East of England to be a creative and competitive economy, using resources sustainably

1. The economic value of woodland to the East of England Economy is estimated to be in the region of £680 million per year. The majority of this however accrues from the value of the green infrastructure that trees, and woodlands provide (or capital value of woodlands in the landscape). For example, increases in house prices, inward business investment, recreation and tourism activity which generate real spend in the region but for which there is no market transaction with the woodland owner.

2. The economic activity of tree and woodland management is much smaller, but it provides a financial return to owners. A healthy, viable and competitive woodland business sector would underpin the provision of the wide range of benefits of trees and woodlands to the people of the East of England. Without the necessary finances to undertake woodland management and planting the delivery of social, environmental, and wider economic benefits would be severely impoverished. Whilst grant assistance is available it is insufficient to support the provision of all public benefits of woodlands.

3. Employment within the timber production and processing industries is about 1,250 full time equivalent posts in the East of England, although much of the processing sector only deals with imported timber. In addition, there are probably another 1,200 jobs arising from the indirect and induced effects of timber production. The number of people employed in other aspects of woodland management, recreation and tourism is not known, but will be significant. Many of the jobs are in rural areas and are thus particularly important within the context of a diversified rural economic base.

4. This section focuses on tourism, wood and timber production, wood-using industries, non-timber woodland products and local marketing.

A. Tourism

(See also Recreation and Access)

5. Tourism is a major economic driver (£3.4 billion in 1997) in the East of England, with woodland widely considered to be a positive contributor to the industry. Although the traditional seaside holiday has been in long-term decline, short breaks, particularly involving countryside and heritage locations are growing. Woodland based commercial recreation (including pheasant shooting and deer stalking) and tourism can add significantly to rural economies, providing employment and downstream benefits.

6. Woodlands form an integral part of many tourist attractions in the East of England, either as attractive settings (such as Dedham Vale and the Chilterns) or in their own right. Numerous tourist venues within the East of England are largely or partially associated with woodlands. It has been estimated that woodland contributes significantly to about 20% of the region's 'out of town' attractions, as well as contributing more generally to the visitors' experiences of a day out or holiday in the region.

7. Some wooded areas are already major tourism magnets: Thetford Forest is the third most visited attraction in the region.

8. As well as being attractive places to visit, woodlands can provide a range of tourism facilities including:

- heritage trails,
- camping and caravan sites,
- cabins and cottages,
- organised, specialist sports,
- cycling,
- visitor centres, and
- 'safaris' and bird/mammal watching.

9. Woodland size and ownership characteristics are major factors limiting the ability to provide tourist attractions. Large woodland areas or estates have an advantage.

What is being done for tourism?

Many of the most attractive landscapes, and therefore most visited parts, of the region rely on trees and woodland for part of their character.

Woodland plays a significant part in over 100 tourist venues in the region.

Center Parcs at Elvedon is a major holiday centre in a woodland setting, employing up to 1700 staff at full capacity.

Opportunities for tourism.

- Work with the East of England Tourist Board to promote woodland venues.
- Increase the number of visitor centres in major woodland areas. These would provide local employment and increase visitor spend.
- Provide accommodation within woodland settings, such as caravan and camping sites, camping barns and cabins.
- Encourage co-operation between owners to provide tourism facilities.
- Promote sustainable tourism by encouraging co-operation between attractions in close proximity to provide visitor packages.

Initiative for Tourism

ED 1	Encourage an increase in woodland-based tourism.

To support this initiative a series of actions will be taken. Each action will require resources and partners to achieve it. Please refer to the Action Plan that accompanies this Strategy (www.woodlandforlife.net/wfl-action).

B. Woodland Produce and Timber Production and Marketing

(See also Tourism, Renewable Energy and Biodiversity)

10. The production of wood has been the main reason for the continued existence of woodland over the centuries, and for most of last century was the prime rationale for afforestation. Wood is a very versatile, renewable raw material that is being used in ever increasing quantities at global and national levels, with Britain importing about 80% of her requirements. It may seem a paradox therefore that the marketing of British grown timber is becoming harder.

11. Timber and wood products are subject to the global free market and British grown produce must compete, in terms of price, quality and service, with imported material. Production and transport costs in Britain outweigh those of many parts of the world. Even so it is estimated that timber and wood processing from the East of England is worth about £220 million per year.

12. It is not possible at the regional, or national, level to affect the global timber market. The imposition of trade barriers to make home produced timber more competitive is unrealistic with the growing pressure on developed nations to move towards fairer trade policies.

13. There is likely to be a steadily increasing market for ‘wood fibre’ (for board and paper manufacture for example), which could be produced from lower grade timber. It unlikely that the East of England could grow this in sufficient quantities and at a price that would make it economically attractive because of size of plants and distance to markets.

