

Farm Partnerships and Coillte

Cathaoirleach, and members of the Committee, thank you for affording me the opportunity to speak here today.

Donnacha Anhold is my name, and I am a Practicing Solicitor and Principal of Carter Anhold & Co., Solicitors with a large part of our practice dedicated to Agriculture and Forestry based Litigation.

I have been asked today to speak on the issue of Coillte Farm Partnerships by a large number of Coillte Farm Partners, but in particular 2 farmers which are here today as witnesses being Mrs Geraldine Corcoran, and Mr. John King. Mr. King's daughter is with him here today as a witness also.

Our firm does represent a large group of Forestry Farmers and Forestry Farmers who are part of a Partnership Agreement with Coillte, and whilst I may speak today here in general terms in relation to the issues the forestry farm partners are facing relating to Coillte, I will speak only specifically in relation to the 2 farmers that are here before the Committee also.

For the purposes of clarity there are a number of Coillte Partnership Forestry Farmers we represent currently, engaged in either Litigation or Arbitration with Coillte at the moment and if I make a general reference, just for the purposes of clarity, please note that I am **not** referring to any of those particular cases or farm partners.

So what are the Coillte led Farm Partnerships of which farmers such as Ms Corcoran and Mr. King have entered into with Coillte?

In or around the years 1998– 2005 Coillte advertised, published a brochure, and approached farmers to enter into Commercial Relationships with them, on offer was a Coillte Farm Partnership which was providing amongst other benefits, the following:

- (1) Farmers retain 100% ownership of the lands.
- (2) Advance Payment of €635 per hectare.
- (3) A forest premium paid by Forestry Services for 15-20 years.
- (4) The farmer to receive 80% of thinning profits.
- (5) The farmer to receive 55% of clearfell profits.

Whilst the last item of 55% of the clearfell profits appears attractive, the brochure(s) is silent on the on the issue of the Forestry farmers obligation to replant the lands after clearfell. We understand this obligation to replant is a standard condition attaching to all felling licences under the 1946 Forestry Act and any subsequent forestry acts.

Coillte were to then manage the plantations for the term of the Agreement with farmers to take a back seat and collect payments or profits as agreed.

I have with me a copy of a brochure which issued in or around the years 1999-2000 and the brochure set outs the benefits of entering into Coillte Farm Forestry Partnerships.

The main items as set out in the brochure are what has been set out in 1-5 above.

Many of the potential farm partners at the time including Ms Corcoran and the Mr. King that are present here today felt that Coillte as a semi-state body would be trustworthy, reliable, dependable and professional. This placed Coillte as an over and above choice for forestry farmers, such as the 2 farmers that are here compared to other private operators in the new forestry space.

So what agreements were entered into at that time?:

1. There was a lease created in favour of Coillte over the forestry lands for a period of 40-42 years. The Farmers leased their forestry lands to Coillte. Alongside this and parallel to the Lease Agreement was a Farm Partnership Agreement. This was effectively a Commercial Agreement between (a) Coillte and (b) the individual forestry farmer such as Mrs Corcoran, and Mr. King. The main characteristics of the Partnership Agreement in short are as follows:

- (1) Coillte also to be granted a licence over the farmers lands, contemporaneous with the lease.
- (2) Coillte and the partner to engage jointly in active commercial management of the forestry with commercial management to be conducted in the best interests of the joint venture parties and on sound commercial profit-making principles.
- (3) Periodic management meetings to be held, to consult on the condition, maintenance, progress and growth of the crop.
- (4) Grants- Coillte to retain the Afforestation grant. Farmers to get premium grant.
- (5) Coillte to pay the partner 80% of the thinning profits by way of an annuity. Coillte to retain the 20% balance of the thinning profits.
- (6) Farmers to get 55% of the clearfell profits.
- (7) First option for Coillte to purchase the forestry lands if the farmer wanted to sell.

At the commencement of the Farm Partnership matters seemed to be operating well and there was engagement with the farm partners when the new forestry's were planted. However, issues began to arise mostly within 5 years of the new plantations.

The issues which have arisen to date and of which we are here to make the committee aware of are as follows:

- (1) After year 1, periodic management meeting did not occur, rather, tick box forms were sent by post to the farmer for completion, signing and return. No physical consultations took place.
- (2) Thinnings - Typically, forests are thinned between years 15-18.

Other Issues that arise in relation to thinning's

- (1) Thinnings sometimes took place too late, or not at all.
- (2) Where thinnings did take place, some have received no payment, even after 5 years.
- (3) Where farmers did receive thinning profits, there are no details or particulars provided to the farm partner on volume of timber removed, price achieved at the sawmill gate, name of the sawmill sold to, how the best price was achieved, or details and particulars of costs.
- (4) We have raised queries on behalf of some farmers requesting a detailed breakdown of the thinnings, costs and profits. Coillte have classed this as commercially sensitive information and we did not get the details requested.

There are also numerous issues arising out of lack of proper management where the forestry's are not performing as they should, but lack of engagement and the agreed management inspections and meetings are exacerbating these problems

In relation to Mrs Corcoran above issues are;

1. Area of broadleaves and larch have been neglected and not managed correctly.
2. Mrs. Corcoran received a statement from Coillte in 2018 forecasting thinning profits but with no details. Mrs. Corcoran has tried in vain to get details of costs and profits but these details have never been provided. Only one management meeting at own place in 2015 but no minutes of the meeting were provided to Mrs. Corcoran.
3. Ash dieback is an issue on one part of Ms Corcoran's plantation. However this section of her forestry has been replaced by an Alder crop which is of poor commercial value and was done without any consultation with Ms. Corcoran.

Again, what is arising a lot is the lack of engagement by Coillte, with its farm partners. There is a situation whereby the Farm Partners feel left out in the cold and there are very serious issues affecting their forestry's that are not being addressed on the ground.

It is a matter that we are calling upon the Government to request that Coillte exercise a duty of candour to look at the issues affecting the forestry and the Farm Forestry Partnerships and deal with them in whatever way they can. Nothing at this stage is beyond reprieve and nothing at this stage is beyond repair but in that context, these are Forestry Farmers who are in their 60's, 70's and 80's and who are relying on these forestry's as part of their pensions and retirement plan and need these issues dealt with urgently. What we are asking here for is clear engagement and open and transparent communication and accountability to its commercial partners.

Whilst one might say that these are contracts of private arrangements and agreements that have been entered into what is asked for here is engagement, upfront discussion, openness and transparency in relation to the affairs of the Farmers and Coillte and dealing with farmers on a face-to-face basis.

I thank you for your time and allowing me to speak in this matter and equally welcome any questions that you may have.

