

Sustainability of Czech forest management during the bark beetle calamity

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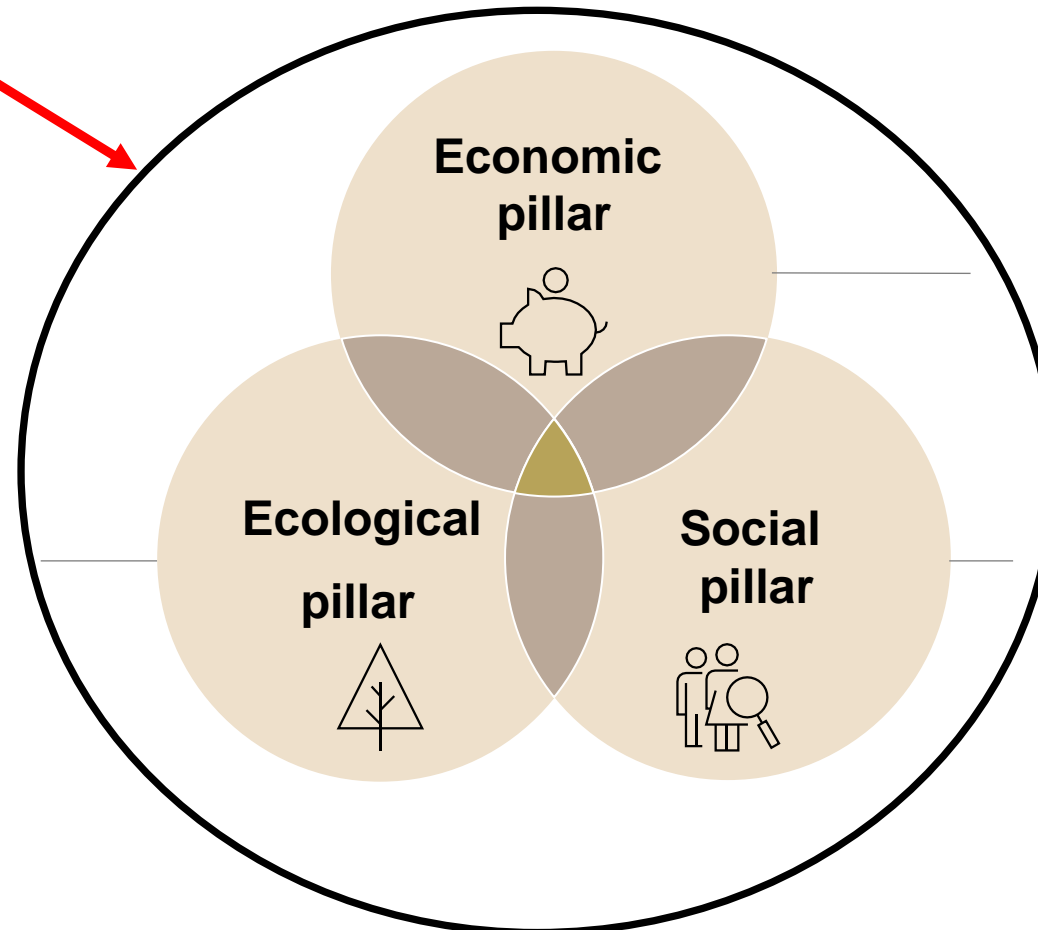
SVOL - the Association of Municipal and Private Forest Owners in the Czech Republic

Goal of stability and sustainability in forestry

Bark beetle calamity threat

Ecological factors

- Water retention
- Air temperature regulation
- Biodiversity
- Wetland preservation
- Timber stock
- Annual increment
- Forest species/age structure



Economic factors

- Added value creation
- Appropriate profit for competitiveness
- Stable supplies of sources
- Balanced competition on the market
- State aids

