



# Confor

Promoting forestry and wood  
Hyrwyddo coedwigaeth a choed

FAO, Alun Ffred Jones,  
Chair Environment and Sustainability Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA  
July 8th 2014

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Dear Sir,

We thank you very much for the opportunity to submit evidence both physical and oral to the Environment and Sustainability Committee Inquiry into the Public Forestry Estate in Wales of June 5<sup>th</sup> 2014

I have for some while been digesting the transcript of the inquiry and remain both concerned and confused over one item.

In their response to the question from yourself, "in terms of this aspect of cutting down trees and selling them, does NRW make a profit on that business?" NRW made the reply, "On the work that is done, we make a profit, certainly. To give you an example, in 2012-13, the income per tonne was around £18. Our costs were around £7.30 a tonne,"

We remain concerned over this point as we do not recognise these figures as an accurate reflection of the costs of harvesting and selling timber. Our organisation has many companies working in this field and the considerable knowledge of our members would indicate that these figures are not the true picture.

The table below gives our understanding of the published data and we believe underlines our concerns that the data published is insufficient to make an assessment of the performance of FCW/NRW

|          |   |                               |
|----------|---|-------------------------------|
| Finances |   |                               |
| £13.485m | income for sales of timber and forest products,   | FCW annual accounts 2012-2013 |
| £9.9m    | costs of harvesting and haulage                   | Forestry Statistics 2012-2013 |
| £3.585m  | Profit  |                               |
|          |   |                               |
| Volumes  |   |                               |
| 810032   | CU M harvested                                    | FCW annual accounts 2012-2013 |
| 675026   | Total Tons harvested @ 1.20cu m/ton               |                               |
| 333604   | Tons harvested as direct production @ 1.2cu m/ton |                               |
|          |   |                               |
|          | Our assumptions                                   |                               |
| £5.31    | Income per ton based on figures above             | Profit/Total tons harvested   |
| £14.66   | Costs per ton of harvesting & haulage             | On total harvested volume     |
| £29.67   | Costs per ton of harvesting & haulage             | On direct production only     |
|          |   |                               |

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Whilst we appreciate that the figures quoted for “costs” in the NRW response may include other expenses not associated with harvesting and haulage and which may not be directly comparable to the private sector, the difference is large enough to give us concerns the published sale results we know do not contain all the information but if we are to believe the £7.30 figure we are concerned that the unpublished data may show a different picture.

Indeed in the “Wales sale results” on FC website the differences between timber sold standing and the timber sold at roadside is in the region of £15.00 to £19.00 which is the harvesting costs.

We are concerned that the £7.30 and £18 figures quoted by NRW may give the committee a false impression and we reiterate our call for transparency, the committee, Confor members, the forest and timber sector and the general public need to know the facts in a format that we can understand and benchmark against the private sector, only then can we make an informed judgement.

We look forward to your response and would be available for further comment if required.

Martin Bishop,

Confor National Manger for Wales

Confor Wales Committee

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