



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Review of Tree Disease and Biosecurity
Issues: Confor/Northern Ireland Farm
Forestry Briefing

26 February 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mr Thomas Buchanan
Mr Trevor Clarke
Mrs Jo-Anne Dobson
Mr William Irwin
Mr Declan McAleer
Mr Kieran McCarthy
Mr Oliver McMullan

Witnesses:

Mr James Hamilton Stubber	Confor
Mr Tony Johnston	Northern Ireland Farm Forestry

The Chairperson: Before moving to the presentation, I refer members to two documents received from the Woodland Trust. The first is an e-mail about a potential misunderstanding arising from the presentation given by Mr Andrew Sharkey on Tuesday 19 February. Mr Cregg, from the Woodland Trust states:

"There appears to have been some confusion in respect of Andrew Sharkey's presentation and his reference to the role of Kew Gardens in the introduction of the oak processionary moth to Britain. Andrew was not suggesting that the moth was introduced on trees imported by Kew but that the trees which were planted elsewhere had faced Kew with expenditure treating infected trees in the Royal Botanic Gardens."

The full e-mail will be placed on the appropriate pages of the Committee website.

The second tabled paper is the information that the Woodland Trust promised to provide to the Committee on contract growing. The Committee has written to the Central Procurement Directorate asking that organisations co-ordinate the potential for contract growing across all Departments.

I welcome to the Committee James Hamilton Stubber, the Northern Ireland chairperson of Confor, and Tony Johnston from Northern Ireland Farm Forestry. You are very welcome, gentlemen. Thank you very much for attending. I am sure that you have a presentation for us.

Mr James Hamilton Stubber (Confor): A very short one.

The Chairperson: Good, I am glad to hear that, James. After your presentation, we will go straight into questions.

Mr Hamilton Stubber: I would like to introduce myself and let Tony introduce himself. I am a woodland owner and timber grower living in County Tyrone. I am here in my role as the Northern Ireland chairman of Confor.

Mr Tony Johnston (Northern Ireland Farm Forestry): I am a forestry agent, contractor and woodland owner. I have handled quite a lot of ash over the past number of years. I also have many clients who have a lot of ash and a lot of concerns.

Mr Hamilton Stubber: Confor is a members' organisation that promotes sustainable forestry and low-carbon businesses throughout the supply chain; its members are drawn from nurseries, growers, agents, contractors and processors. We engage actively and regularly with the requisite public sector bodies in connection with all things to do with the productive management of woodlands throughout the UK, as well as consulting and co-ordinating with other woodland-focused NGOs. Our philosophy on this important issue is one of co-operation and action, and we would seek, in light of the current incursions of pests and diseases, to create structures and procedures to provide a much more effective defence against future attacks on our plants and trees.

Confor today published an impact report; it is hot off the press, and I have had only a short time to read it. It addresses the issue and will, hopefully, deliver, first: sufficient resources to provide early warning of potential threats and to handle future outbreaks more effectively; secondly, the promotion of better woodland management; thirdly, the fast-track decision-making that we need to ensure immediate control of imports and effective action against attacks; and, finally, the ability to grow most, if not all, our trees locally in the British Isles. At present, we need to focus on establishing the scale of the current attack and how we can eradicate it. However, you should be under no illusion that there may come "the Canute moment", when little can be done to halt the spread of the disease. Before that happens, however, we need to develop means by which we can mitigate the effects of present and future attacks on our landscape. In other words, we have to cultivate resistant strains of plants and trees that can be made available to replace lost trees. That is as much as I want to say at the moment; we are happy to take questions.

The Chairperson: Thank you very much, James. You say in your paper that private owners may not report outbreaks if they believe that they will be forced to fell trees at their own expense and that we face the threat of deforestation as there is no requirement to replant. Having done the research to date for our review, we are aware that, in the Republic of Ireland, the Department of Agriculture, Food and the Marine has announced that a grant for the re-establishment of the area of ash that has been destroyed will be provided under the Department's reconstitution scheme, provided that the forest was established under the Department's afforestation scheme initially. Is that a positive move by the Republic of Ireland and should our Government or Departments look at it seriously?

Mr Hamilton Stubber: That comment was made in light of public perception. In fact, the Forest Service has stated that it will bear the cost of removing the trees. However, I have heard nothing yet about the cost of replacing them. The proposal in Southern Ireland would be a very good move up here.

Mr Johnston: Our focus with the Forest Service is to get clarity about what will happen if a client is told to remove all their trees. There are two key points: first, we want to know that they will not reduce or remove their annual payments because there are no trees there and that the farm woodland scheme will continue; the second issue is the availability of restocking grants. The standard rate and the normal procedure for restocking grants will help significantly. You asked about trying to clear it early. A number of my clients have said, "I want to remove all my ash before I am told to remove it, and I will replant it." I say, "Wait; there is no requirement to do that." They would have to do all that at their own expense. I have been able to calm it down. It is a lack of knowledge because of the lack of detail from the industry and from government about what will happen if there is an attack. There is a lot of doom and gloom around, and we try to convince clients that it may never happen and to stop panicking. If they are reassured, they tend to be happy enough with it.

The Chairperson: We asked the Forest Service whether its information was getting out, whether the information that it was displaying was making people aware and whether the information at its disposal was enough. If you look at what the Department of Agriculture and Rural Development (DARD) has produced, compared to the Department of Environment, Food and Rural Affairs (DEFRA), there is a

stark difference. However, DARD would refer you to the DEFRA website to gain information and awareness. Do you think that DARD has performed well regarding communication and education?