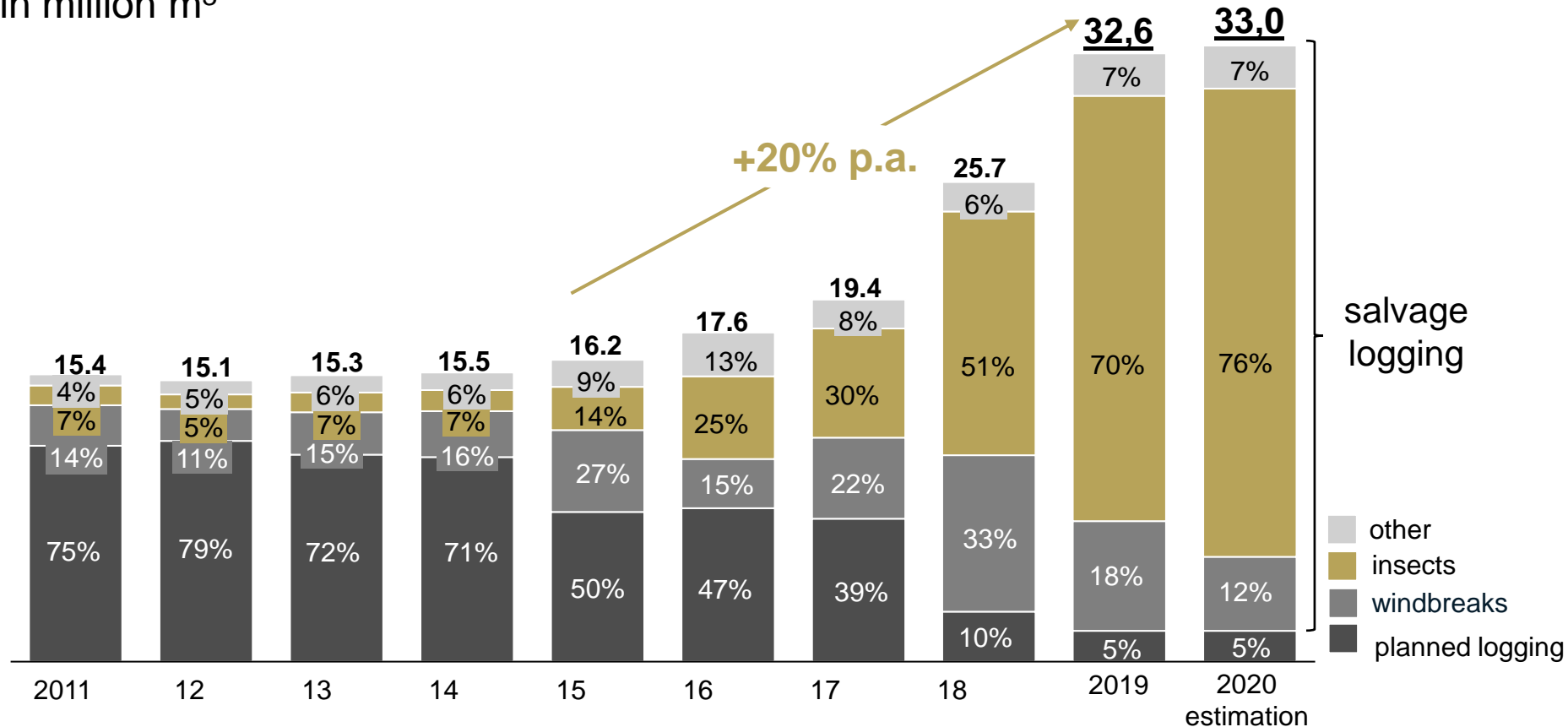
Social factors

- Job stability
- Tourism
- Competitive salaries
- Company welfare
- Effective and stable legislation

The bark beetle calamity during the last 5 years has led to an excessive salvage logging leading to full utilisation of logging capacity

Logging in the Czech Republic

in million m³



95%

of the total logging in the year 2019 was caused by calamities

~30 mil.

