Woodfuel Suppliers Network Scoping Study

Results Analysis and Business Case for Recommended Option

September 2009

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Document Revisions

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Appendices

This study was funded by the Forestry Commission (Scotland) Regional Biomass Advice Network (RBAN) with support from the European Regional Development Fund.

Executive Summary

RDI Associates Ltd was commissioned by Forestry Commission Scotland, through the ERDF funded Regional Biomass Advice Network project, to undertake a survey of woodfuel suppliers in Great Britain to ascertain the demand and opportunities for a network or association, taking into account existing provision, and to determine support for any recommended outcomes.

A survey was undertaken between March and July 2009 during which 109 woodfuel suppliers were interviewed or questioned through a combination of in-person, telephone or online surveys. In person and telephone interviewees were selected in order to ensure a representative cross section of small, medium and large scale producers in Scotland, England and Wales were able to feed into the survey. Towards the end of this process a range of trade associations and representative bodies were interviewed in order to inform the writing of this report and the recommendations made.

The provision of information, advice and guidance (IAG) and lobbying were seen as the most important benefits needed by respondents. Trade associations spoken to were keen to emphasise that in undertaking lobbying it was essential that the nature, purpose and target of such activities were carefully selected and clearly communicated. Broadly speaking the services required by respondents could be categorised in two groups (a) technical IAG and (b) lobbying and membership services.

In order to recommend a preferred option a number of success criteria were identified which reflected the original brief for the study plus those key issues which emerged during the survey. Two key criteria were (a) the ability to work with and represent forest based small to medium scale producers on a regional and national basis, given devolved and regionalised government in the three countries and (b) to work in partnership with existing regional and national initiatives in order to harness available support at that level and to avoid duplication of effort and identity.

Various options were considered and scored against these criteria. Whilst all options have merits, the recommended option consists of a Woodfuel Suppliers Network Steering Group, which would advise and oversee delivery by two organisations. One, an existing trade association, would provide representation, lobbying, networking and training, the other would provide technical IAG, development of suppliers directories, e-based learning and various technical services. We recommend that the Biomass Energy Centre (BEC) is approached with regard to taking on the latter role and to identify what additional resources would be required to undertake this.

1. Rationale

The emerging woodfuel renewable energy sector has been undergoing rapid expansion and change in recent years, during which time the Forestry Commission (FC) has actively supported the development and expansion of the industry. FC has also been active in promoting greater co-ordination within the supply chain by bringing together woodfuel suppliers from across Great Britain to discuss issues pertinent to their businesses. A series of meetings held across the UK in 2008/09 were facilitated by FC to look at the following issues:

- Building consumer confidence in the supply chain;
- Allow co-ordinated promotion of woodfuel across England, Scotland and Wales;
- Provide a vehicle for self-regulation and quality assurance in the industry;
- Promote the dissemination of best practice and standards within the industry;
- Facilitate sharing of knowledge between businesses entering the supply chain;
- Provide a role model / mentoring opportunity for advice between businesses; from existing to new and pre-start up.

Through discussions with woodfuel suppliers and trade associations, FC has identified that within this market sector there is a demand for facilitation of greater cooperation. This would also assist customers such as local authorities, businesses and communities who are looking for supply which meets technical and sustainability standards.

Standards and fuel quality are key issues for the woodfuel supply chain. The EU has developed CEN standards for solid biomass and UK schemes are being developed by HETAS based on these standards. In addition, biomass sustainability standards are being developed which will impact on the sector, and may create difficulties in terms of cost of compliance for many of the small-medium sized business within the woodfuel supply chain.

Although woodfuel suppliers have expressed interest in developing mechanisms for greater co-operation, there are concerns regarding the creation of additional costs and adding to the administrative burden of what is still a small, if growing, market. Therefore, before progressing the development of the network, an understanding of the costs, benefits and willingness to participate is required. This study was commissioned by Forestry Commission Scotland through the ERDF-funded Regional Biomass Advice Network, in partnership with the Scottish

Government, Scottish Enterprise and Forest Research. The scope of the study was developed in cooperation with FC England and FC Wales to:

i. Carry out a survey of woodfuel suppliers across England, Scotland and Wales to:

   a. Identify the priority services for woodfuel suppliers which could be delivered by a woodfuel suppers network and how these could be delivered
   b. Identify services provided by suppliers' membership of existing trade associations
   c. Determine suppliers willingness to contribute to delivery of the additional priority services identified, either as fees or in time

ii. Produce costed proposals for the delivery of such services, with a breakdown to allocation selection of specific options

iii. Produce an outline business plan for a woodfuel suppliers network with recommendations for next steps

It should be noted however, that should the survey findings suggest that there is limited or no support for a woodfuel suppliers' network, then other possibilities would be put forward and included with recommendations for next steps.

The following organisations and businesses currently make up the woodfuel supply chain

- Forestry and woodland owners
- Farmers
- Forest based businesses (forestry and tree contracting businesses, agents and foresters)
- Timber using businesses (sawmills and other primary processing businesses)
- Woodfuel supply businesses
- Boiler installers and suppliers
- Wood recyclers

A targeted awareness raising campaign was undertaken in May 2009 to inform woodfuel suppliers of the purposes of the study and to encourage them to take part. Suppliers were contacted directly if on either the FC suppliers database or RDI database and a press campaign targeted trade journals and trade association newsletters. The study received widespread coverage in the trade press and was listed on many e-news, magazines and website forums.

2. Results of the Survey

The survey was carried out using three different engagement formats; face to face, telephone and by completing an online survey. All responses from face to face and telephone interviews were entered into the on line survey.

Initially, FC woodfuel staff in the respective countries put together lists of known, active woodfuel suppliers. These were then contacted to set up appointments to carry out face to face or telephone interviews.

The survey comprised a series of 34 questions designed to capture information under the following categories

I. Company description
II. Membership of trade associations
III. The benefits and services of a woodfuel suppliers network
IV. Background information
V. Competition and co-operation
VI. Quality assurance and standards

The questionnaire can be found in **Appendix v – Questionnaire and Full Survey Results** along with the full survey results.

Breakdown of responses by engagement format:

Format	Number
Face to Face	25
Telephone	14
Online	70

Breakdown of responses by Country – Face to face and Telephone only:

Engagement format	England	Scotland	Wales	Total
Face to face	9	8	8	25
Telephone	11	2	1	14

A full list of businesses engaged can be found in **Appendix i – List of Businesses Interviewed**

Analysis of the Survey Results for Woodfuel Supply Businesses

The following section covers the headline results calculated by the survey analysis tool. The results are broken down into the 6 categories. The full survey results can be found in **Appendix v – Questionnaire and Full Survey Results**

i. Company Description

Headlines

1. A worthwhile number of suppliers from all three nations took part in the survey
2. 63% of respondents are limited companies.

Analysis

Participation in the survey was broadly in line with market size. Although the majority of suppliers were limited companies a significant number (28%) were sole traders, which has implications for business support needs and options for delivery

ii. Membership of Trade Associations

Headlines

1. The most numerous membership of a trade association was for ConFor with 65% of respondents stating they were members.

2. The most common benefits provided by respondent’s current trade association membership were considered to be networking opportunities (70%) and lobbying (67%).
3. 34% of respondents said that their woodfuel supply interests were adequately represented and 35% said they were less than adequately represented.
4. 69% of respondents are members of more than one trade association.