Mr Hamilton Stubber: Initially, it performed well; there was a very quick response to the attack. However, subsequently, we feel that its communication, especially with landowners and people like Tony Johnston, as an agent, has been poor. I take your point about its website. In fact, you could not improve on the video that is a link to the DEFRA video showing what chalara looks like. Therefore, it is very sensible to use that video, unless you could have imported it on to its site. However, information solely on the website is not necessarily a complete way of communicating with the public in general about pests and diseases in our woodlands; there may be better ways of communicating more directly with the public on the issue and with the farming community in general. The Balmoral show, which comes up later this year, is a very good opportunity to drive the point home and have much more information about the risks and what the Forest Service and DARD intend to do about them. People seem to think that if it is on the website, everybody will see it. They do not. I believe that it needs to be more directly communicated.

The Chairperson: With regard to the Department's work to date and the number of areas and sites that it has covered — we get a weekly table that tells us how many sites it has inspected and investigated and how many reported cases of the disease have been found — how do you think its practical response has been? We hear from other bodies about the frustration that their knowledge, expertise and manpower are not being utilised in the right way to counter and eradicate the disease. How do you feel about that?

Mr Johnston: As a body of professionals, we had been dealing with chalara for quite a number of months before it raised its head among the general public. We were talking to the Forest Service and were looking at our own trees and inspecting our own sites all last summer. Professionally, we are dealing with it quite well. However, it is frustrating when I inspect one of my sites and then have to have a Department inspector come out to look at exactly the same trees and, to be honest, half the time they are less qualified to look at the trees than I am. As you say, it would have been much easier for me to say, "Yes, it was inspected; yes, it is clear" or "I have concerns". For that to work, there has to be trust. Sometimes, however, trust is not there, and when we are talking about disease perhaps there should be checks to make sure. We could have covered much more ground much more quickly had the Department allowed us to go out there and report back.

The Chairperson: With regard to the logistics, when the Department goes to a site or a property, how many personnel are involved?

Mr Johnston: Generally, there are two, or, if it is a private woodlands forester, just the one. My clients tell me when somebody has been on a site and looked at the trees. Monitoring tags have been placed on trees and samples have been taken, and the Forest Service has been very good at communicating to the agents if there is a problem. However, it is less so for a negative result and letting me know or that all my ground is clear. It is probably wasted effort for two people to go out when it could be more efficient to use other industry-wide expertise to report.

The Chairperson: Have you had many cases of landowners not being notified that the Forest Service had been on their land?

Mr Johnston: Yes, because yellow monitoring tags are placed on suspicious trees and they are found by the landowner, who will then phone me to ask why there are yellow tags in his field. Landowners have not been notified that officials from the Department have been on site. We queried that with the Forest Service, but since we raised the issue, it has got much better; it now notifies landowners in advance, where practical. There is no legal requirement for it to do so, but it is nice that somebody knows who is walking round and leaving yellow tags on a site. Initially, that was a problem, but it is no longer a problem as people are being notified.

The Chairperson: With hundreds of properties being inspected, it will be an eternal battle. There will have to be a second wave of inspections and even a third. How can the Department do things better, and how can it utilise your members better?

Mr Johnston: We have tried to help by targeting where we believe there could be a threat. For example, I did some contract planting; the material was provided for me and we planted it. I notified the Department of my suspicions of where that material had come from. If you get a bare-root plant,

you can look at the roots and tell whether it is Dutch or British. The rooting structure is different because it is grown in a different soil and a different regime. I raised my suspicions and notified the Department of the location, and it was able to target that site as a priority. That is where we can help. Where there are low-priority sites or sites that are at less risk, we can notify the Department of those as well, and they can be picked up later.

Mr Hamilton Stubber: Not all sites will have an agent such as Tony, who will have either planted them or looked after them. We can assist, but the Department will need a lot of resources to come out and reinvestigate the sites. By the time the Department got onto the ground after this had first raised its head, most of the ash had defoliated. Therefore, it is quite difficult to tell whether the trees had any of the symptoms. There are symptoms that appear later when the disease is more within the tree, but you can spot the initial symptoms when the tree is in leaf.

Mr Johnston: The Forest Service did a good job. The initial tranche of inspections was targeted against the higher-risk areas. We found that many of the sites that the agents were looking at were sites that I had already inspected, and those sites were left for a later tranche to go through. They were seen as a lower threat because we had already looked at them. I have to commend the Forest Service for doing that instead of just doing a blanket approach. It really was focused on where it felt the highest risk would be.

The Chairperson: Therefore, there was a strategic movement?

Mr Johnston: I do not know whether it was a conscious move, but it seemed to happen that way. It did a good job in that respect; I have no problems with how it was done. My clients have no issue with an inspector coming on to their site. It is there for their defence, and they would welcome as many inspections as it takes. I do not think that anybody has problems with it. However, they would like to know whether somebody will be walking around their fields when they look out the window. The only difference would be a wee bit more notification.

Mr Hamilton Stubber: I have had direct experience of that. Seven of our woodlands have been inspected, and we have had material taken away from all seven, and, currently, they are showing negative. However, the Department came to us — this answers your earlier question — because it was targeting a particular source of trees. We planted with ash about five or six years ago, and we had some failures. We were "beating up", in other words, replacing dead trees, and it was the second planting that had, potentially, some diseased stock in it, and that is what the Department was chasing and looking at. As Tony said, the Department was on to it very quickly and it was targeted. The inspector who came to our woodlands was effective. What was not effective was the subsequent communication about either what was going to happen next or whether we had it or not. I suspect that, if they had found that we had it, we would have heard. We did not hear anything at all. That is the personal experience with our own woodlands.

Mr Johnston: It has been very much, "If you do not hear from us, it is all OK." That is not so good.