m³ is the present logging capacity in the CR

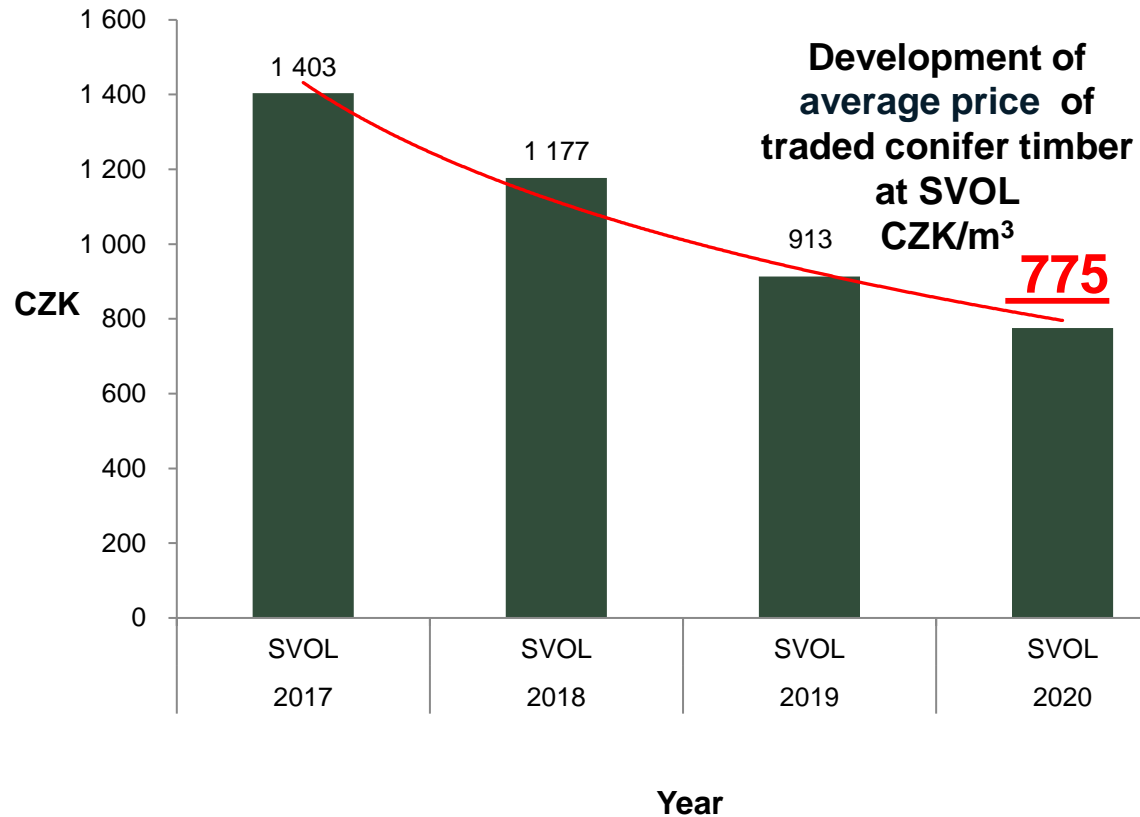
Sources: ČSÚ; Reporting on policies and measures and on projections of anthropogenic greenhouse gas emissions by sources and removals of the Czech Republic; print, VŠE presentation: Sustainability of forestry and wood processing industry in the Czech Republic

, <https://www.timber-online.net/rundholz/2020/02/significantly-more-damaged-wood-in-2019.html>

Report of the State of the Forest and Forest Management Institut n the CR

Price fall - conifer timber sold by non-state owners (period 2017-2020)

1 EUR = 26,195 CZK (15.3.2021)



995 CZK/m³

Limit profit from timber sale for ensuring at least the forest recovery after calamity and the care for the new forest stands till the age of 40 years