14. High quality timber, both broadleaved and coniferous is always likely to be in demand, indeed with increasing constraints being placed on the tropical hardwood production for environmental reasons, the market for high quality temperate broadleaved timber could increase markedly.

15. The growth of cricket-bat willow is locally important and one of the few parts of the timber growing industry that shows any substantial profit.

16. The theoretical potential wood availability from existing woodland of the East of England is estimated to be in the region of 450,000 cubic metres per year. This may rise to 520,000 cubic metres by 2040, much of which will be of relatively low quality. Currently estimated production is less than 300,000 cubic metres per year.

17. These figures ignore all urban trees and woods. There is no reason why wood and timber should not be produced from these trees; doing so would raise the awareness of a much larger population to the realities of the sustainability of wood production.

18. It is further estimated that about 50,000 hectares of the woodlands of the East of England are currently under managed. In some cases it may be necessary to encourage the better management of these areas if important benefits they provide are under threat. It is, however, hard to find a rationale to encourage wood production from these woodlands when owners with a long history of timber production are having great difficulty marketing their produce at a price which they consider acceptable. There is a strong argument to concentrate efforts on those woodlands that are currently managed but suffering economic hardships with a resultant decline in the quality of the other benefits provided.

19. A number of factors prevent the realisation of the full economic potential of the woodlands of the region:

- poor quality of much of the wood resource,
- damage by pests,
- fragmented, small ownership,
- accessibility to woodland for management and harvesting,
- lack of market information,
- lack of local bulk markets, and
- diminishing skills base in woodland management, harvesting and haulage.

20. Whilst the climate and soils of the East of England should facilitate the growth of high quality broadleaved and coniferous timber, past management practices and exploitation have frequently militated against this.

21. The very high populations of deer and grey squirrels result in further reduction in value due to browsing and bark stripping damage, indeed many owners now consider the growing of many broadleaved species to be unviable.

22. The nature of woodland ownership is such that the economies of scale required for cost-effective wood production are only occasionally achievable. Other than in Forestry Commission woodlands, rarely is there adequate access for lorries of the size now commonly used for timber transportation.

23. Even where markets are present, there is often a lack of information exchange between those markets and timber growers. Many wood using businesses do not even consider using local timber and many growers are very conservative in their marketing, relying on traditional buyers and not seeking alternatives.

24. Any increase in the rate of woodland establishment, woodland management and timber harvesting would all have positive impacts on woodland economics and therefore employment; the greatest resulting from harvesting operations.

25. What is of particular concern in the region, however, is the decline in the number of experienced woodland workers and contractors. It is predicted that the situation will worsen as the industry is failing to attract sufficient young people with a resultant increase in average age of the workforce. It is feared that many of the skills required to manage small, lowland broadleaved woodland will decline, just at the point when the importance of these woods for the multitude of benefits they provide is being fully recognised.

26. The current very poor timber markets are making matters worse. Timber harvesting is frequently being delayed in the hope that markets will improve. This has a knock-on effect on restocking and subsequent maintenance. The lack of assured work has caused many contractors to seek other forms of employment outside the forestry industry and it is unlikely that many will return when markets improve and felling rates increase.

27. The lack of assured harvesting contracts prevents investment in necessary plant and machinery.

28. It cannot be expected that this Strategy will solve the very severe national problems of economic management of woodland. It will always be difficult to market low quality timber at economic levels. Finding a bulk market at an attractive unit price for such material will be essential if the woodlands of the region are to have any economic significance and thereby provide the wide range of other benefits included within this Strategy (see section on renewable energy). There is common agreement that effort should be expended to improve the quality of timber grown in the region. Such material will always have greater saleability, but will require a very long-term commitment to sustained management and control of pest species.

29. There are a number of primary wood processors, almost entirely sawmills, in the East of England ranging in size from medium sized industries to micro businesses. Of particular importance are those that process softwood grown in the region. Some of these are currently investing to improve productivity and so are providing important opportunities for growers to supply them with timber. The larger businesses and those processing high-grade timber mainly obtain their raw material from outside the region; many associated with ports.

30. Other wood using industries include manufacturers of:

- furniture,
- fencing,
- garden furniture and buildings,
- craft products, and
- cricket bat blanks (the East of England provides the raw material for many of the world's cricket bats).

31. Only a minority regularly use local timber, with the main reasons for not doing so being:

- poor quality, particularly of hardwood timber,
- lack of consistency in quality,
- uncertainty of supply, and
- lack of awareness.