The Chairperson: I understand. I have a number of other questions, but I am keen to let members in. If the questions have not been answered by the end of the session, I will ask them then.

Mr Byrne: I thank the gentlemen for the presentation. Your documents are very structured and focused. You talk about a whole of Ireland programme and about the EU plant health passport being suspect. Can you elaborate on what you would like to be done in relation to the cross-border liaison body that you have suggested?

Mr Hamilton Stubber: Sorry, the plant passports?

Mr Byrne: Yes.

Mr Hamilton Stubber: Within the UK, the system is actually really quite good and watertight. It is from elsewhere, very similar to what we have in the meat industry at the moment. There are other areas of the EU where it is not as strictly followed and as effectively monitored. We have very little control over that. It is very similar to the issue at the moment with the meat.

Up to the point at which the ash dieback was found in the United Kingdom, ash was not required to have a plant passport when imported. It was not thought to be a species that would bring in disease.

Yet it had been in Denmark and Poland since — well, I do not know, but I first heard about it in 2008-09. There was an issue there. Maybe DEFRA and DARD should have had a look at that and said, "Ash should have a plant passport." However, within the United Kingdom, the system for UK-grown and UK-seeded trees is pretty good. It is the rest of Europe where there is a problem. Tony, have you got anything to add on that, given your direct experience?

Mr Johnston: Generally, in the forest industry, all the material we bring in to plant is either plant passported or has source identifiers on that, and that is dealing with reputable nurseries and the wider trade. Our concern is where the batches are much smaller, potentially going to the landscaping trade or the horticulture side of things. If you bring in 10,000 trees, those 10,000 trees could be on 100 different sites within a couple of weeks. If I bring in 10,000 trees, they tend to all be on the same site, and it is mapped and I know exactly where they are and where they have come from. Traceability is much stronger. It is when traceability breaks down that the issue arises. That is not necessarily at the final point of sale but as it comes into the country and is distributed.

James mentioned the plant passports. Not every seed requires a plant passport. The speed at which it can be added to the list is such that we cannot respond to some of these pests. That is a European problem. If it is going to take 18 months to put it on that list, it is going to miss the boat. We may just need to plant passport all forestry productive material. If we do it for 50% of the species, why can we not do it for all species? That should not be a problem. The plant passport system works when it is reputable. It sometimes breaks down the further east you go.

Mr Byrne: I am trying to ascertain whether the Department or the Forest Service has so far been overwhelmed or underwhelmed by the disease.

Mr Hamilton Stubber: I would say that they have been overwhelmed. They have so many other responsibilities and elements of their roles to also engage with that this has probably overwhelmed them. They use all their resources to move very quickly to try to establish where this disease has been introduced through new plantings, and it is purely talking to various members of the service. They are doing very little else at the moment. You may say that this is very important and that they should not be doing anything else. However, there are all sorts of other things. They are under-resourced at the best of times, and it has taken all their resources to cover this. Given the resources that they have, they have done a pretty good job.

Mr Byrne: That begs the question: can the private plantation owners add value by embracing the Department and working with it in a collaborative way?

Mr Hamilton Stubber: Yes, is the simple answer. We would dearly love the private woodland owners, the management and the agents to be able to collaborate more closely with the Department. However, the Department and Forest Service are given the job initially. For this particular issue, they have gone at it under their own resources and not used the resources elsewhere, although they have consulted. I do not know whether that is the way that they have been instructed to do it or whether that is their own strategy. However, we would be very happy to co-operate and collaborate with them.

Mr Johnston: The feeling is that we are not trusted.

Mr Byrne: Why do they not want to trust you, in your opinion?

Mr Johnston: We have a commercial interest, and that commercial interest is not served by finding a disease and bearing the expense of having to destroy it. The fear is that, if we were to discover it, we would try to cover it up because, otherwise, we would be out of pocket. We obviously have to be professional, but the fear is that greed could slip in at some stage. I would like to think that we are all professional, but something could slip through. I can see where the Department and Forest Service are coming from in that respect because they are the ones who have to sign off to say that they have done this. Where we have been able to help, and where they have spoken to us, is in assessing the risk. That is done on a person-to-person basis for the people who they deal with day in and day out.

James talked about the resources. Forest Service really does not have the resources to be able to respond to anything in addition to what is its bread-and-butter material. It was hard enough when *Phytophthora ramorum* came in and removed its officials for about two or three months. We then had the GIS mapping and the new farm maps that they were involved with. That wiped them out for nearly six months. As soon as they recovered from that, chalara came in. Effectively, we have had only two

or three months' worth of work out of the Forest Service towards its core business this year. The rest of its time is spent firefighting everything else that comes up. It is because it has so many responsibilities and priorities.

Mrs Dobson: Thank you for your presentation. I will you take you back to something that the Chair touched on. You suggested that private owners are reluctant to report outbreaks because of the lack of financial support. Do you have examples from other countries of where governments have brought in financial support and this has led to faster detection and eradication rates?

Mr Johnston: I do not know of any.

Mr Hamilton Stubber: I am not aware of any myself. It would be very interesting to see how the proposal in the South develops and whether it works. That comment is on a UK-wide basis. Northern Ireland is not as afforested. We do not have the same coverage of woodland. Certainly for *Phytophthora ramorum* there may be reluctance because of the impact on commercial woodland itself. For ash dieback, I think that it will be less so. I do not think that there is quite the same volume being planted, and it does not have the same commercial value. Where the woodland has a commercial value — and I am talking about pests and diseases generally — I could see that being an issue.