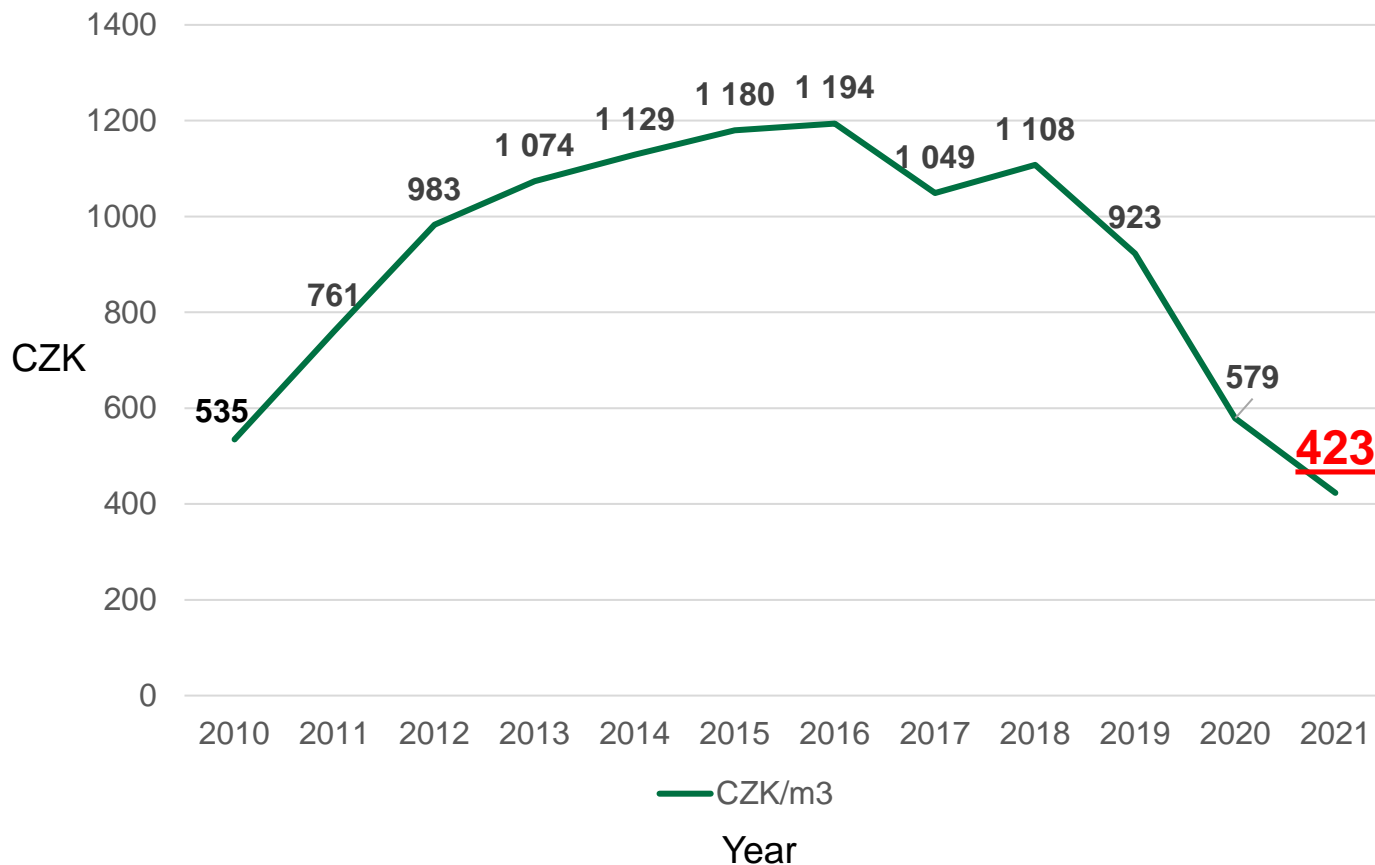
- **Average price of conifers timber** reached in the year 2020 was **775 CZK/m³** only
- **Price fall** of conifer timber in years 2017-2020 was **627 CZK/m³**
- **Price fall** of conifer timber in years 2017-2020 on the forest road locality is **by non-state forest owners 46%**

Source:

Respondents with forest property Sa 300 ths. ha and in the year 2020 conifer supplies at volume 5.2 mil. m³, data - Ministry of Agriculture CR

Average timber price (period 2010-2021) - for the calculation deforestation payments

Average timber price declared
by Ministry of Agriculture CR



452 CZK/m³

Production costs on 1m³ of timber
in the year 2019 (on the forest road
locality)