32. Little can be done to improve quality in the short term. It may however be possible to increase the quantity of higher-grade material by better grading of what is produced.

33. The issue of supply has long been argued as a constraint to use of British timber and is to some extent related to the nature of woodland ownership. It should not be an insurmountable problem however.

34. Increasing awareness of availability of local timber should be relatively easy to achieve. Care should be exercised however, as initiatives to achieve this in the past have failed due to the inability to deliver on raised expectations.

35. There is a wide range of products, apart from wood and timber, that can be harvested from the woodlands of the East of England, including:

- venison,
- other animals, (including pheasants)
- fungi,
- fruit and berries, and
- foliage for floristry.

36. Pheasants and venison production are likely to be the most significant of these products. Deer are currently culled to reduce damage to tree crops and biodiversity interest, but the populations of all species are rising. The marketing of venison is a natural next step. The Scottish Wild Venison Quality Assurance Scheme has set very high standards for this product in terms of methods of culling, storage, butchery and packaging. These are necessary if the meat is to satisfy the requirements of the food retailing industry. This has not been deemed feasible in England. At present only the Forestry Commission and very large estates can meet the standards, particularly in relation to deer larders. If the market for venison does increase in volume, it could make a contribution to one of the most serious woodland management problems.

37. A number of other animals can be reared within woodland to mutual benefit if properly managed. These include pigs, wild boar, cattle and hens, and sheep and horses within wood pasture. Silvopastoral systems involving all these species have been traditional management practices in many parts of the East of England.

38. The provision of pheasant shooting and deer stalking are principal woodland management considerations for many woodland owners. These activities are most likely to generate significant income, and thus strongly influence management decisions and provide considerable contributions to local rural economies and employment. On average, shooting holdings have three times as much woodland as non-shooting and 3.5 times the average level of woodland for England. Importance of woodland appears to increase in direct proportion to the commitment to game, in many cases all woodland management is related to the sport. On holdings where woodland is used for game shooting, positive management practices such as coppicing, ride management and shrub planting have been introduced, and are especially noticeable where sport is the main objective. Management for pheasant shooting tends to lead to greater woodland retention and planting.

39. As pheasant shooting is a well-established activity it is not deemed necessary to include any strategic aims for it.

40. Some concerns have been raised at the potential adverse impact of intensive pheasant raising on ecologically important woodlands. The Forestry Commission has published guidance in association with the Game Conservancy on woodland management practices to limit such impacts.

41. Woodlands are the habitat for a wide range of fungi, many of which are edible. There is a thriving ‘cottage industry’ based on the collection of woodland fungi, although rarely is it regulated nor does it generate any income for the woodland owner. It is also possible to artificially raise fungi within woodlands for niche markets. There is however concern over the impact of such collection on woodland fungal communities.

42. As with fungi, most fruit and berries are collected on an *ad hoc* basis. Whilst such collection is unregulated the possibility may exist to establish markets for these products, as is common on the continent.

43. The collection of foliage for use in floristry can be of considerable local importance.

44. There is increasing interest in promoting the use of local produce, as evidenced by the Countryside Agency's 'Eat the View' initiative. This aims to reconnect the supply of food commodities to the local landscape. This approach may have some resonance with wood usage.

45. Sustainable woodland management is now the norm, and certified timber is becoming more readily available. The environmental implications of long distance transport, however, are only just starting to be considered in the wider sustainability debate.

46. One potential avenue for the promotion of local timber is through the concept of "ecological footprinting". Measuring our "ecological bottom line" is critical to the definition and measurement of sustainable development. The most rigorous and useful way of measuring this is through "ecological footprint analysis". Such analysis measurers the impact of human activity upon nature, expressed as the land area required to provide the resources consumed. For the purposes of ecological footprint calculation, land and sea area is divided into four basic types. One type, "energy land", is partly comprised of the forested land required for the absorption of carbon emissions (i.e. woodland is used to mitigate the negative effects of some other land uses).

47. Interestingly, data can be used to model different scenarios and examine their impact on the footprint. Sustainable woodland management has much to offer in reducing ecological footprints, for example in providing a renewable energy source, in reducing transport distance and providing a sustainable raw material source.

48. The group charged with the preparation of the Sustainable Development Framework has agreed to undertake an ecological footprint project for the East of England. There would be merit in building on this approach to promote the role of sustainable woodland management.

49. The Sustainable Communities Plan promotes sustainable living and sustainable construction, including new houses that meet the Building Research Establishment's 'EcoHomes' standard. An increased use of wood in house construction could be part of this. There may not currently be much construction grade timber in the East of England but efforts could be exerted to increase its future availability. There is however, the potential to use local wood for a range of other construction related products, such as fencing materials.