Analysis

The most numerous membership of a trade association was with ConFor and respondents valued networking and lobbying as a benefit of membership. There was an even split between respondents as to their woodfuel interests being adequately represented. The majority of respondents are members of more than one trade association.

iii. The benefits and services of a woodfuel suppliers network

Headlines

1. The provision of information, advice and guidance and lobbying were seen as the most important benefits needed by respondents
2. Training, events and website were also seen as important
3. Mailings and affiliated logo were seen as the least important
4. 59% of respondents said they would be willing to make a financial contribution in order to receive these services
5. 72% said they were prepared to pay the same level of fees they currently pay for membership of trade associations.
6. A high proportion (over 75%) said they were willing to contribute non-financially to receive these benefits and services with respondents saying they would offer site visit and training locations and would consider co-operative working.
7. 52% of respondents stated they would like to see these services provided by an existing trade association and 48% stated they would like to see a standalone woodfuel network.
8. 14 out of 17 additional comments to question 11 stated that a separate organisation is not required and or an existing provider should be used for these benefits and services

Analysis

With 65% of respondents being members of ConFor, this is by far the largest representative body for woodfuel supply businesses taking part in the survey. The average membership fee paid by members of ConFor taking part in this survey based on business size is £190 (medium size corporate fee - **Appendix iv – Trade Association Membership Fees** gives a breakdown of trade association membership fees). 35% of respondents state that their woodfuel supply interests are less than adequately represented and the majority of respondents said they would like woodfuel specific benefits and services to be provided by existing trade associations.

iv. Background Information

Headlines

1. Woodchip was the most common form of fuel supplied at 88% of respondents
2. Logs was the second most common form of fuel supplied at 76% of respondents
3. 95% of respondents stated virgin wood is their main source of raw material
4. 63% of respondents have been supplying woodfuel for 1 to 5 years
5. The majority of log suppliers supply less than 1000 tonnes pa
6. The majority of woodchip suppliers surveyed supply more than 1000t pa
7. Industrial, commercial and public sector customers are the most common at 82% of respondents
8. The most common delivery radius is less than 10 miles at 86% of respondents

Analysis

Most businesses supply woodchip fuel, sourced from virgin wood. They have been supplying for between 1 and 5 years and supply more than 1000 tonnes pa to industrial and public sector customers within a 10 mile radius.

v. Competition and Cooperation

Headlines

1. 73% of respondents stated that competition in their area was about right
2. 74% of respondents stated that there are opportunities for cooperation
3. 77% stated they perceived there are benefits in cooperation
4. Finance and time were the most important aspects needed for cooperation
5. Potential market size and woodfuel resource availability are seen as the most important aspects to consider when deciding on support for the woodfuel supply chain

Analysis

The majority of respondents said there are opportunities for cooperation with a perception that cooperation can provide benefits but finance and time were the main barriers to achieving it. Respondents would like the public sector to consider potential market size and woodfuel resource availability when deciding on support for the woodfuel supply chain.

vi. Quality Assurance and Standards

Headlines

1. 60% of respondents operate a quality assurance scheme of some form
2. 76% of respondents undertake moisture content testing
3. 70% of those that do not operate a QA scheme perceive there to be no demand for it
4. 37% of respondents comply with quality standards set by boiler manufacturers
5. 34% of respondents do not comply with any quality standards
6. 91% of respondents stated that contract conditions and 89% of respondents stated that customer demand were the reason why they comply with standards
7. 76% of respondents said they didn't comply with standards as there was no demand
8. 70% of respondents do not operate or comply with any other forest or product certification or accreditation schemes
9. Those that do operate or comply do so due to customer demand, contract conditions and best practice.

Analysis

The majority of respondents operate a quality assurance (QA) scheme of some form and moisture content testing was the most popular quality control measure. Those that do not operate a QA scheme perceive there to be no demand for it. Contract condition and customer demand were the main reasons why respondents operate QA systems.

However, there is a problem in analysing this data on quality assurance in the light of the various forms of wood fuel supplied. Few log suppliers would even consider QA particularly in the form of moisture content or quality standards set by boiler manufacturers, whilst wood chip suppliers would consider moisture content, particle size and boiler manufacturer’s standards to be essential elements in supply.

Additional Comments

The following common themes were picked up from the additional comments throughout the survey:

Theme	**Number of responses**	**General comments**
Cooperation	8	Comments on cooperation were generally in favour of the idea but concern was expressed over anti competition laws
Consumer information, marketing and better public awareness	8	A need to improve consumer information, assist suppliers with the marketing of woodfuel products and to generally improve public awareness of the sector
Woodfuel supply tender and contractual processes	6	A clear requirement for support with tendering processes, particularly with regard to simplifying public sector PQQ and ITT processes and to support suppliers with contracts and obligations there in
Improve skills and knowledge of supply base and provide high quality training	8	A strong desire to see the skills and knowledge of the supplier base improve and for any network or association to provide training to assist with this.
Resource availability	8	Lack of availability of raw material, particularly

		hardwood roundwood. Some respondents asked that much more is needed to assist woodland management and bring more timber to market. Concern was raised about competition with other timber markets and that there was a powerful lobby for these markets but none for woodfuel suppliers
Customer service	3	Customer service in general needs to be improved and is an important aspect in raising the professionalism of the sector
Delivery related problems – supply distances	4	Delivery is seen as a major problem for suppliers. Concern was raised over some fuels being imported from overseas.
Focus support on local supply chain	4	Concern that small local supply chain operatives will be consumed by the larger industrial and import supply chain.
Lobbying	8	Respondents see this as a key service that is currently lacking for woodfuel suppliers
Quality control	7	Support for a national, accessible quality control system that can provide fuel testing facilities
Grants	3	Greater fairness in the allocation of public sector grant aid for supply chain operatives

The full list of comments is set out in **Appendix ii – Additional Survey Comments**.

Analysis by Country

The following analysis describes responses from suppliers active in each country, where notable differences were present. It should be noted that given the sample size care must be taken in analysing the results and it may be more useful to discuss them in terms of trends than statistically valid findings.

- 29 suppliers supplied to more than one country. This is likely to be either national suppliers or those close to country borders (< 50 miles)
- Wales has a higher level of limited company suppliers and lower sole traders than England or Scotland

- Scotland had a higher membership of forestry and land sector trade associations
- Only in Wales did the majority (61%) of suppliers consider that the association or group of which they were members either adequately or more than adequately represented their interests, although England actually scored highest for benefits (other than lobbying) provided by such organisations
- Benefits desired from a network were broadly similar other than price indexing and model contracts where suppliers in Wales perceived these to be of lesser importance than those in Scotland or England
- There was a marginally higher willingness to contribute towards the cost of a network amongst English suppliers
- Only Welsh suppliers expressed a clear preference for whether the network should be part of an existing organisation (65%) or a standalone one
- Scotland had a higher proportion (20%) of suppliers who had been involved in the woodfuel sector for less than one year
- Suppliers of woodchip (75%) and pellets (50%) in Wales deal in significantly higher volumes (> 5000 tonnes) than in England or Scotland
- Compliance with any quality assurance scheme was lowest in England and highest in Wales

Overall it is considered that the differences between countries were not significant enough to warrant different outcomes. Nevertheless it should be recognised that each country will have its particular political and governance framework within which suppliers operate and this will demand a tailored approach in each, in addition to the UK and European level.

It should also be recognised that there is significant work of this nature already being undertaken by various organisations and agencies at both a country and regional level – for example: -

- Regional Biomass Advisory Network in Scotland (Forestry Commission Scotland/ERDF)
- Woodfuel Wales (Forestry Commission Wales, Welsh Assembly Government & others)
- Woodland Initiatives & Community Forests (Forestry Commission, EU Rural Development Programmes etc.)

These organisations already have good links with suppliers and provide services much valued by both producers and users of woodfuel. The ability to work with, and through, these existing initiatives will be an essential requirement of any future network, not least to harness the resources available through devolved administrations and regional agencies and to avoid duplication. Nevertheless it should be recognised that funding for such initiatives is time limited and there are gaps in provision on both a geographic and thematic basis and thus a role for the network is to seek to overcome these issues.

Analysis by Size of Company (Volume of Fuel Supplied)

The following describes responses by size of supplier in terms of the volume of woodfuel supplied. Again, these should be viewed as trends rather than definitive conclusions.

- not surprisingly, most sole traders supplied less than 1000 tonnes p.a.
- membership of forestry and renewable energy trade association was highest amongst larger suppliers whilst smaller suppliers were more likely to be a member of a land based organisation
- only suppliers of over 5000t p.a. considered that the organisations of which they were already a member adequately or more than adequately represented their needs
- smaller suppliers focussed more on the domestic market, were more likely to supply logs and had the shortest delivery radius
- smaller suppliers had the greatest need for finance to enable them to co-operate
- smaller suppliers were least likely to comply with quality assurance and standards and were more likely to state lack of demand as the reason

Most of the results supported perceived views of woodfuel suppliers i.e. that larger suppliers were more likely to supply commercial customers, travel further, operate to recognised standards. However, there was little noticeable difference in the nature of suppliers needs and/or satisfaction with existing arrangements.