The issue is more to do with the impact of quarantining the woodland in which the larch is planted, rather than necessarily the value of the crop and being allowed to replant it or having a grant to replant it. They have to quarantine the wood. If it is a largish wood with a small bit of larch within it, that reduces the value of the timber. All that timber has to go to a licensed mill to be processed. That increases the burden on the owner and the harvester and reduces the value of the timber, even though it is not larch itself. I would be right in that, would I not?

Mr Johnston: I think so. One thing that you touched on is this fear of "What if?" and "What is going to happen?" From our perspective, it is not necessarily the woodland owners. You can manage that, because they are in the system. It is the general farmer who has ash in his hedgerows. I have heard of one instance already where a farmer said, "My ash is not looking particularly well, so I am removing it all". He has since gone in and cleared all the ash from all his hedgerows for fear of being caught with that and then having to take procedures. The owner was worried that he could not do anything with his wood and that he would have to bury or destroy it, so he said, "I will cut it down now, and then I will not have any issues down the line". I think that that is a greater fear. I do not know whether that is just scaremongering, but I suspect that it is.

The young ash that we are having to destroy at the moment has been in the ground for only two or three years, so it is not seen as having any real physical value. However, it is the cost of replanting and destroying that that is the issue. If we can do something as they are doing in the South, that will make life a lot easier as it will not become an issue. It is when we get into the bigger commercial trees that issues arise.

Mrs Dobson: You suggest that additional resources are required such as staff, research professionals and Forest Service staff. Have you any costings for those staff? Have any other regions of the UK, or the Government in the Republic, increased staffing? Are you are aware of that?

Mr Hamilton Stubber: No, they have not. Confor has commissioned a report that has just been published today, and at the back, there are a series of actions with some costings against them, though not necessarily on the resources side. The resources side is not solely limited to Northern Ireland; it is right across the United Kingdom. I know some of the resources side in plant health here, and they are very good indeed. In actual fact, they have given evidence to the Committee, and they really know their stuff. They are our first line of defence. They should be supported and, if required, hopefully given the resources they need to be our radar for any future incursions of pests and diseases. They also link across Europe with other establishments in the UK and the rest of Europe. We must ensure that that network is maintained so that we have forewarning and the potential to develop disease-resistant strains of trees.

Mrs Dobson: I have one final point. Given that the original source of ash dieback is believed to be Poland, this is surely a whole-of-Europe problem affecting many countries, rather than a whole-of-Ireland one. Does the answer lie in European co-operation?

Mr Johnston: Yes, absolutely. If Europe had identified this disease a couple of years ago, we could have put a plant passport system in place, blocked imports and staved it off that bit longer. Whether we could have ultimately prevented it is debatable, but we could have slowed it down, giving us more time to breed resistant trees, etc.

Mr Hamilton Stubber: On our comment about this being a whole-of-Ireland issue, we are an island with a westerly prevailing wind and — I think that this has been mentioned before — we have one additional line of defence from the rest of the UK in the form of a piece of water. There is a suspicion that the ash dieback in the mature tree population in south-east England and East Anglia was airborne across the continent. Given the prevailing winds here, we hope that that will not happen to Ireland. If we take certain measures in Ireland, we could actually find ourselves being more protected than anywhere else in Europe. That is also my comment about between the North and South of Ireland. Within the UK, we are the only ones with a land border with another European country, but we should treat Ireland as an island. There is very little hope of stopping the spread of these diseases in Europe if they are airborne or borne by animals, car tyres, etc. However, we have an opportunity to try to stop them gaining a foothold here.

Mrs Dobson: If trees imported to the Republic of Ireland are separate from those arriving in Northern Ireland, an all-island strategy surely would not solve that?

Mr Hamilton Stubber: It would, because we would hope that Southern Ireland would have the same plant passport requirements as we do. In fact, I have a suspicion that its current emergency measures are more stringent than those up here. I hope that cross-border co-ordination and communication will ensure that we have very similar policies, North and South.

Mr Irwin: Thank you for your presentation. As far as I am aware, as yet, no ash dieback has been found in mature trees in Northern Ireland. It is only in saplings that have been brought in. Is that right?

Mr Hamilton Stubber: That is correct at the moment, yes.

Mr Irwin: Yes, at the moment. A lot of those saplings have been destroyed, and, hopefully, that will have helped. I find it worrying that the Department here knew for some time the devastation that ash dieback has caused across Europe, and Denmark lost 90% of its ash trees. I felt that the Department was very slow in banning the importation of ash saplings, and only did so when it found it here. It would have seemed a much more sensible approach to ban it earlier and not wait until we had the disease here.

Mr Hamilton Stubber: The original outbreak in Denmark was spotted by some nurserymen in 2008 or 2009 and was reported to DEFRA, which did nothing about it. The plants that were imported here, I suspect, that were infected, were actually imported from the United Kingdom rather than directly from Europe. So, in some ways, there is a double fault. DEFRA did nothing about it, and I have a suspicion that the Department followed what DEFRA was doing and thought that it did not need to do anything about it. As we have mentioned, at that time, ash did not need a plant passport. Yes, something could have been done earlier, but it is not necessarily down to our Department because it was following a UK-wide policy at the time.

Mr Johnston: A lot of our problem is European free trade and not being able to be protectionist. That has slightly muddied the water, and, until such times as we could prove that we should have to block this, we were stuck with our hands tied.

Mr Irwin: That is probably why it was left. I understand that, but it seems ridiculous.

The Chairperson: Free trade, of course, has its positives for us as a region of a member state through exports and imports, but it is a double-edged sword and you cannot control it. We said last week at the stakeholder event that there are a lot of comparisons with the meat industry and how meat can travel through various member states before arriving at its destination. You do not really have a policing mechanism or a control as it passes through those member states. That leads me on to my point on the traceability system and the passport system that is in place now. I know, from reading through your papers, that you have a traceable system, and you have spoken about it today. How much trust can you place in that system?