50. There is a continuing need for indigenous, and preferably local, hardwoods for the restoration and repair of traditional buildings.

51. There may be considerable potential to improve local markets through substitution of imported material. It has been shown that wood products traded in the East of England within garden centres, DIY sheds, garage forecourts and farm shops were valued at about £23.7 million in 2001. Most of these products were manufactured outside the region, but many of the items traded, for example fencing, tubs and planters, bird tables, charcoal and firewood could be manufactured locally from timber grown in the East of England.

52. It is encouraging that buying British and environmentally friendly products is gaining in importance for the consumer. It must be stressed however that quality and price are still highest in a list of priorities and given much greater weight than place of manufacture or environmental credentials. If the use of local wood is to be promoted, it is therefore essential that it can compete favourably in terms of both quality and price with alternative sources.

53. The lack of credible labelling of the origin of wood and of retailers specialising in local produce make local sourcing for wood users very difficult.

What is being done for Woodland Produce and Timber Production and Marketing?

Woodland management activity in the region for wood and timber production is considerable and diverse, and it would be fruitless to try to summarise it here.

The Forestry Commission is developing a new project based grant under the Woodland Grant Scheme to support businesses engaged in harvesting, processing, marketing and promotion of outlets for timber products. The grant will also provide support for the formation of groups, co-operatives or woodland associations. The grant will enable forest holders and forest businesses to become more competitive by promoting sustainable forest management, encouraging added value at the point of timber production and improving the supply chain through co-operative working.

The Forestry Commission is actively progressing the issues of squirrel damage with the England Squirrel Forum. It is proposed that the East of England should adopt the measures resulting from these policy and practice discussions.

The Forestry Commission has entered into long-term supply contracts from its own estate with customers. This has both prevented export substitution and allowed some processors to invest in new equipment to the potential benefit of other local growers.

Timber parcels from a number of owners are being combined which permits better grading to extract sufficient high quality material to attract purchasers.

An increasing area of woodland is being independently certified as being sustainably managed thus allowing “green” labelling of wood products.

A number of awareness raising initiatives have been established and still exist.

Venison production is now quite widespread, but frequently uncoordinated except within the Forestry Commission.

Pigs and wild boar are reared within a number of woodlands, although with nature conservation benefits as the prime reason in many cases.

Experimental work is under way to investigate the raising of poultry in woodlands.

A number of owners are raising specialist fungi, including truffles and shitake mushrooms.

Licences for the collection of fungi are issued by a number of woodland owners, primarily to ensure they are not over exploited.

National guidelines are being drawn up on sustainable procurement of timber for all government organisations including local authorities.

A number of small scale wood fairs take place around the region that promote the purchase and use of local timber.

Opportunities for Woodland Produce and Timber Production and Marketing.

- Silvicultural systems and woodland management practices aimed at the production of high quality timber could be promoted and supported.
- Encouragement of co-operation between owners to facilitate more economic management, awareness of market needs and joint marketing of produce.
- The development of advisory and information services for woodland management and marketing, including publication of regional timber prices.
- Expansion of deer and grey squirrel management programmes.
- Joining up the supply chain - reconnecting the elements of the wood chain and in particular woodland owners with their markets, and strengthening the links between the various element of the woodchain through co-operation and working.
- Working with the sector to strengthen the links between the various elements of the woodchain through greater co-operation and joint operations.
- Encouragement of co-operation between growers to agree long-term supply contracts with markets.
- Pooling of timber to allow better market segmentation.
- Continued awareness raising programmes fully supported by timber growers.
- Increased use of local timber by craftsmen. Although this is likely to utilise only a small quantity of the timber produced in the region, it would raise the profile of the material.
- Provision of training, skills development, business advice to make businesses more innovative and competitive.
- Improved culling, production and marketing of venison.
- Development of silvopastoral systems in suitable woodlands.
- Development of niche markets for fungi, fruit and berries.
- Licensed collection of fungi, fruit and berries.
- Raise awareness of the local timber resource and its use in sustainable procurement practices.
- Develop market outlets to facilitate purchase of local products.
- Encourage craft workers and other wood users to use local wood.
- Develop local branding.

Initiatives for Woodland Produce and Timber Production and Marketing

ED 2	Help public and corporate organisations in the region understand issues of sustainable timber and certification.
ED 3	Increase business competitiveness in the woodland and timber industries.
ED 4	Promote and support silvicultural and management systems to improve the quality of timber grown in the region.

To support this initiative a series of actions will be taken. Each action will require resources and partners to achieve it. Please refer to the Action Plan that accompanies this Strategy (www.woodlandforlife.net/wfl-action).