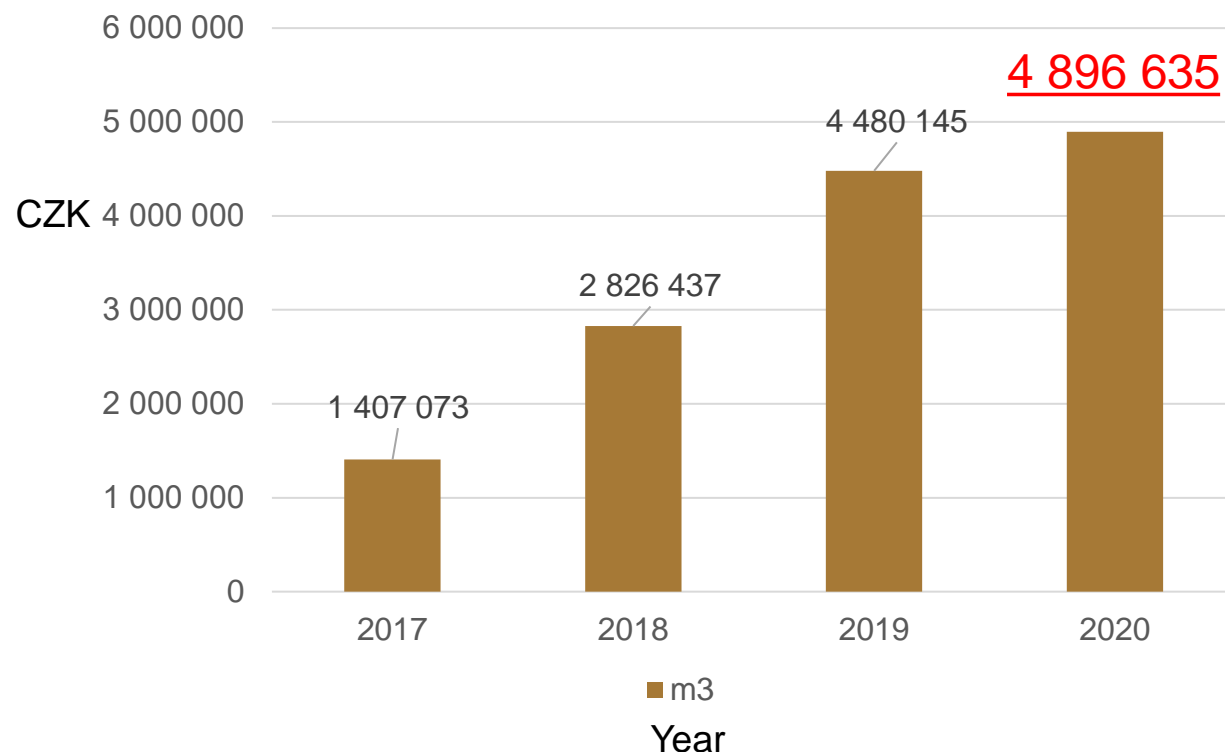
- Average timber price is at a lower level than after the widespread calamity Kyril
- Forest owners realized their sale of raw timber below the production costs

-750 CZK/ha

**Average economic result (loss)
of the forest owners without a
state contribution in the year 2019**

Development of salvage conifer logging – non-state owners (in years 2017-2020)

Development of salvage conifer logging – non-state owners (SVOL survey on cca 30% forest area of non-state forest owners)



7.1 m³/ha

Overall annual average increment on 1 ha forest in the year 2019

- In Vysočina region the logging reached **47.5 m³/ha (6,7x)**
- **The most affected forest owners** reported logging of **65 -85 m³/ha** (Vysočina and Southern Moravia Region) **(10x)**
- **Yearly increase** of salvage conifer timber logging between the years 2019 and 2020 reached **9%** = **the calamity state of bark beetles still persists**

Contribution to reducing of bark beetle calamity impacts - for the period 1. 10. 2017 – 31. 12. 2019

4.Q 2017 - 2018

2.7 Billion CZK

Paid in the 1st stage for the period 1. 10. 2017 – 31.12. 2018, contributions payment realized during December 2019 – June 2020

Regions - the most affected by bark beetle calamity – Vysočina 0.6 billion CZK, Olomouc Region 0.36 billion CZK, South Bohemia Region 0.34 billion CZK

5.3 billion CZK

2nd stage – financial contribution need for non-state forest owners in the year 2019 as a result of ongoing bark beetle calamity, claimed volume of conifer salvage logging 13 million m³ according to compensation requests