Mr Johnston: Increasing trust. Through the Confor nursery group, nine of the biggest nurseries in the country have got together and set up a system. We are already seeing that in the plant material that they are bringing in, with the individual tagging of bundles, giving the plant a passport number and outlining the place of origin and where it was grown. I think —

The Chairperson: This is important; that is the only reason I am stopping you, Tony. Does it say where it is grown and also where the seed is from?

Mr Johnston: Yes.

The Chairperson: OK.

Mr Johnston: I have a bit of paper with me today that I received last week with my last order of trees from a nursery in Scotland, and it gives the exact seed source, where the material has come from and the compartment numbers in quite some detail. That seed can probably be traced to within 100 metres from where it was collected on the other side of the world. That comes from the big nurseries, which are computerised and professional and have really cleaned up their act — not that it was particularly dirty. It is the smaller nurseries and the middlemen who are handling and buying in some plants from here and there and making up bundles of plants and shipping them on. Those plants are getting mixed up, which is the problem. It has to be self-regulating. The business will go towards these nurseries that can prove that they have better biosecurity. They will thrive, and the smaller nurseries that people do not trust will slowly go out of business. Even without legislation, the commercial reality will be such that people will naturally start getting from the more reputable nurseries.

The Chairperson: I apologise for interrupting you there, but I just wanted that point clarified. That provides some reassurance, which is what the public also like to hear.

Mr Hamilton Stubber: That traceability did not stop the ash dieback getting into Northern Ireland, but it was because of that traceability that DARD has been able to target its efforts to where those plants have been put in the ground. So, in some ways, it has assisted the efforts of DARD. Without it, they would have had to look at every single ash plantation. It begs the question: how were those plants originally sold to growers in Northern Ireland already infected? That is a question that I do not have the answer for, given that it was likely to be a reputable nursery.

The Chairperson: If you have reputable nurseries, and they are all coming together in their own interests with regard to trying to save forests and plants and everything else, how big an issue is it, and how frustrating for you, when supermarkets, which I will not name, bring in plants and sell everything and anything that they can and diversify out of groceries into all sorts of items? How big an issue is it that supermarkets have gone into that market? Supermarkets will try to make sure that their profit margin is the most important thing, and they will make sure that they buy cheap to sell to make a profit. Is that a fear?

Mr Johnston: We would like to think that the stuff that they are purchasing from Holland, for example, and the higher-risk stuff with the soil attached to the roots is being checked as it comes into ports. My fear, and I am sure that James is the same, is that not all that material is being inspected as it comes in. It is physically very difficult to do.

From our perspective, forestry-wise, it would be very easy for me to go out to a nursery in Holland and buy my material at 15% or 20% cheaper than I am buying it at the moment. We are getting pushed that way. The grant aid has not changed in any relative terms since 2009, our margins are constantly being pushed down, the VAT rate is moving up, the cost of fuel is going up, the cost of labour is going up, yet our grant-aid rate that we are working within has not moved. Other Confor members and my competitors have resisted that. We are still looking at trying to source the best material that we can, even if that means that it is slightly more expensive. To date, it has proved to be commercially worthwhile for us to have done that because we are not finding that the more expensive material that we are buying in is being infected. So far, we are OK. It is the cheaper material that is causing the difficulty.

Mr McMullan: You say that cheaper material is the problem. Can you get a cheap ash tree and a dear ash tree?

Mr Johnston: Yes, you can.

Mr McMullan: That is something that we have not heard about.

Mr Johnston: Before the movement order came in, I was buying ash trees at 31p or 32p per tree without the VAT. The equivalent plant from Holland would have come in at 27p or 28p.

Mr McMullan: Forgive me for asking, but is the difference in the price or is there a difference in the tree?

Mr Johnston: There is a difference in price. To be honest, the stuff coming in from Holland will probably grow more strongly, and it will probably be a better graded material with a greater amount of roots on it. However, it is the biosecurity aspect of it, and the provenance as well. We are buying material that is going to be seed sourced from central Europe, whereas getting something that is sourced from a seed source in the Scottish Borders or the Great Glen in Scotland will suit our conditions better. Ultimately, it will be a stronger plant in the long run, with better form and better genetic composition to suit Northern Ireland's needs. That is the reason why we are paying more money. It is not for the quality of the plant but for the ability of that plant to be locally adjusted.

Mr McMullan: We are taking in different genetic types of ash tree, and that is part of the problem.

Mr Johnston: There is genetic variation throughout the whole of the country. Provenance can vary within 200 metres or 300 metres, depending on elevation up a hillside, for example.

Mr McMullan: At present, we are even looking at diseases that we have not yet identified.

Mr Johnston: Yes.

Mr McMullan: Why can we not service our own market?

Mr Hamilton Stubber: Within Ireland?

Mr McMullan: Yes. I know that there is a differential in price between here and Europe. There is not a terrible difference in the price per tree, but I suppose if you buy thousands of them, there is.

Mr Johnston: When your margins are such under the grant aid that we get, every penny counts. A significant proportion of your gross profit is the cost of your trees.

Mr McMullan: Quite a lot of this is driven by cost then. A lot of this has been brought in — I am not saying deliberately — unwittingly, and it has been driven by cost and profit margins.

Mr Johnston: Yes. The Confor members who are planting agents in Northern Ireland have resisted that and have gone for more expensive plants, because we have known for years that there is always that element of doubt when you buy in from the continent. Holland, for example, has always had a bit of a dubious reputation, not necessarily for the bare root stuff that we are getting but, following previous outbreaks, for container-grown plants, and Phytophthora has come in from there in the past. So there is an element of doubt, and we have resisted it.