Analysis of the Survey Results for Trade Associations

In addition to a survey of woodfuel supply businesses, a telephone based interview of trade associations known to have woodfuel supplier members was carried out. The questionnaire used can be found in **Appendix iii – Trade Association Interview Questionnaire**.

The following trade associations were contacted:

- Confederation of Forest Industries
- Country Land and Business Association
- Renewable Energy Association
- Scottish Renewables
- Small Woods Association
- United Kingdom Forest Products Association
- Wood Fuel Wales

Common themes that occurred throughout the interviews are summarised as follows:

- Some of the trade associations would be keen to provide a service for woodfuel suppliers. However, it was raised by others that they have had no requests for specific support for woodfuel suppliers and may find it difficult to represent small, rural businesses as they tend to focus on representation for larger producers and generators. All would like to open discussions further on this matter
- All were in agreement that lobbying was an important service that suppliers should have although stressed the need for specific objectives to be identified
- Some of the trade associations would be opposed to setting up a specific woodfuel suppliers representative body
- Some of the trade associations interviewed recognised the requirement for regional representation but stressed the importance of a national body with more weight to undertake lobbying at a UK and EU level.

Table 1 – Services and Benefits Requested by Survey Respondents below gives a summary of the benefits and services that respondents would like to see provided that are of relevance to their woodfuel supply interests that are currently provided by trade associations of which they are members.

Table 1 – Services and Benefits Requested by Survey Respondents

		Services and benefits requested by survey respondents						
Organisation	**No of respondents with membership**	**Training**	**IAG* – technical and policy**	**Lobbying/political representation**	**Events**	**Website**	**Directories**	**Legal support (tenders, contracts)**
ConFor	45	✓	✓	✓	✓	✓		✓
FCA	10		✓	✓		✓	✓	
AA	6	✓	✓		✓	✓		
NFU	19		✓	✓	✓	✓		✓
CLA	16		✓	✓	✓	✓	✓	✓
SRPBA	12		✓	✓	✓	✓		
REA	13		✓	✓	✓	✓	✓	

Only trade associations with more than two respondents as members are listed.

* IAG = Information, Advice & Guidance

Analysis of Services Provided by the Biomass Energy Centre

The Biomass Energy Centre (BEC) is a one stop shop web based tool that provides information, advice and guidance on biomass to anyone in the UK. BEC also provides an information enquiry service where enquirers can contact one of the expert advisors for assistance with a specific biomass related query. The service is particularly strong on providing technical information on biomass, in particular biomass production, supply, quality assurance and end use.

The service also has a directory of biomass suppliers that is searchable by region with an interactive map making it user friendly along with a list of national suppliers. There is a registration form that suppliers need to complete if they are to be listed and there is a basic level of quality assurance as the form does ask if the supplier conforms to a recognised standard for woodfuel supply.

3. Options

3.1 Success Criteria

Before considering the options available for better representation of woodfuel suppliers, it is desirable to identify a number of success criteria. We have suggested that, from the evidence presented via the survey and interviews with the trade associations, the success criteria should be:

1. The improved visibility of the woodfuel sector and market to consumers, potential suppliers and wider stakeholders
2. The provision of effective lobbying to further support for the use of woodfuel by ensuring appropriate regulatory, legislative and investment support is in place
3. The provision of accessible up to date technical IAG
4. Support with tendering and contractual agreements for woodfuel supply
5. Further development of an accessible supplier directory, searchable on both a national and regional basis
6. To build on the professionalism of the sector including improvement of the skills and knowledge of woodfuel suppliers through the provision of training
7. Provision of services which are relevant to businesses of all sizes whilst recognising that small to medium enterprises (SME's) have particular needs and the greatest scope to expand and contribute to wider economic, environmental and social outcomes
8. An ability to provide these services to small and medium forest based woodfuel producers at a country level (Scotland / England / Wales) and to work with existing regional initiatives thereby avoiding duplication of effort and confusion of identity

The options below have been discussed giving consideration to these criteria.

3.2 Options Considered

Six options have been considered for developing support for more dedicated representation for woodfuel suppliers across the UK. These are listed below:

1. Do Nothing. This has been included as an option but clearly does not meet the consideration for developing support for more dedicated representation for woodfuel suppliers across the UK.
2. Support through existing trade associations
3. Creation of a standalone woodfuel suppliers network
4. E-based forum and virtual association
5. Support through an existing trade association via a sub group of woodfuel suppliers combined with an e-based woodfuel suppliers information service
6. Provision of services through existing non membership industry bodies such as SFIC, EFIP and WFBP

3.3 Options Appraised

The table below considers these options in more detail based on the analysis of the results of the survey.

Option 1 – Do Nothing	
Description	There is no increased provision from current levels of support for woodfuel suppliers – carry on as at present
Advantages	• No financial commitment required • Minimal risk to businesses and key stakeholders
Disadvantages	• Lack of focused support for woodfuel suppliers • Lack of representation/lobbying – seen as a key area by respondents and trade associations • Uncoordinated dissemination and implementation of guidance and standards across supply chain • Uncoordinated or inconsistent responses to key consultations such as sustainability criteria • Could lead to a slower to develop supply chain • Unlikely to meet the success criteria
Costs	NA
Extent of risk (H/M/L)	M Little or no financial risk but risk associated with lost opportunity for the woodfuel supply chain to have representation.

Option 2 – Support through existing trade associations via a woodfuel suppliers sub group	
Description	Work with an existing trade association to provide the benefits and services required by woodfuel suppliers via a woodfuel suppliers sub group
Advantages	• Focused and coordinated support activities for the emerging woodfuel supply chain • Trade associations often have a proven track record of representing the interests of members • As trade associations are run by industry representatives there is likely to be broad acceptance amongst supply chain operatives and resource owners • Links to wider industry networks and information e.g. forest industry networks (EFIP), research and development (SFIC) • Requirement for financial investment and other resources lower than creating stand alone organisation • Sub groups already exist with some trade associations • Will be able to meet most of the success criteria
Disadvantages	• A Woodfuel Suppliers sub group may be lost within a larger association and therefore any focus may not be apparent • Perceived reputations of associations by woodfuel suppliers – will they adequately represent my interests? • Conflicting representative requirements • Members of other TAs would need to pay an additional subscription • Variable ability to deliver at a country/regional level
Costs	Not as high as option 3 but will require financial investment to get it going. Total cost for years 1 – 3 = £134,500.
Extent of risk (H/M/L)	M This is perceived as a medium risk depending on which trade association is selected to represent woodfuel suppliers. As there is a real diversity of businesses from rural micro businesses to major national suppliers a body needs to be selected that can represent all interests without jeopardising interests of other members whether

	they be other timber users or renewable energy generators.
Option 3 – Creating a new organisation	
Description	To set up from scratch a standalone organisation to deliver support services for woodfuel suppliers
Advantages	• Would possibly be viewed as the most neutral and seen to be independent by key stakeholders • More focused support for smaller scale woodfuel producers involved in local production and supply. • No conflict of interest with other timber product users as it would be purely focused on woodfuel suppliers • Would allow greater focus on achieving the success criteria
Disadvantages	• Will not have universal buy in from main industry stakeholders, trade associations and woodfuel suppliers • This option would incur higher start up costs which would include staffing and infrastructure investments • There would be a higher risk of organisational failure. A new organisation would be more prone to failures in the business plan and financial dealings e.g. ability to raise working capital due to lack of trading history which could lead to cash flow limitations • Members may not be so keen to support it in the long term, particularly when any public sector seed corn funds have run out • A new organisation would take a long time to establish and operate effectively. This would have a severe impact on the timescales of the delivery of support for the sector and could delay delivery by up to 6 to 12 months as staff and systems are established. • Additional costs to woodfuel suppliers, particularly small businesses.
Costs	There will be high start up and project management costs as the organisation will need to set up new administrative and accounting procedures and will incur significant legal fees. Total costs for years 1-

