ADMG REGIONAL MEETING - WEDNESDAY 3RD MARCH 2021

LAND VALUES AND OPPORTUNITIES/OBLIGATIONS

FORESTRY - GLOBAL

- Estimated to be three trillion trees in the world…
- But more than 15 billion are cut down each year
- Since humans began farming, the number of trees on earth has fallen by 46%
- Primary forests such as the Amazon and Congo contain 300 billion tonnes of carbon & are the world's greatest repositories of biodiversity
- Globally forests are valued at $150 trillion – largest component of value coming from regulation of climate.

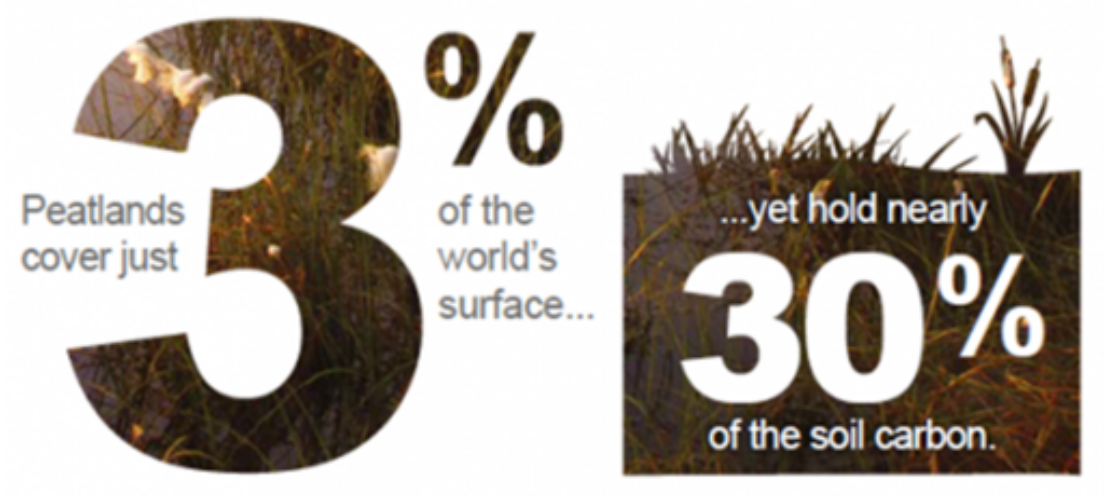
FORESTS - UK

- Last 100 years, woodland cover in Scotland has increased from 5% to 18.5%; higher than UK but still below European average of 38%
- Politicians at UK and Scottish level back Committee on Climate Change call for 30,000 ha of new woodland planted annually to 2050
- Opportunity mapping for woodland expansion identified 2.7 million ha with planting potential in Scotland
- UK imports 81% of timber utilised-UK is big contributor to global deforestation and carbon emissions

FORESTS - UK

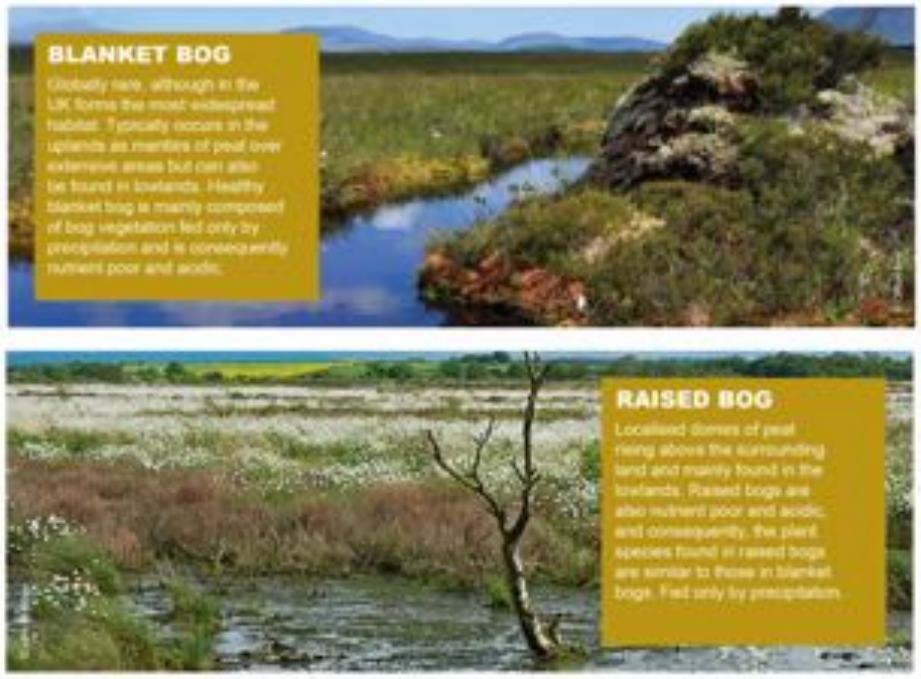
- Grazing in the uplands and rotational burning can prevent the natural regeneration of trees and woodlands
- Planted native woodlands may have the potential to sequester around 500 TCO_2 per hectare over a 100 year period
- Strong public support for the planting of more trees – 88% agreed in 2017 Scottish survey

PEATLAND - GLOBAL



- **Largest terrestrial carbon store – 500 to 600 gigatons of carbon – twice that held by the world's forests**
- **Must have plants to photosynthesise (absorbing carbon) and water to create anaerobic storing conditions**
- **Great for carbon storage when healthy…**
- **Powerful greenhouse gas emitters when damaged**

PEATLANDS - UK



- In UK, peatland covers 10% of land area (c. 3 million hectares)
- Estimated that 80% of this area is in some way negatively affected
- The UK contains around 13% of the world's blanket bog

PEATLANDS - UK

- **Past and current land use practice negatively impacting peatlands include:**
  - **Drainage for agricultural improvement and forestry**
  - **Rotational burning regimes**
  - **Grazing management (sheep and/or deer)**

HOW AND WHY ARE LAND VALUES BEING AFFECTED

- UK – Net zero carbon by 2050
- Scotland – Net zero carbon by 2045 (70% reduction by 2030)
- Social and political demand to reverse climate change. Accelerate post C19
- Industry and big business driven by anticipated cost of climate change delivery, estimated at 1% GDP c. $25 billion annually in UK
- Climate regulation, mitigation and taxation, CSR, reputation, social and political demand
- Result = Demand in woodland, planting land, renewable energy and peat
- Internal carbon tax £60-£95/tonne
- Emissions Trading Schemes
- New entrants into land and forestry and natural capital values
- Last 12 months have seen the demand and price of forestry and planting land increase at unprecedented levels