At the moment, production in Northern Ireland is a non-starter, because we are producing only 5% of our needs internally. The rest is really coming in from Scotland, the north of England and some from the South. The nursery here that produces 10,000 plants cannot compete on cost with a nursery that produces four million or five million plants. It is a chicken-and-egg situation, and they will never catch up.

Mr McMullan: Would I be right in saying that the forestry trade has known about those diseases but, because of the cost and profit elements, it carried on taking them in, and that nobody said anything until it got to the stage where it really had to be dealt with?

Mr Johnston: It is my belief that, professionally, we had suspicions. We, therefore, tried to find cleaner material at the professional end of the market. There is another side of the market that deals with and moves trees, who are not necessarily members of, say, Confor's nursery group, who look at

money and profits, but it is not necessarily them trying to make a profit; it is just that their customers are unwilling to pay the price. We have looked at this analogy with the horse meat trade. Basically, the end purchaser says that they want a product at this price, and the middlemen then have to try to source that elsewhere.

Mr McMullan: It is so like the meat trade at the minute. The Committee has already commented on that. The end product is the customer who eats the hamburger. The end customer here is the person who plants the tree.

Mr Johnston: The money is not out there at the moment. For the past number of years, there has been no money.

Mr McMullan: We have the same case here, then. The supplier —

Mr Hamilton Stubber: For a very long time, the nursery trade in the United Kingdom has faced a lot of competition from Europe and has lost out to a greater extent to the European nurseries, which are very much more advanced and much larger, and which trade among themselves the whole time.

Also, in the United Kingdom, the demand for trees fluctuates massively from year to year, and the ability to source seed fluctuates enormously from year to year. For instance, there has been very little oak acorn seed over the past two or three years, which means that, next year, there will not be any UK-grown oak available, because the seed has not been able to collect. If there were a big demand for hardwoods for something like the high-speed rail link, a new road or just big plantations, the nurseries would have to fill the order or else they would lose it. So what they then do, to the best of their ability — they do not intentionally just take in any stock — is import that to try to meet those orders. That link and that importation of material have caused the current outbreak.

Mr McMullan: So, really, regulation needs to start with the powers in Europe?

Mr Hamilton Stubber: Yes.

Mr McMullan: We are held here by price, cost and production. We do not really have a say in it, do we? If we did, we would possibly go out of business.

Mr Johnston: Where we can have a say in it, yes. We are being pushed on price because of the cost of all production. Agriculture is a prime example. Input costs are going through the roof, yet what you receive for that has stayed fairly steady. We are being pushed and pushed, and it comes to a stage where we say, "I cannot do it for the money; I will have to try to save some money at some stage along the line." Where do you save that money?

As James said, in the nursery trade, the number of trees required changes from year to year, and it takes three or four years to produce that tree. How do you predict what will happen? The way around it is contract growing. I could put a contract in to grow 30,000 oak trees for delivery in three years, but the grant aid can change, and the rural development plan and the single farm payment is under review, and I could be stuck with 30,000 trees and still have to pay for them. We do not know what the future holds. It is a crystal-ball prediction. Across Europe, some countries need more and some need less, and normal trade stays and balances out. The more protectionist we become, the more difficult that is. James mentioned oak, which is a significant problem, because oak is replacing ash for planting at the moment. Do we buy our seed source in? Do we go to Hungary? Hungarian oak is fantastic oak. Do we buy acorns in and grow them in the UK? If we grow our own, it is better and more viable than worrying about importing material that has been seed-sourced in the UK. It is about where it is grown, not where the seed is from. That is the point.

Mr McMullan: The Government in England are talking about cutting back their contribution to Europe, and that will have a big effect on the single farm payment. Will it be good or bad for your business if they do what they are talking about doing?

Mr Johnston: I do not think that it will have any impact in Northern Ireland. The requirement to try to increase our target woodland cover is such that we are planting nowhere near enough trees, and the sums that we are talking about are small.

Mr McMullan: Could it have a knock-on effect in England, which is your primary supplier?

Mr Hamilton Stubber: No.

Mr McMullan: That is fine.

The Chairperson: Oliver, I do not know whether you were in the room at the time, but the Woodland Trust has provided a paper on contract growing, and the Committee has written to the Central Procurement Directorate to ask what pre-planning is in place, its schemes and how it will measure demand in the future. It will be very interesting to see what comes back.

Mr Clarke: Oliver made a point about the price, and I was interested in his line of questioning on that. Were the saplings that came here all for private enterprises or were any them for Forest Service?

Mr Johnston: Some of them will have been planted under Forest Service grant schemes. The majority of planting in Northern Ireland is done through that.

Mr Clarke: I will maybe reframe the question. There is a Government target on what they have in their own Forest Service. Were any of those used for Forest Service plantations of their own?

Mr Johnston: Not that I know of.

Mr Hamilton Stubber: Some were used for council planting and other public areas.

Mr Clarke: That would have been driven by price?

Mr Johnston: It will have been put out to tender. They tend to use landscapers, as opposed to the forestry agents or forestry contractors, because we are of a much larger scale.

Mr Clarke: Your comments were interesting, but I do not really want to be associated with your suggestion that various countries may be dubious — I think that was the word you used. Why can Northern Ireland not grow its own ash? In answer to Oliver McMullan, you said that you buy one species at 31p as opposed to other products at 27p and that the climate and conditions here suit the more expensive plant. Why can it not be created here?