	3 = £315,500.
Extent of risk (H/M/L)	H This option is very high risk and there will be a significant impact on timescales and increases in running costs.
Option 4 - Virtual association	
Description	Creation of a virtual association and e-based suppliers forum with some of the serrvices and benefits offered by the trade associations.
Advantages	• Lower cost than options 2 and 3 • Quick to establish, particularly if bolted onto exisitng provision • Can meet some of the success criteria particularly: e-based training, information, advice and guidance particularly on technical issues, price indexing, model contracts and directories
Disadvantages	• Still requires resourcing • Cannot provide the all important networking and lobbying benefits that a trade association can provide that make up an impotant part of the success criteria • Members need to have adequate internet access so may alienate some
Costs	This option is relatively low cost especially if existing service provision is used such as the Biomass Energy Centre (BEC)) and/or integrating or working with local and regional initiatives. A not insignificant marketing and promotions programme will be required to ensure wide coverage and use. Total cost for years 1- 3 = £183,500.
Extent of risk (H/M/L)	L There is very little risk attached to this option
Option 5 - Support through existing trade association via a sub group of woodfuel suppliers combined with an e-based woodfuel suppliers information service – Recommended option	
Description	A combination of option 2 (the provision of representative support through lobbying, networking and wider business support via a woodfuel suppliers sub group) with option 4 (the provision of services and benefits through an e-based suppliers information service which could be a sub site of an exisitng provider)
Advantages	• Make use of exisiting providers with established networks, expertise and resources – e.g. ConFor for representation and

	BEC for web based information services, and regional initiatives • Lower cost and risk than option 3 • Would receive wider support as would not be seen as another new organisation • Could offer national and regional focus for suppliers e.g. ConFor operate at a national and regional level with country directors and regional groups and BEC, dependent on additional resources were provided, has the capability to offer regionally focused Information, Advice & Guidance (IAG), where possible in conjunction with regional initiatives. • Meets the success criteria well, with no identified gaps in provision
Disadvantages	• Could still generate conflicting representative requirements within the host trade association • Would require pump prime funding for both e-based forum and support for setting up a woodfuel suppliers group with a trade association • Promotional activity would need to be carried out for both the e-based forum and trade association sub group
Costs	Lower cost than 3 but would still require pump priming. Total cost for years 1 – 3 = £149,500
Extent of risk (H/M/L)	M This option is considered to be low risk in terms of buy in from producers and it will meet the requirements of the success criteria. However, funding will be required to allow both the e-based forum and trade association sub group to be established and for awareness raising activity to be carried out and we have therefore made this a medium risk
Option 6 - Provision of services through existing non membership industry bodies SFIC, EFIP and WFBP	
Description	Use non-membership based organisations that already perform industry support functions such as SFIC, EFIP and WFBP
Advantages	• Existing support functions including IAG

	• Operate on a national basis (England, Scotland and Wales) • Established networks through actual and virutal fora and ability to focus on particular sections on the industry (e.g. Timber Transport Forum through SFIC) • Non membership driven • Support for R&D • Web based services and benefits
Disadvantages	• Do not have the capability to provide lobbying and political representation and these wider representative requirements would still need to be delivered by another provider • Do not have the required technical expertise that is required by suppliers and this would have to be delivered by another provider • Reliant on public sector funding to operate • Represent all sections of the industry and not just woodfuel • Focus on forestry and timber industry and may lack experience required in the wider renewable energy sector
Costs	Would depend on opportunities within each organisation but in the region of Option 2. Total cost for years 1 – 3 = £134,500.
Extent of risk (H/M/L)	L This is rated as low risk as these organisations are well established and supported throughout the industry and seen as nuetral. Costs would be lower than other options but does not provide the all important wider representative and technical IAG requirements of woodfuel suppliers

4. Business Case for Recommended Option 5: **Support through an existing trade association via a sub group of woodfuel suppliers combined with an e-based woodfuel suppliers information service.**

Aims and objectives

The aim is to adequately represent the interests of woodfuel suppliers across the UK and to meet the success criteria set:

1. The improved visibility of the woodfuel sector and market to consumers, potential suppliers and wider stakeholders
2. The provision of effective lobbying to further support for the use of woodfuel by ensuring appropriate regulatory, legislative and investment support is in place
3. The provision of accessible up to date technical information, advice and guidance
4. Support with tendering and contractual agreements for woodfuel supply
5. Development of an accessible supplier directory, searchable on both a national and regional basis
6. To build on the professionalism of the sector including improvement of the skills and knowledge of woodfuel suppliers through the provision of training
7. Provision of services which are relevant to businesses of all sizes whilst recognising that small to medium enterprises (SME's) have particular needs and the greatest scope to expand and contribute to wider economic, environmental and social outcomes
8. An ability to provide these services at a country level (Scotland / England / Wales) and to work with existing regional initiatives

The objectives are as follows:

1. To create an e-based woodfuel suppliers information service that can host the following services for woodfuel suppliers:

    i. Provide up to date IAG on technical issues relating to woodfuel production and supply such as transportation of woodfuel products, storage and QA
    ii. Provide up to date IAG on policy that is of relevance to woodfuel suppliers taking into account European, state (UK), national (Scotland / England / Wales) and regional variations

iii. Provide IAG on collaboration and cooperation activities
iv. Provide IAG on grant aid and other financial support mechanisms available to woodfuel suppliers appropriate to their location
v. Expansion and maintenance of the supplier directory (currently compiled using information from BEC), that provides suppliers by region as well as nationally. The directory should have a basic level of quality assurance criteria set such as confirmation that the supplier meets recognised standards
vi. Provide e-based learning opportunities such as information on quality standards, fuel testing and customer service
vii. Provide suppliers with easy access to testing facilities
viii. Provide support with tendering for and contractual agreements on woodfuel supply taking into account national variations
ix. Provide woodfuel consumer information in terms of woodfuel supply
x. Assistance with resource availability working with local and regional initiatives

BEC offer some of these currently, although some adaptation would be needed and perhaps some form of membership section added to cater for the needs of a suppliers network. Most importantly it will require significant additional resources to be allocated to BEC to enable them to provide these services at a regional level, resources which may only be available at a national or regional level. Thus it is envisaged that whilst an element of these additional resources would be made available directly to BEC, many of the services would be delivered (under a co-branded project) by regional initiatives utilising national and regional funding.

2. To support an existing trade association to create and run a sub group for woodfuel suppliers, focussing on small to medium scale producers who are (a) identified as most in need of support and (b) have most potential to expand their activities. Thus the selected trade association will need to be able to engage effectively with forest based woodfuel suppliers and to do this at a national (Scotland, England & Wales) level taking into account variations in policy, regulation and support.

This sub group should be used to provide the following services:

i. Political representation of woodfuel suppliers
ii. Provision of lobbying services on behalf of woodfuel suppliers
iii. Provide networking opportunities for woodfuel suppliers through regional and national events
iv. Provide support for and access to training and knowledge transfer for woodfuel suppliers
v. Support with wider promotional activity, awareness raising and marketing of the sector

Other trade associations and representative bodies should be invited to take part and steer the creation of the e-based suppliers information service and the chosen trade associations woodfuel suppliers sub group.

A diagram of the proposed structure is shown on the following page.