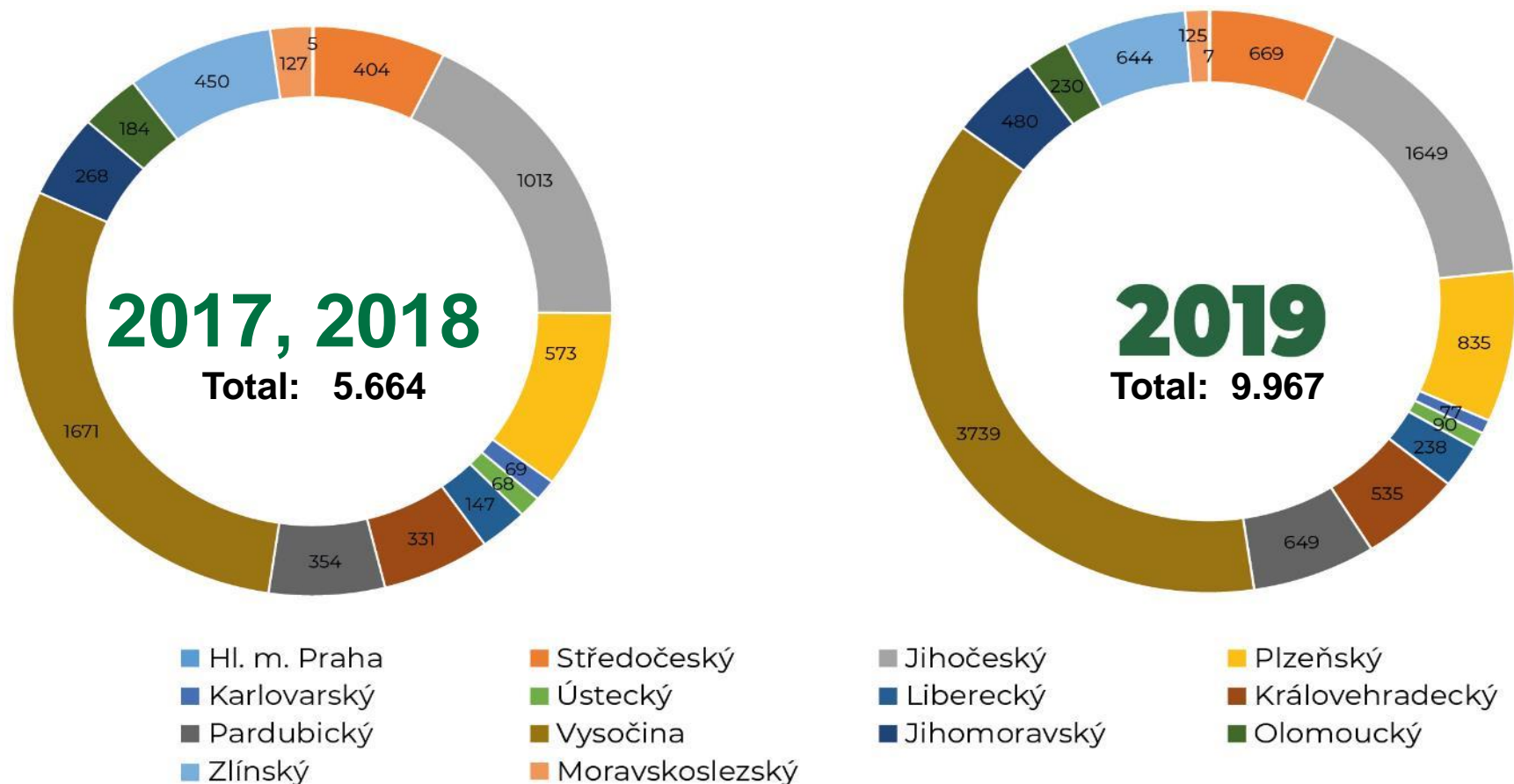
4.0 billion CZK

Allocated financial contribution to the non-state forest owners for the year 2019, to the 4.1.2021 was paid the volume 68% of the from the state budget allocated amount

300 CZK/m³

Contribution reduced by 25 % ate in the year 2019 compared to the rate announced by M. of Agriculture = **political decision**

Short-time financing to overcome the current crisis in forestry - Contribution to reducing of bark beetle calamity impacts (development of request numbers)



Maintaining the economy of non-state forest owners and restoring forest functions at the time of bark beetle calamity

**Sustainability of the Czech forestry economy
at the time of bark beetle calamity
directly depends on contributions to mitigate
the effects of bark beetle calamity
and contributions to provide forest management.**

14.6 million m³/YEAR

Expected amount of coniferous salvage logging for non-state owners in 2020

779 CZK/m³

Calculated contribution to full mitigating the effects of bark beetle calamity based on real data of non-state forest owners, assuming a real financial need of **11.4 billion CZK** for 2020

5.8 billion CZK/2020

Minimum financial amount of contributions for non-state forest owners to mitigate the effects of bark beetle calamity in 2020 (calculation at the 2019 rate = CZK 398,-/m³)



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Thank you for your attention.