Mr Johnston: Due to the cost of production and setup, you would end up with trees that would cost 38p to 45p each to produce. Our margins are fixed because of the grant rates that are available and, therefore, we would be losing money to plant locally sourced material.

Mr Clarke: You would be removing any risk of breaching biosecurity.

Mr Johnston: All planting would cease. It just would not happen. I am not going to pay to plant somebody else's ground, and the grant aid is such that farmers want all the planting done within the grant aid. The grant system is such that it is fixed, and we will not see an increase to compensate for rises in the cost of production.

Mr Clarke: But we do that at the risk of infected species being brought into the country?

Mr Johnston: Yes. It would be lovely to have a source of material in Northern Ireland — that would be fantastic. It would be really good, because we could go and see it and control it, but it is just not economically viable. I know a chap who tried to set up a business three or four years ago, and he is all but out of business and is doing it now as a hobby. He thought that the market was there. The market is there, but he cannot produce a plant at the right price to compete with mainland UK, let alone European producers.

Mr Clarke: Appendix 2 of your submission states that there should be a ban on all imported plants and all imported trees.

Mr Johnston: No. We are not suggesting that at all. We are suggesting that we should not do that.

Mr Hamilton Stubber: That was one of the options that we commented on. One also must remember that these diseases can be imported in all sorts of different ways. I do not think that *Phytophthora ramorum* was brought in by planting. It was probably brought in on the wheels of a vehicle, and ash dieback could be brought in in the same way. Other airborne diseases are unlikely to get here, such as oak processionary moth, which requires a living organism within a tree to be physically brought in, and, hopefully, that will not happen, or it could just fly in. Some part of the chain is caused by plants being bought in cheaply. If you treat Ireland as whole, there is an argument that we should try to find ways to source all our own plants in Ireland, or at least within Scotland and Ireland, because Scotland has a very similar climate. However, as Tony said, the cost of a plant would be above what people are prepared to pay to plant it. At the moment, as Tony pointed out, grant aid will not cover that additional cost.

Mr Clarke: Can I just drill down into that for one second? With regard to the additional costs — between 31p and 36p — what does the grant aid actually cover? I take it that when the suppliers here buy the plants at 31p or 36p, they have also a process to get through before they get to the next stage. With regard buying that plant at 5p or 6p more and bringing it on before it is planted as part of the scheme, are there any additional costs?

Mr Johnston: The scheme is there to cover the costs of the trees, labour, ground preparation, maintenance, the consultancy and the paperwork. The margins are such that the price per tree that I can make is in pence. Therefore, reducing my input costs by 3p, 4p or 5p becomes a significant increase in my margin. The pressure is such now that, if we push it that wee bit further, I will have to find that money from somewhere else. Landowners are unwilling to add extra money to the grant aid in order to have land planted. They would rather just not do it. They expect it all done within the grant, even though the grant is not designed to cover 100% of the costs. The grant has been designed and looked at all the various aspects of the cost, and it is there to provide a proportion of that. That is based on someone not going out and buying an expensive tree. I make my money by buying in bulk and being efficient, and that is why my margins are so tight.

Mr Hamilton Stubber: One must also realise that we are talking about the farm woodland scheme. Where woodland is being planted for amenity, there may be some commercial use. When you come to larger commercial woodlands, there are different economics. Hopefully, there is some form of income coming off the woodland anyway in respect of thinnings, etc. They have a bit more room to manoeuvre in terms of price per plant, whereas the additional price would impact the most on the smaller amenity woodlands around the edges of farms and watercourses. I am trying to make the point that it is not the same right across the piece.

Mr Irwin: I fully understand. I am a farmer, and I know that farmers like to get things done on the cheap. If the grant aid was increased, would it encourage local production of trees?

Mr Johnston: That would be fantastic. If a premium was paid for the use of local trees, what you are then saying is that you can pay that extra money. You can go to those people who want to produce trees in Northern Ireland and say that we have a market for their trees. We would not expect them to produce them at 31p. We would accept that if they produced them at 40p, we would have enough money in the grant to cover that additional cost. We would then start creating an industry in Northern Ireland.

Mr Irwin: That would be very good.

Mr Johnston: It would be fantastic. By far the easiest way would be to say that we will pay an additional premium if they can use certified local produce.

Mr Irwin: If the EU will allow for that?

Mr Johnston: If it allows for it.

The Chairperson: Thank you very much for your time. It has been very interesting. I have a couple of other questions on areas that we have not covered. We all recognise the island mentality and the protection that that provides. What do you know of the all-Ireland chalara control plan? How frustrated are you that you have not seen it yet?

Mr Hamilton Stubber: No one is under preparation. The fact that we have not seen it does not surprise me, but, as an organisation representing the various parts of the wood supply system, we are pushing on ourselves. We are not waiting for it to be brought into effect. As for the whole of Ireland one, we need it to ensure that we have uniformity of approach from North and South, especially on imports and the way in which plants are moved around. It is frustrating, but I am afraid that that is to be expected. One has become so used to waiting for things like that, but this cannot wait. We have to carry on and, as private woodland owners, we are doing that.

The Chairperson: In your presentation, you stressed the need for resistant strains of trees. I am looking at this from the outside and am not the expert that you are, but I think that there is risk there. There is risk in everything in life, and it is all about managing that risk, but how essential is it that we get to a point where we are producing resistant strains of trees, even if we are clear of chalara?