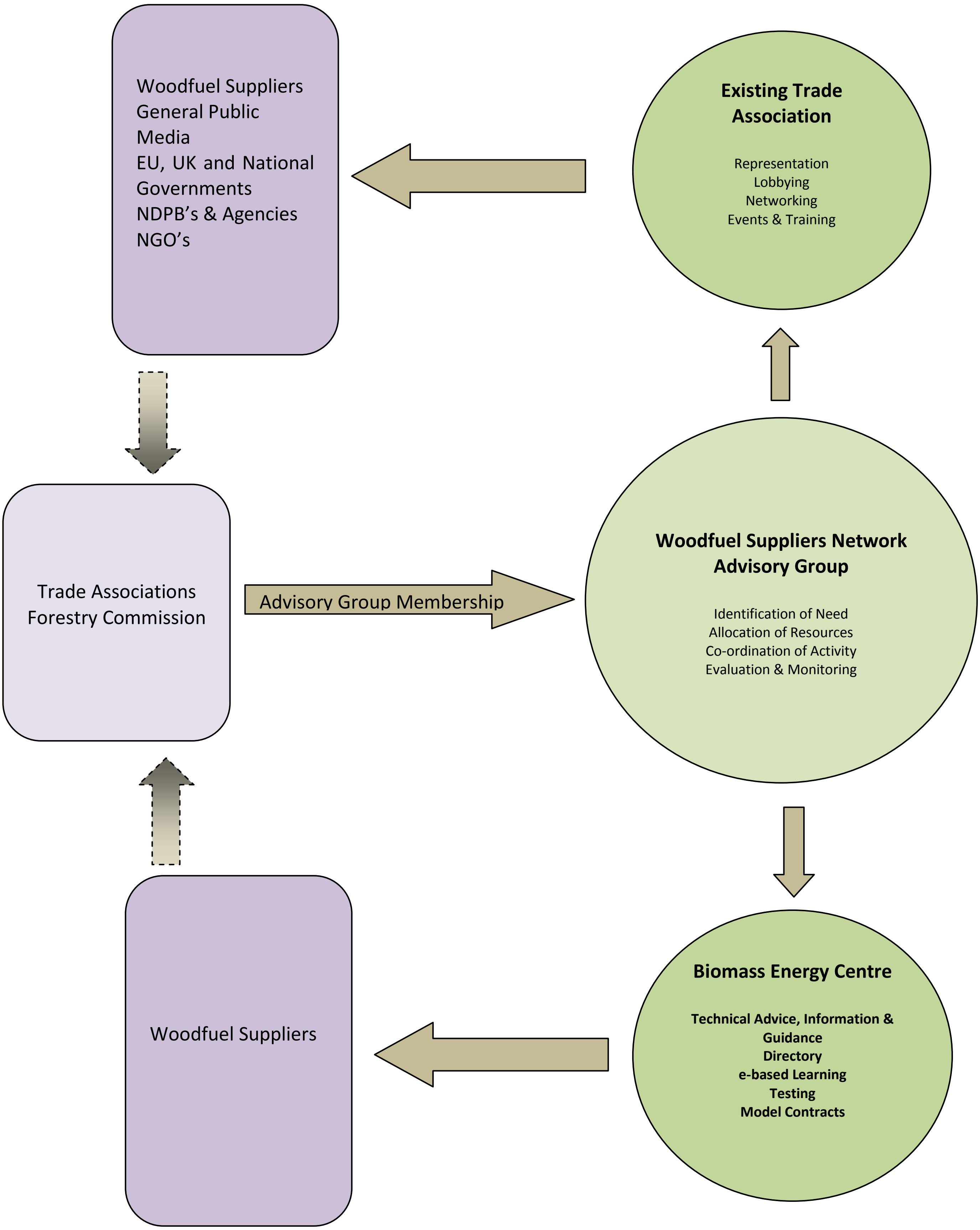

Figure 1: Woodfuel Suppliers Network

5. Recommendations and Next Steps

It is our recommendation that Option 5 **Support through an existing trade association via a sub group of woodfuel suppliers combined with an e-based woodfuel suppliers information service** is selected to build on the work done by FC in support of woodfuel suppliers and this is developed to take this support forward. This option is most likely to best meet the success criteria for providing support for woodfuel suppliers.

We recommend that the following are taken as the next steps in setting up the provision of support for woodfuel suppliers:

1. Create a wider discussion forum between trade associations, other representative bodies and e-based networks that represent woodfuel supplier interests. These should be:

    i. Biomass Energy Centre
    ii. Confederation of Forest Industries
    iii. Country Land and Business Association
    iv. Forestry Contracting Association
    v. National Farmers Union
    vi. Renewable Energy Association
    vii. Scottish Renewables
    viii. Scottish Rural Property and Business Association

    This forum should discuss how best to represent the interest of woodfuel suppliers further based on the findings of the analysis of the survey and the objectives set in the business case for the preferred option in section 5. This forum also needs to agree on which trade association is best placed to represent the interests of woodfuel suppliers and to support the creation of a woodfuel suppliers sub group.

    In order to assist with the selection of this organisation a number of success criteria are suggested: -

    I. ability to work with and represent small to medium scale forest based woodfuel suppliers

II. familiarity with the forest based woodfuel supply sector
III. existing links to EU, UK and regional policy and regulatory community
IV. GB wide organisation with country and regional based representation

2. The Biomass Energy Centre should be approached to see if they will be willing to provide additional on line woodfuel supplier focused services (over and above what they already provide) and are asked to investigate what resources will be required to provide these services in line with the survey results and the objectives set in the business case for the preferred option in section 5. BEC should also investigate extending its partnership working with regional initiatives under a co-branded project, utilising national and regional resources and where necessary filling gaps in regional provision.

3. Appoint an advisory group to be made up of representatives of the key stakeholders including but not limited to:

   - Forestry Commission
   - BEC
   - Trade Associations

4. Produce executive summary of survey findings and recommendations and distribute to woodfuel suppliers and in particular those that took part in the survey for further comment and engagement

5. A promotional and awareness raising campaign is set up to target woodfuel suppliers to take advantage of these new provisions and to get them to commit to supporting both the suppliers sub group and e-based services.

Appendices

i. Businesses interviewed

	England	Scotland	Wales
Face to face	1. REFA 2. Park End Farm 3. No 1 Woodfuel Ltd 4. Zetland Estates 5. Renewable Energy Growers 6. Denton Park (NG Bailey) 7. Gloucestershire Woodfuels 8. Rawnsley Woodfuel Products 9. Forest Fuels	**1. Tilhill** **2. Harper Contracts** 3. Cairngorm Tree Services **4. Balcas** 5. Treelogic 6. NEWFuel Ltd 7. Jamie Reith 8. Buccleuch Natural Fuels Ltd	1. Evans Tree Services 2. Clifford Jones Timber 3. S&C Bufton 4. Wood Fuel Ltd 5. Pembrokeshire Bioenergy 6. Credland Timber 7. Flam FRon Goch 8. Cefnllwyn Timber
Telephone	1. English Woodfuel Suppliers 2. Energy Crops Company Ltd 3. Bent Water Parks 4. Wolds Wood Fuels 5. Fern Tree Services 6. Exmoor Woodfuel Ltd 7. Manco Energy 8. Cumbria Green Fuels 9. Bowland Bioenergy **10. AW Jenkinsons** **11. Euroforest**	1. Highland Wood Energy **2. Scottish Woodlands**	1. Edistone Ltd

UK wide suppliers in **bold**

On-line not listed as information not available

ii. Additional survey comments

What other issues would you like to add regarding the relevance of a dedicated woodfuel suppliers network to your business?
1. For domestic supplies distance is critical so it would have to specify locality/delivery charge. 2. Start making wood available to the firewood trade all the time not when the leaves have fallen off. Derbyshire is a disgrace with too much blah blah and not enough real work in the woods. Too many office folks and not enough skilled people to do the work. Take the FC Grants but do nothing with the hardwoods and use the monies to pay the Managers who do no direct work. 3. Need help with delivery or mobile chippers. 4. Don't focus too much on the big CHP and pellet players, it is the small, local log and chip operations that are the real 'green' future in tomorrow's peak oil world and the ones that can encourage small woodland owners, especially in England, to bring wood to market. Skilling up a new generation of thinning contractors is going to be key. 5. Concerned the public sector may not allow the network to develop in a useful direction, but stifle it with its own agenda. 6. The relevance lies in the newness of the market for wood fuel, new to all involved, there is the potential to benefit from a joint approach, we co-operate with others currently. There are specific requirements in the woodfuel markets in the UK which are different from elsewhere in Europe which we have to accept and share our knowledge with others. 7. There is a role for working together on a small local scale but a large scale organisation would raise the problems of working within competition laws. 8. Better education of public sector including coordinated press releases. Much higher political profile. 9. Maintenance and contract between - boilers and fuel suppliers 10. None that I can think of. 11. The need for a quality control system accessible to all suppliers. Barrier to entry. Learning requirement 12. I see no reason for a network, woodfuel suppliers should be stand alone, and running their own business, however an association would be of benefit. The reason for my filling this questionnaire out is to highlight the need to support the development of undermanaged woodlands, by amalgamation of woodland owners and small contractors in specific areas. There appears to be no assistance available to encourage development in terms of finance or assistance for access, gates, roading, landing areas, training, help with harvesting equipment etc. Further, there should be special replanting assistance for such areas increasing the viability of woodlands and small dedicated contractors.

