

This briefing paper has been authored by Gary Newman and John Sweeny of Woodknowledge Wales (WKW) and reviewed by Natural Resources Wales



THE NEW NRW TIMBER SALES AND MARKETING PLAN: SMALL PROCESSORS & ACCESS TO TIMBER GROWN ON THE WELSH GOVERNMENT WOODLAND ESTATE

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This briefing paper has been prepared following a meeting between Woodknowledge Wales and Paul Johnston, the new Head of Timber Sales and Marketing at Natural Resources Wales (NRW) to explore the implications of the new NRW Timber Sales and Marketing Plan for the small processor community.

PURPOSE

The purpose of this paper is to interpret the new [NRW Timber Sales & Marketing Plan \(2021-2026\)](#) (TSMP) in a way that can be understood by the small timber processing community. This will create a solid foundation for exploring the means by which small processors may be able access timber grown on the Welsh Government Woodland Estate (WGWE) in the future as well as highlight opportunities for future activities and interventions.

CONTEXT FOR SMALL PROCESSORS

WKW is undertaking a survey of small processors. This has highlighted that the ability to purchase suitable logs is a shared concern which may constrain the future development of the small processing sector in Wales. Our survey indicates that all small processors purchase logs from private sellers but very few (less than 10% in number) are accessing or considering accessing logs directly from NRW. There is a widely held view that NRW “do not have the resources” to deal with the detailed requirements of small processors.

WOODKNOWLEDGE WALES SUMMARY OF THE NEW NRW TIMBER SALES & MARKETING PLAN

NRW is responsible for the management of 38% of the Welsh forest resource and currently 60% of

the harvested volume. The volume of timber NRW commits to bring to market each year up to 2026 will be within the range of 735,000m³ to 835,000m³.

The new plan indicates an increasing interest in getting better social, environmental and economic outcomes from the timber grown by NRW.

(1) All the timber will be sold under a triple bottom line approach badged ‘People, Planet, Prosperity’. So, price may not always be the sole consideration.

(2) Up to 30% of the total volume may be marketed via alternative sales methods to achieve different desirable outcomes such as ‘encouraging investment in timber harvest equipment to manage steep ground working, thinning operations and work on wind farm developments.’

(3) Timber will be sold in ways that ‘support community and other social enterprise activities as well as developing supply chains for beneficial activity, such as timber in construction.’

(4) Timber will be offered in ways ‘which support the whole supply chain and focusses on areas where the supply chain is weaker.’

(5) There is a stated desire to work with Woodknowledge Wales to get more Welsh timber into construction in general and social housing in particular.

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A LITTLE BIT OF RECENT HISTORY

This new marketing plan reflects ongoing and future changes to the way timber from the WGWE will be made available to the market.

(1) The certification of the WGWE to international sustainability standards, supports the production of timber as an industrial resource for utilisation, but the timber is increasingly produced as a *consequence* of sustainable land-management rather than the sole *purpose* of land-management.

(2) Past widely reported issues with the selling of diseased larch has had a substantial influence on NRW, consolidating their sales methods and reducing their overall flexibility.

(3) The recent changes mean that NRW lacks the systems and capacity to make lots of small sales directly to customers, as well as service the four major sales events each year.

WHAT DOES THIS MEAN FOR THE SMALL PROCESSOR?

NRW is a major grower, and its resources are currently geared to deliver large volumes competitively to provision the industry consistently and regularly. It is the larger volume buyers who tend to have the capacity to access NRW's current sale events. However, these large *customers* have far more commercial freedom and flexibility to fulfil the specific needs of smaller timber-using businesses (acting rather like a wholesaler would in other supply chains). This works well where such collaboration has been established and it can reduce the supply risk for the SMEs involved.

However, NRW's current marketing and sales model will now need to develop to reflect the aspirations of the new TSMP. Opportunities for those new approaches will be investigated and developed in the next few years. Given the importance of small processors to innovation,

market development (particularly self-builders and DIYers) and the development of the wider *wood culture* in Wales this will be important. But just at present we have the existing reality, which the small processors need to understand and operate within.

OPPORTUNITIES/CHALLENGES & NEXT STEPS

What options are available to ensure that the many small processors have ready access to the produce of the WGWE and can benefit from the new triple bottom line People, Planet, Prosperity marketing plan?

(1) Are small processors able to consolidate their timber requirements so that a 'wholesaler' can act on their behalf? Relying on the current system of large-scale players providing a supply on an ad-hoc basis leaves the small processor at the bottom of the pile, especially looking into the longer term as harvested output falls, but inevitably demand increases.

(2) Can small processors work together to access the 30% of NRW harvest volume available for alternative sales methods?

(3) Is there a role for an intermediary or for a sector development organisation to connect NRW production to the small processor demand?

(4) Does NRW have a role in encouraging and enabling 'wholesale' customers to make WGWE roundwood available for smaller processors too? There are examples of this relationship working in Wales, so how might this be expanded? Is it realistic?

Woodknowledge Wales will continue to survey small processors and investigate what steps might be taken to bring the sector together to discuss the opportunities and to better present the sector to policy makers. We will also continue to work with NRW to help turn the aspiration of the new marketing plan into reality.