Mr Hamilton Stubber: If we can eradicate the current incursion through the young plantations, we still do not know whether that will have passed into the mature population or whether it will arrive here by other means into the mature population. So, just to say that we are fine, we are clear, and we do not need to do anything else would be foolhardy. Generally, right across the piece, we must develop disease-resistant strains. As you know, I was at Kew Gardens last week, and I was shown a small grove of recently planted ash. I asked the head of the arboretum, "What are those for?" and he said, "These are my sacrificial lamb. I am expecting these trees to get ash dieback, and, when they do, I want to be able to observe it. Out of this stock that I have planted, there will be one or two trees that will be resistant, and I will bring on seed from those trees." We need that sort of attitude to look forward to try to find ways in which we can replace the trees that will die. That is also essential.

The Chairperson: Who should lead that research or be responsible for it? There is AFBI, Forest Service and the industry. With the risks involved, who should lead it, control it and be responsible for it?

Mr Johnston: To achieve a useable result in the end, it should be the industry, because, commercially, it is in its interest to do so. You will find that the research side will trail industry by a number of years, and it would not surprise me if, in two or three years, we get nursery lists that are advertising chalara-resistant ash. That will be fantastic, but it will be able to do it through the technology that it has to create a product that can be sold.

The Chairperson: Is that more important than being pest-free in the context of an export market?

Mr Hamilton Stubber: Export in what sense?

The Chairperson: If you always look at the positive and at what we can do in the future, export always seems to be the wealth creator. If we were to become an exporting nation — call it that if you want — should we strive to be pest-free or chalara-free or should we strive for a chalara-resistant tree? Does it matter, given that Europe is riddled with disease and chalara and pests?

Mr Hamilton Stubber: I would suggest a resistant tree.

Mr Johnston: I would go for the other option.

The Chairperson: Brilliant.

Mr Johnston: You need a bit of both. If Europe has no ash, the demand for ash timber for various uses will increase, and buyers may come to us if we are disease-free. That is why I say disease-free as opposed to disease-resistant. We would then have a product that Europe wants but does not have, and we can start exporting. I smiled when you said that we are an exporting nation, given that we have the smallest coverage.

Mr Hamilton Stubber: To create nurseries of that size, you would have to take some good farmland to do it. When planting new trees, one should try to avoid that and should look at the marginal areas instead. That is another reason why the Dutch and the Germans are so good at it; they do it on very good land.

Mr Johnston: On a huge scale. Light soils are perfect soils for it. The soils that we have in Northern Ireland that are suitable for producing ash are also suitable for producing carrots, sprouts and potatoes.

The Chairperson: And meat.

Mr Johnston: We are going to fight a losing battle. We are constantly marginalised anyway. If we can become disease-free and have the ability to harvest our timber and move our timber, that would be fantastic. At the lower end, when you are looking at we should be planting, you are looking, as James said, at resistant trees.

The Chairperson: You have done a marathon session for us, and I thank you again. The import bans, the island mentality, and plans and strategy around it are all about managing risk, because, at the end of the day — we have talked about it here and at the stakeholder event — if you bring in a new suite of furniture from Europe, it will be packaged up, or if you drive a car throughout the continent and bring it home, you will have something in your tyres. How important are the ports? We talked about the supermarkets earlier, and you said that you hope that the ports will be able to control this. How much trust do you have in the regulations and in the policing of the movement of plants?

Mr Hamilton Stubber: The regulation is there, but the policing is probably not as tight as it should be. That is purely down to resources.

Mr Johnston: The policing of it in Northern Ireland ports is down to the vets, and, if they have timber, they have to call a Forest Service plant health officer away from his core role to go down to the docks to sign a certificate to allow that movement in. It takes them away from their core work, and they are under-resourced and pulled in a number of different directions.

Mr McMullan: You made a relevant point about the land mass here compared to that of Europe. We lose a percentage of our agricultural land every year to commercial use, for building and so on. We have a small land mass here. In a sense, that would affect the ability to make it a viable business because you do not have the ground. Grant aid would help you to keep the price down in comparison to Europe only if you have a viable business. It would not help you in respect of the size of production.

Mr Johnston: Northern Ireland has a lot of potential to increase its production of timber. Northern Ireland's climate is particularly suitable for growing trees. However, Northern Ireland's agriculture is distorted by single farm payments, grants and subsidies. As we see it, from a forest perspective, trees could be the most economically viable land use. However, they are never given the opportunity when other subsidies are there to socially engineer other requirements. That is quite right, and it is what the policy is there for. However, until such times as we can sort out a land use directive covering the whole of Northern Ireland, we will just be constantly battling against each other. Everybody will be vying for a diminishing resource. We will always champion the growing of trees, but that land is equally valuable for producing meat, for example. It is about striking a balance.

Mr Hamilton Stubber: There are large areas of land in Northern Ireland that are probably not very productive in respect of traditional agriculture. I am talking about the marginal areas, which are probably on the uplands, as you might describe it, rather than the good farmland and grazing land. If the grant aid were improved, I think that the people who owned those areas would think twice about whether they would want to plant trees, because they are probably just eking a living out of that ground.

As Tony said, trees grow exceptionally well in this climate. The Sitka spruce, as a commercial tree, grows to maturity here within 40 years. In Germany, it takes 60 years, and, in Scandinavia, it takes 80 years. Given that potential rotation in crop, there are great opportunities here. The current system of grant aid and trying to corral people to plant is just not working.

Mr McMullan: Are you saying that anything that will sort this out will have to derive from single farm payment or grant aid?

Mr Johnston: Unless we have a totally level playing field where there are no single farm payments, grants or subsidies. A land manager would then look to the best commercial use of his land, and forestry and timber would do that well. If you do not have that level playing field, you will have to use the grant structure to try to encourage people.

Mr McMullan: So, your big competitor is farming?

Mr Johnston: Yes.

The Chairperson: OK. James and Tony, thank you for your time here. This has been very useful and valuable to the Committee and the work that it is undertaking in this review.