13. I think that there is a need for a wood chip supplier network to help the industry in PR and lobbying only. The competition issue is such that outside of lobbying and PR any such network would fail.
14. Improve consistency of information and standards. Encourage Education and Knowledge sharing.
15. Important for suppliers to work together to provide strong reliable supply chain
16. We need a mechanism to allow legal use of red diesel for delivering woodfuel to very local end users.
17. On a basic local level - not comfortable with the competition knowing our business!
18. Increase planting targets - current shortage of roundwood and thinnings
19. Got to be easy for the customer
20. Government statistics on existing biomass use are factually wrong and are misleading policy in particular financial support to the detriment of the whole sector including the forestry industry.
21. Ban feasibility studies. Install boilers. Stop talking. Do stuff.
22. No point of having woodfuel suppliers when there no support is given to the installation companies who install the equipment who are the people who will create the demand with the customer.
23. PQQ's are often difficult, complicated and not consistent. One central place for tenders to be advertised should be adopted. Standard Local Authority tender and evaluation process should be adopted - all currently different across Scotland.
24. There is too much paper work when applying for grants from talking to other small business owners this puts them off as the cost of doing all of this out ways the amount of money they are giving away
25. Availability of hardwood
26. The use of waste wood and wood chip
27. To maximise the environmental and economic benefits of wood burning customers need to dry firewood and be educated to use efficient appliances not open fires
28. A much greater emphasis on the customer & their needs & understanding of woodfuel. The woodfuel industry is very inward looking and not customer focussed enough. This survey sadly reflects this position.
29. This network must address local issues such as distribution. To ensure that in areas where this needs to be over longer distances to initially stimulate the market that unrealistic local delivery targets are not set, or promoted to councils as a significant consideration. Once the

market has developed then more local suppliers will appear.

30. Transport is the major problem facing us
31. There are opportunities to meet with fellow local suppliers but there is considerable caution on discussing prices which has to be avoided. I would be against forming any sort of new Association.
32. To encourage planners, local authorities and central government to consider biomass as an energy and to tax high carbon based energies.
33. Fuel supply not an issue but marketing is. Very much against any new Association or Network. Seems to be Company policy
34. Any attempt to co-operate must comply with relevant competition laws.
35. Might be interesting but there are already a number of web sites, organisations at least partly addressing this. It must be suitable for small businesses as many log suppliers are one man bands or micro businesses. We do not want to have big business systems imposed on us, and do not want to be swamped and taken over by large businesses.
36. Support for changes to Building Regulations that facilitate wood fuel burning in the home.
37. The UK woodfuel suppliers network should look at ways in which the smokeless zone regulations could be brought up to date, in particular for pellets, and small importers. Assistance should be provided for companies 3-5 yrs down the road, in the form of an intermediate woodfuel supplier grant system. Grants are needed for equipment to accommodate for increase in demand over the next 3-5 years. The UK woodfuel suppliers network needs to be able to supply large woodfuel contracts.
38. Key services to be provided by the UK woodfuel suppliers network: Customer information Marketing Directory – Broken down by region, county, locality Independent advice and testing facilities for woodfuel suppliers
39. The UK woodfuel suppliers network needs to promote fairness in the delivery of grants Need to lobby to make RDPE deliver grants to mid-sized woodfuel suppliers Grants need to be allocated based on economic / feasibility studies All woodfuel suppliers needs to have more support in the contract and tender side of business
40. Exmoor Woodfuel limited does not feel that it would benefit greatly from a woodfuel suppliers network as it would most likely only bring about “soft” benefits which would not be worth the time or money.
41. The UK woodfuel suppliers network should lobby national government for increased support of the woodfuel industry as a means to meet renewable energy targets through the provision of more capital grants. Taxes should be placed on the oil and gas industry to support the

development of the green energy industry.

42. A centralised website needs to provide the end-user / consumer with important information that they should consider before installing a woodfuel boiler. There needs to be more research done before woodfuel boilers are installed, specifically sourcing a sustainable supply of fuel. The network, through its website and network, could provide this crucial service. The Forestry Commission needs to lead this producer group, pushing an agenda of reforestation in order to guarantee woodfuel supply.
43. The UK woodfuel suppliers network should push for the establishment of a UK woodfuel quality standard. This would allow legitimate suppliers to become accredited, effectively cutting out the illegitimate producers, and boosting the reputation of the woodfuel industry. A national price index would be useful to establish consumer confidence and assist in the contract formation process. A centralised website would boost the professional image of the woodfuel industry, providing information and support for both woodfuel producers and consumers. Initial advice for potential woodfuel customers would be the most critical component of the website.
44. There are great potential benefits of a UK woodfuel suppliers network, but only if the industry continues to grow over the next two to three years, becoming a professional industry with a sustainable supply of resources. The woodfuel industry needs more support from local government to create programs which get boilers installed in commercial and public organisations, which will create large contracts that demand the formation of woodfuel supplier partnerships. The issuance of large contracts is the key to bringing the woodfuel industry to a professional level. The Forestry Commission needs to play a lead role in the UK woodfuel suppliers network.
45. The UK woodfuel suppliers network should focus on delivering activities that provide direct benefits to the woodfuel industry. Activities should involve training, the provision of accessible training facilities, contract and tender process support, and active lobbying at a national level. If the UK woodfuel suppliers network were to only deliver soft benefits (i.e. networking opportunities, marketing opportunities, databases, etc) then it would be just another association / organisation that would not be worth the time or money of any member.
46. The most important issue the woodfuel industry faces today is the current (and future) availability of raw materials. The Forestry Commission and other public bodies need to actively support the reforestation of Great Britain to boost supply and ensure that the woodfuel industry is truly sustainable. The WSN should seek to set quality assurance standards for use

by all UK woodfuel suppliers. This should be supported by the provision of more testing facilities in regions that are identifiably lacking this support. The UK woodfuel suppliers network should push for the creation of a national woodfuel testing facility.

47. The inability to provide a consistent service, in terms of product supply and quality, is the greatest criticism of the woodfuel industry; the UK woodfuel suppliers network should focus their efforts on resolving this issue by strengthening the supply chain. This can be done by supporting the formation of local producer groups, conducting local supply chain feasibility studies, and the allocation of more grant aid for capital equipment. The UK woodfuel suppliers network should lobby national government to increase the provision of capital grants to purchase equipment. The suppliers network should also play a role in the grant distribution process to increase fairness. The UK woodfuel suppliers network should encourage and support local, county, and regional producer groups. The UK woodfuel suppliers network should lobby national government to increase support for the woodfuel industry and increase taxes on the gas and oil industry, which would increase demand for woodfuel. The woodfuel industry will need more support from national government if it is going to deliver a significant portion of the renewable energy targets in the UK.
48. The woodfuel suppliers network should make the needs of small businesses and producer groups a priority; small groups should not be swallowed up and forgotten by a large UK woodfuel suppliers network. The core of the woodfuel industry is small networks of producers – their voice needs to be recognised and have weight within the UK woodfuel suppliers network. The woodfuel suppliers network should push the establishment of a UK woodfuel quality standard, and lobby national government to create a regulatory body to enforce these standards. The focus of the UK woodfuel suppliers network should have the sole focus of woodfuel, not the timber and fuel industries. The UK woodfuel suppliers network should remain approachable and strive not to become elitist. The Forestry Commission may not be considered approachable by existing woodfuel suppliers if it were to host the UK woodfuel suppliers network.
49. The UK woodfuel suppliers network should incorporate existing local producer groups into the UK woodfuel suppliers network. Local / regional producer groups should be encouraged and developed by the UK woodfuel suppliers network because there is a great opportunity to involve multiple farms estates (within a 10 mile radius) in the production of woodfuel, which would stimulate better management of private woodland. Capital Grant Schemes need to be given to new woodfuel suppliers in order to bolster supply available to the woodfuel industry as a whole. The suppliers network should lobby against FC policy of transporting large

amounts of cheap timber over long distances to be consumed at industrial sites.

