

DWOSL - THE WAY AHEAD

DWOSL exists to provide a service to its members. So far, we have been able to offer expertise, equipment and manpower – in planning and executing first thinnings, buying the timber, burning it in the large gasifier that we have installed at a nursing home near Laghy, and then selling the energy it generates to the nursing home. This arrangement is supported by an ESCO (Energy Service Company) contract, part funded through the Sustainable Energy Authority of Ireland (SEAI).

A start-up loan from our members has allowed us to buy three of these highly efficient gasifying boilers. The second one is built but waiting in Germany until we have a customer. The third will not be built until we ask for it.

So far so good. We can fairly claim that working through the DWOSL is the safest route for the private forest owner in an unregulated industry that is littered with many risks, problems and pitfalls. But we are now at a point where choices have to be made to determine how the organisation develops. At the last AGM, you were presented with two options for how the organisation might develop. This article is now giving you an outline of how our thinking on these options has developed in the meantime.

To provide all the services we offer, pay off our loans, and expand our operation, we have relied on the funds generated by having all three gasifiers up and running. This will also provide a major market for the ongoing thinnings from our members' plantations.

So we continue to organise the thinnings, and buy them from the owners. The nursing home in Laghy consumes about 400 cu.m per year, which accounts for about half of our sales. The other half goes to various garages, shops and individual consumers. And we have a further 700 cu. m. in stock. In addition to that, a few of our members are trading independently and hold stockpiles of their own.

Once we find customers for the other two gasifiers, all of this timber will be needed. But if the flow of timber increases, as it should, we will still need to find other outlets.

But unfortunately, the operation in Laghy is still not operating at a profit. There are all sorts of simple problems (technical and management) that combine to frustrate us. No doubt these can all be fixed in time, but the fact that they haven't yet been fixed gives us reason to question our dependence on these gasifiers.

We have several choices:

(A) Retain ownership of the gasifiers. This guarantees an outlet for our timber, but imposes a heavy burden in running the operation ourselves, with still no hard evidence that the operation will be profitable.

(B) Sell the gasifiers to the energy customers. This generates immediate funding for our other activities, but carries the risk that the customers will not buy their fuel from us.

(C) Sell the two remaining gasifiers in Germany back to the manufacturers, and sell the Laghy one to the nursing home owner – or anyone else who might want to take it on.

The functioning gasifier still has the potential to generating good money, but it is at the cost of considerable time and effort on the part of the members of the committee. Even if we adopt Plan B above, and ease the burden by selling the gasifiers, installing them will still involve considerable cost and effort on our part. If we adopt Plan A and retain ownership, it will be many years before we have generated enough money to pay off our loans.

But then Plan C presents us with a problem about how to fund our forestry operations. Would selling off all three gasifiers generate enough money to pay off our loans, *and* employ a forester/manager? Probably not. So the employee would have to generate some of his/her own income by claiming a percentage of the money raised for landowners by thinning and marketing their plantations.

With or without the gasifiers, there will still have to be other outlets if we are to get rid of all the timber that will be felled. But without the gasifiers, or at least without our ownership of them, the DWOSL would no longer buy the timber from the grower – we would organise the work, perhaps doing some of it ourselves, and directing the rest to people we can trust to do the work properly. But for whatever we do, we would charge a fair rate for our services.

So in short - the forester organises thinnings. He/she also puts the forest owner in touch with a buyer. Then the owner and the buyer do their own deal.

So far we have not been in a position to open up a yard as a base for our operations, and where we could store our stockpile. Without ourselves buying timber as middle men, that would be less important for the organisation. But it is still something that has to be addressed. The landowners have to take responsibility for preventing theft while the timber is stacked and drying. But this is often near impossible in the forest. So it will have to be moved to somewhere that is secure – if not on the landowner’s own premises, then in a central storage yard – which could, and probably should, be owned and run by DWOSL, if we had the funds.

So whatever route the organisation now takes, there will be an expanding role for those members who are buying and storing timber, and trading on their own account - filling the gap between the grower and the user.

All these matters will be debated and voted on at the EGM. We encourage everyone to attend, but in particular, all those members who have given us loans to support the operation so far.