

Farm forestry in Denmark: No government extension service, (almost) no forestry subsidies

FARM FORESTRY
IN DENMARK:
NO GOVERNMENT
EXTENSION SERVICE,
(ALMOST) NO
FORESTRY SUBSIDIES

Infocus:
The Newsletter of Plantations for Australia

Denmark has about 12% of its land area forested, an increase from about 2% in 1900. The total estate is slowly expanding with both state and private plantings. The Danish state has made major policy decisions to encourage further planting, and stimulate the activity and financial stability of a number of forest grower associations. All of these share an office building in an outer suburb of Copenhagen close to the Agricultural and Veterinary University.

The association dealing with Danish smaller-scale forest owners is Skovdyrkerforeningen (DDS)—which translates as the 'Forestry Extension Association'. DDS is actually nine independent regional branches. Each contributes to maintain a staff of five in the Copenhagen office, to perform the central functions. The branches have a total of about 50 employees who provide extension services, and manage harvest and sales. The association has about 7500 grower members who own about 81,000ha of forest, or about 15% of the total. Since the government itself has no extension service, it pays the industry-driven extension providers.

In Denmark any certified individual or business can provide forestry extension, and DDS is the principal supplier. The income to DDS from government cannot be larger than the association members total fees for extension services. So the branches must run as commercial enterprises, aiming for annual profits, and build their business. The nine DDS branches have a combined annual turnover of about A\$54 million. This is derived from the following sources and activities:

- 40% of income to DDS is from marketing members' product.
- 40% is from extension services, including the membership fees (about 20%) and other fee-for-service jobs and includes an 11% government extension payment.
- 20% is from contractor services, sale of seedlings and other management jobs.

DDS branches provide monthly information newsletters for members, plus organise forest walks, information days and meetings. More specific training of forest owners is done in association with the Forestry College in northern Zealand (connected with the Agricultural University in Copenhagen).



Photo: Adventurer and Director of SMARTtimbers, Andrew Lang (the 'Michael Palin' of timber marketing cooperatives), visiting the Danish Forestry Extension 'Skovdyrkerforeningen' offices.

To date forestry certification is at a very low level with only about 10,000ha PEFC certified and about 500ha under Forest Stewardship Council (FSC). DDS is ready for a greater level of certification, and will maintain the group certification for its members. Forest management plans are subsidised by government and cost about A\$40/ha.

There is no subsidy of forest operations, except for some incentives to ensure full regeneration. Marketing of member's tops and thinnings is at market value, with firewood selling into a free market (currently at about 100 Euro/solid m³). Thinning is by chainsaw or machine with on-site chipped. All chip goes for heating and to industry. Tops and small branches from harvest are also normally chipped on site at harvest time.

About 400,000 tonnes a year of chip goes into energy production in Denmark, which has a policy of no nuclear power. Denmark is a leader in biomass power generation. Biomass includes municipal waste, straw, and methane from cow and pig manure digesters. The country's thousands of wind generators supply a significant proportion of the national electricity requirement.

The building occupied by DDS also houses the central office of Juletraesforeningen—the christmas tree and foliage producers, whose product earns about a third of all Danish forest product export income; and of Dansk Skovforening, the peak grower organisation, that represents the larger forest owners with employed forest workers, and the state forests. Together these represent about 80% of all forest area. The efficiencies of having all NIPF organisations in the one building are obvious. Everyone is in touch, contact with government is rationalised, and functions and services can be shared.

A few other points of interest:

- It is illegal in Denmark to dispose into the municipal landfill material that is recyclable.
- Denmark has the national policy of developing renewable energy sources to their utmost. So at every point of the compass when driving round in the country there are wind turbines. Many of these turbines date from the years when the government introduced a tax subsidy on their construction attractive enough that small syndicates of landowners and investors formed to erect them at every suitable location. (In many parts of south-west Sweden a similar scene can be observed.)
- Additionally in Denmark there is steady activity in developing the technology of using other agricultural waste product as biomass for power generation. This includes straw, and methane from animal manures. Many rural communities have windmills and bionergy plants adequate to generate their own power requirements, with any surplus sold into the national grid, and thus are effectively CO₂ neutral.

Sites for further information

- Small forest owners association—www.skovdyrkerforeningen.dk
- Large scale forest owners association—www.skovforeningen.dk
- Christmas tree and foliage producers association—www.juletraesforeningen.dk
- Bioenergy information. Many sites, search 'bioenergy denmark'