50. The UK woodfuel supplier's network should provide support for sourcing and completing capital grant schemes. The supplier's network should also seek to ensure the fair delivery of grant schemes, specifically to ensure that mid-sized suppliers continue to win contracts and capital grants. The supplier's network should encourage the set-up and maintenance of local and regional producer groups under the umbrella of a UK wide network.
51. Park End Farm thought that a UK woodfuel suppliers network should focus on lobbying government to provide capital grant schemes to "mid-sized" woodfuel suppliers. The public sector should ensure that capital grant schemes focus on bolstering those suppliers who are already set-up to deliver the "expected" increase in demand of woodfuel over the next few years. The UK woodfuel suppliers network should endorse certain woodfuel standards in order to raise the credibility of woodfuel. A priority of the UK woodfuel suppliers network should be lobbying the government to: 1) push woodfuel as a main source of renewable energy 2) provide a regulatory body (with teeth) to enforce woodfuel quality standards.
52. REFA only produces energy crops for a single end-user (industrial power station), which differs from most other woodfuel suppliers in the UK who produce fuel for domestic / commercial customers. REFA believes that woodfuel companies who supply large industrial scale companies should be considered separately from domestic / commercial producers within a UK woodfuel suppliers network. REFA receives the necessary support from local and regional forums like NEWFuels and does not believe that it would benefit from a UK wide woodfuel supplier's network.
53. Need to set industry quality standards, and lobby government to enforce them. The woodfuel suppliers network should establish one national woodfuel testing facility. Consistent and quality technical support would be a key attribute of the woodfuel suppliers network. Would need to lobby the government to push forward woodfuel within the renewable heat incentive. The woodfuel suppliers network should provide contract and tender process assistance, particularly for larger public contracts. Woodfuel suppliers servicing on large industrial consumers should be kept separate from the rest of the commercial / domestic woodfuel suppliers.
54. The structure of a dedicated woodfuel suppliers network should focus on local and regional groups (e.g. website should identify all suppliers and producers for each region). The national woodfuel suppliers network needs to recognise (and lend weight in the decision making process) to regions with developed woodfuel supply chains (e.g. Yorkshire).
55. Stronger coordination. Stronger lobbying. Improved market conditions.

56. Increasing demand for logs for domestic wood-burning stoves. Demonstration project needed to show how storage, drying, security, transport, batching, (What can the customer expect from a 'load' of logs?) delivery and storage at customers location is best undertaken. Would be willing to host a demo project in our area. Chris Whealing, Sutherland Estates, KW10 6RP.
57. The industry needs to be better publicised and the general public made better aware of the benefits, both economically and environmentally. We find it difficult to convince people, without a wider back-up and support system.
58. At the moment I can't see a relevance
59. Principle issue is disseminating information to potential customers on appropriate boiler installations. Very very difficult to find info on what is the "right" boiler and set up.

iii. Trade Association interview questionnaire

Questionnaire

1. Desk Instructions

Before commencing the telephone interviews, the interviewer will introduce themselves using the following guidelines: -

- Name
- Representing – company name
- On behalf of the Forestry Commission woodfuel suppliers network scoping study.
- Introduce concept of the study – why, what the outcomes will be
- Stress confidentiality and anonymity
- Stress independent and impartial nature of RDI
- Inform interviewee that they are not obliged to answer any of the questions
- Inform the interviewee that the final report/exec summary will be made available to them

2. Questionnaire

2.1 Basic Organisation Information

Gather the following background information:

Name of interviewer	
Date of interview	
Organisation name	
Contact - first name, surname	
Telephone	
Mobile	
e-mail	
Address	

1. Do you have any knowledge on how many of your members are active in the woodfuel market (excluding firewood from this definition for the purposes of this question)?

2. Do you provide any services or facilities (e.g. working groups, technical bulletins, magazine features etc.) specific to the woodfuel sector?

3. Have you had demand from members for support or benefits specific to the needs of woodfuel suppliers?

4. Do you consider the woodfuel sector has specific needs which require dealing with in a different manner or separately to the rest of the sector? If so what do you think these needs are and how do you think they would be best dealt with?

5. What role could you see your own organisation fulfilling in taking the woodfuel sector forward?

6. Do you believe that the creation of a standalone woodfuel network would impact – positively or negatively – on your organisation?

7. Do you have any other points you would like to make regarding a woodfuel suppliers network?

Comments

- woodfuel is always a subject of discussion at ****** meetings but his members generally perceive the market is operating adequately at present
- most of his members are medium scale and therefore self contained in terms of knowledge, training etc.
- does get enquiries from members and public regarding woodfuel but usually easily dealt by reference to e.g. FC Woodfuel Officers, regional initiatives, woodfuel suppliers tec.
- ****** doesn't currently provide any services or benefits for the woodfuel sector nor does has it received any requests to do so
- setting up a new association may be popular amongst some smaller businesses but unlikely to want to pay for it long term as can't be funded by the public in the long term
- would doing nothing really be such a disaster?!
- a half way house could work where a hub provided the required services with pump priming from the public sector without overheads of a new organisation
- such a hub could be hosted by an existing association, company etc which would have cost benefits. Other associations could be involved in steering this hub
- his members find operating at a devolved level burdensome and costly and would prefer to see one model for the UK but accepts this may not be what smaller players want/need
- ****** is well advanced in issues relating to standards etc.
- joined up thinking is crucial, across the supply chain and across fuel types e.g. logs. chip, pellets

- his business is selling stoves and chimneys but it was being limited by customers ability to source good quality wood fuel so got involved in ******
- ******is made up of all parts of the wood fuel supply chain from suppliers to installers
- standards are crucial to growing the market so customers can trust the market
- still an embryonic business and there gaps in provision
- regional chair for HETAS who are doing a lot in the biomass sector
- not a lot of networking between existing associations and networks
- need for much more lobbying to grow the market – can be easier on a regional or a country basis due to devolution etc. – creating a national organisation could be very difficult
- basic problem is that the industry is dominated by one man businesses who are of varying quality and commitment
- need to focus on the market needs and therefore include people from all parts of the supply chain from suppliers to stove retailers and include very large players e.g. electricity generators – although he doesn't agree with it they need to be included
- advantages to having a network on a regional/country basis that create awareness, support suppliers etc. but a national umbrella to undertake lobbying at a GB/EU level
- keen not to reinvent the wheel – e.g. HETAS already doing a lot on standards and promoting the market
- ****** is a good model for cross sector co-operation
- believes greatest need is on the demand side i.e. if there was sufficient demand for businesses to invest then they will do so and sort themselves out
- demand needs to be of the right kind appropriate to the resource i.e. small to medium sized boilers using local fuel, which probably means concentrating on heat. If this is going to work it is essential that the customer gets their heat/energy at a reasonable price but there is enough money in the supply chain so that everyone makes a profit.
- not impressed with FC national woodfuel activities in ****** and this seems to be box ticking yet again
- probably demand for a woodfuel network/association but not sure the sector has time/money to buy into it
- main worthwhile activity that the FC or a network could be involved in was standards – there is need for standards but there is a real danger that they will become overcomplicated without input from real businesses
- lobbying is very important – top of the list – FC aren't doing enough of that e.g. the money in the Energy Crops Scheme that isn't being used should be diverted to boiler installations
- there is sense in being associated with a bigger organisation (economies of scale) but a danger it gets lost amongst it – would need to have a powerful voice within an existing organisation
- a lot of smaller players won't turn up at meetings so need representing by TA's
- this feels like it's a top down solution rather than a bottom up one
- too much inconsistency in grant schemes etc so a network or FC could help to pull these things together by talking to ministers and those in the various departments currently dealing with the various support mechanisms.
- ****** has good lobbying record and involved in renewables, but limited time availability and resources but interested in discussing it
- woodfuel action group no longer in place, inherited from ******, under new strategy ****** didn't perceive a specific role for this group

- also felt that the direction of policy and support was correct and didn't feel the need to be as active
- also aware of competition with other wood users who are members of ******
- now perceive that woodfuel has not moved ahead as quickly as they would like/expect and have been thinking about what they can do to support
- also looking to refresh ****** policy generally
- believe there is a role for a woodfuel network so long as it is demand led and set in the context of proper policy re other uses
- not a huge demand for services specific to woodfuel sector as public sector are supplying many of the services already
- lobbying is very difficult given as there is a great deal of disparity between what members want, needs to be clear 'community of interest'
- would have concerns about receiving public support for a network and using this to lobby government
- nursery group members pay a supplement to their normal subs for specialist group activities – fees based on turnover
- very much opposed to any new independent organisation especially if it was involved in lobbying
- ******are very keen to be involved in any new network and believe they could provide the service – similar to the nursery group model
- Providing different level of service in different countries depending on level of funding is manageable, they already do it to some extent
- Overall believe the success of the project will be very much down to identifying clearly what it is people want from the network and then managing expectations about what it can provide
- Gap exists in terms of cohesion not so much organisations
- Lots of organisations already involved, is there a potential for a 'federation' rather than a new one or one of the existing taking a lead
- Danger if only one organisation doing it is that they will only provide services and lobby in relation to those parts of the industry they relate to
- Industry needs to present a more unified voice to politicians, government etc.
- How does BEC fit into this – could they provide the facility to service this such as websites, marketing lists etc. BEC needs to be bigger, better resourced, broader base (e.g. inc waste wood, AD)
- Secretariat needed to manage meetings etc but probably not full time, unless lots of lobbying to be done
- Danger in looking at forest based woodfuel suppliers in isolation, customer doesn't look at it this way and need to provide an supply chain wide voice
- ******are keen to provide this service but ****** not sure they are the only people who could do it, plus they are more focussed on energy markets (power stations) than smaller local heat only suppliers
- ****** are more used and better at lobbying than others, more customer focussed, work with DECC rather than DEFRA etc.

- ****** are looking at getting involved in certification and if they did would need to ensure there isn't a conflict of interest
- Concerned that ******not the right body to deal with large numbers of small, rural micro businesses
- Believes ****** is an effective lobbying body, not a trade association (at present) and culture of hierarchy is such that it may not go this way
- Various associations need to be better aware of each others strengths, what they can provide, where the synergies lie etc. – the federation can focus on areas where there is a common need and allow individual associations to pursue single objectives
- FC should be allowed to be involved in this
- Businesses need to know about: air quality issues (it's coming!); knowledge transfer (equipment); quality standards (not doing themselves but participating); CPD/training
- regional FC Woodfuel Task group has been most effective
- ******membership are very interested in woodfuel but in a very small way i.e. either self supply or a few neighbours
- ****** ability to provide advice etc is limited by their capacity not demand
- business membership report exponential growth in market – mainly logs
- these members aren't asking for many services relating to woodfuel but doesn't mean to say they don't need it
- can see that there could be a demand for an additional resource especially for the larger suppliers
- the two groups they represent i.e. owners and coppice contractors probably wouldn't go to anybody else for help and may not like to admit they needed it anyway
- would be happy with a public sector provided service e.g. BEC who they could go to for information on standards etc. and put into a format their members can access
- sees much and increasing differences between countries and regions and it may be that both what is delivered and who does it may vary from region to region
- doesn't see much need for branding type activity other than for logs at a very local scale e.g. county
- can see there is a need for better information on grant availability for contractors etc.
- woodfuel suppliers will come in under the ****** group, probably ten or so larger players
- nothing specific provided for woodfuel suppliers, provide mainly lobbying relating to market growth, air quality
- perceive that woodfuel suppliers feel that woodfuel is a cost effective means of delivering government targets and should receive more funding
- doesn't consider woodfuel suppliers have any particular characteristics or needs, but that is probably because they don't have enough members involved in woodfuel
- adding standards for woodfuel to their portfolio through **** would be beneficial and is a high priority for them
- would like to see woodfuel suppliers better represented at **** events etc.
- ***** has a wide ranging membership from smallest SME's to utility companies from fuel producers (as they do for e.g. transport fuels) to installers
- some potential for conflict between fuel producers (who will want highest price) and installers (who will want lowest price)

- feels **** would be in a very good position to provide additional services for woodfuel suppliers and is very keen they are involved
- would be willing to play a role on wider forum if necessary
- thinks it is important the selected body is energy focussed, a body that was too e.g. land based might find it difficult to engage with government and other players on market issues
- number of suppliers involved in woodfuel are relatively small
- subscription fees are relatively low
- have work groups and mailing lists focussed on particular technologies but otherwise don't categorise members
- air quality issues are taking a lot of time at present but tends to concern members involved in larger industrial installations in ***
- considers that smaller woodfuel suppliers don't have capacity to develop market unlike larger players characteristic of other renewable sectors
- a standalone network would suffer from isolation – the market doesn't look at single technologies and woodfuel can benefit from being part of the bigger picture
- FC being so dominant in timber market could be difficult to deal with and produce complications
- dealing with large number of small companies would not be a problem for them as they recently invested in new staff and anticipate further expansion in the near future
- being a *** based organisation is a big benefit in dealing with the Scottish Government
- recognises that there are issues which need dealing with at a GB level but doesn't consider having country based networks would be a significant disadvantage

iv. Trade Associations Membership Fees

TRADE ASSOCATION	TYPE OF MEMBERSHIP		ANNUAL FEE
Confederation of Forest Industries (ConFor)	Woodland Owner	(up to 20 h)	£55
		(20-30 h)	£65
		thereafter £1.20 per h up to £1440 (1175 h)	
	Corporate	Up to £0.5mn	£65
		£0.5mn - £5mn	£190
		£5mn - £100mn	£530
	Forestry Professional	Individual applicant (over 23 yrs)	£55
		Individual applicant (retired)	£27
		Reduced Rate (for employees of a Woodland Owner Member or Corporate Member)	£38
	Associate	Individual	£55
		Organisation	£150
	Student	Currently studying forestry or related subject	£15
United Kingdom Forest Products Association (UKFPA)	Awaiting information		
Forestry Contracting Association	Student/Retired		£25
	Category I		£35
	Category II		£70
	Category III		£150
	Associates		£ by negotiation
Arboricultural Association (AA)	Student		£25
	Ordinary		£50

	Associate		£105
	Technician		£125
	Professional		£140
	Fellow		£180
	Corporate		£198
	Corporate Gold		£1,300
	Chartered Environmentalist		£65
National Farmers Union (NFU)	Countryside		£42
	Farmer/Grower	Tailored to suit individual	
	Professional		£210
	Student		FREE
	Young Farmers Club Member	16-21 years	FREE
		over 21	£10
Country Land and Business Association (CLA)	Business and Professional		£374
	Landowning Membership		£157
Scottish Rural Property and Business Association	Awaiting information		
Wood Recyclers Association	Flat Subscription		£850
Renewable Energy Association (REA)	Corporate - companies with renewable energy related business activities	Large - >£100m	£12,300
		Intermediate - £10m - £100m	£5,400
		Medium - £2m-£10m	£2,100
		Small - £0.5m-£2m	£780
		Start-up - <£0.5m	£360
	Associate	Non-corporate organisations including academic institutions, regional bodies, NGOs	£570
	Corresponding	Local authorities, sole traders, farmers and small	£360

		REAL members	
	Reciprocal	Membership organisations of which the Association is treated as a member	N/A