

**A Presentation to the
Legislative Assembly of New Brunswick's
Select Committee on Wood Supply
Saint John - November 19, 2003**

by the

**Southern New Brunswick Wood Co-operative Ltd.
Sussex, New Brunswick
President: James McCrea**

I would like to thank the Committee for the opportunity to make this presentation today. This is a very important issue for me and fellow private woodlot owners in this province.

I am a woodlot owner in Shannon, Queens County in southern New Brunswick. I am actively involved in the S.N.B. Wood Co-operative Ltd. and the S.N.B. Forest Products Marketing Board. Together these organizations represent over 8000 individual woodlot owners. In this presentation I am speaking on behalf of myself, the board of directors of the SNB Wood Co-op and each of the individual woodlot owners in the SNB area.

As woodlot owners the management of crown land resources in this province is very important to us. Forest Management on crown land directly affects private land holders in many ways.

We believe that private woodlots are managed in a sustainable manner with a focus on multiple use management. We have been organized as a Co-op since the early 1960's and have witnessed many changes in New Brunswick Crown Land Management. We have adapted to these changes and endured over the years for the benefit of our membership. The Vision Statement of the SNB Wood Co-op is: *'Woodlot owners managing individually and collectively to provide sustainable, ecological, economic, employment, social and cultural opportunities for the benefits of themselves and future generations.'* We are private woodlot owners working together.

As an organization we are very supportive of a strong forest industry in this province and believe that woodlot owners are an integral part of that overall industry. Woodlot owners want to ensure a market for our forest products which is stable and local, keeping jobs and associated benefits in the province. In order to ensure this pricing must be competitive and we cannot be forced to compete with wood produced on crown land. It is important to note that private woodlot owners supply 25% of the fiber to mills in New Brunswick. It is impossible for anyone to evaluate wood supply in New Brunswick as the JP Report has done without considering private woodlots now and in the future.

By nature of our ownership, the 41,000-woodlot owners in New Brunswick have many individual forest management objectives and operating techniques; as well as

many different reasons for owning forested land. A tremendous amount of pressure has been put on woodlots in southern New Brunswick by industrial contractors working on private land and industry itself in purchasing stumpage and land from private owners. Historically, 30 percent of the province's forested land has been privately owned. It is our belief that this ownership has benefited the province through tax base, diversity of management, stabilizing wildlife populations, and overall health of the forest. The way crown land is managed in the future can have vast implications for private landowners. As a private land owner I am here today to state that the management of crown land must first and foremost ensure the viability of private woodlots into the future. We encourage government to consider incentives to private land owners to ensure that the private forest land base in this province is maintained.

The Jaakko Poyry Report (JP Report):

The intensive farming of trees and fiber harvesting priority proposed in the JP Report has the potential to negatively impact private woodlot owners. Today, the accumulated effects of past management have resulted in large cutovers and softwood plantations, instead of the hardwood – softwood diversity that could exist. It is the responsibility of the Department of Natural Resources (DNR) to ensure fiber to industry in the quantities that do not compromise other uses of crown land.

The wood supply forecasted in the JP Report scares private woodlot owners. Today, more than ever, Crown Land fiber is our biggest competitor and limits the volumes, prices and delivery schedules we receive from the forest companies. The expansions of large corporations have seen smaller mills eaten up: Bégin Hardwoods, Russell & Swim, Bathurst Sawmill, Juniper Lumber, Price Sawmill, Blackville Lumber, Couturier Lumber; and closures such as Lakeburn, Bayshore and Colter.

Security of Supply for Woodlot Owners

Woodlot owners are concerned that any increases in the softwood harvest levels on Crown Land will compete with private woodlot wood produced and lower our sales potential along with wood prices and delivery scheduling. As woodlot owners we do not oppose some level of harvesting and tree planting on Crown Land as proposed in the JP Report. It is however critical to our membership that this level is managed in such a way that the market for products harvested from private woodlots is not affected.

Woodlot owners would support a concept of Crown Land being the last resort wood supplier after all other sources have been utilized. Private woodlot owners must have a secure source of supply to wood using industries to ensure a healthy future for woodlot owners. In 1992-93, industry pressured the government to take away primary source of supply and subsequently, Crown Land fiber became the wood of choice and woodlot owners suffered in volumes, deliveries and pricing as industry was no longer required to purchase wood from woodlot owners.

Silviculture:

On an annual basis only, with no guarantees, the Provincial Forestry Agreement has placed \$8,000,000 out of a total 10,000,000 into the private woodlot silviculture management program. This is a tremendously successful silviculture enhancement program for future wood supply. It is the fear of woodlot owners that if the changes in the JP report are implemented that this silviculture funding would be re-directed to crown land and not available for private woodlots.

The Provincial Forestry Agreement for private woodlots could immediately be doubled increasing the levels of thinning and planting on some of the best sites in the New Brunswick forest. The allowable cut effect, which is the immediate increase in allowable annual cut from implementing silviculture programs such as thinning and planting, makes it favorable to invest in silviculture on private woodlots. We feel a shift in thinking to more private land silviculture would be a good investment in immediate wood supply.

Crown Land Management:

Crown Land must be protected as a multiple use resource. Economics dictates fiber as one use but this use must be integrated with other objectives such as wildlife management and public recreation. Because crown land is typically in large contiguous tracts it has, in the past, been managed in a way which has allowed clearcut of large areas. In some cases these areas are harvested before adjacent areas are sufficiently restocked and providing for other uses.

By virtue of private land ownership, the areas of no cutting, selection harvesting, tree planting, thinning and biodiversity will naturally occur. Some woodlots will never be harvested as that is not the goal of the owner. Most harvesting done on private woodlots by their owners is done on a small scale with attention to other resource values.

When the 10 Protected Areas were proclaimed in New Brunswick, there was a reason: protection of Crown Land for all New Brunswickers. In an effort to meet the 12 percent federal goal for protection these areas were chosen to represent the various forest types existing in the province. Protecting these areas meant fish, deer, martin, birds and other wildlife could thrive; and people had somewhere to go to enjoy the outdoors.

Woodlot Owners support the principle of the multiple use of Crown Land for the benefit of all New Brunswickers present and future.

The Crown forest landbase in New Brunswick has the potential to generate revenue in sufficient quantities to support education, health care, infrastructure and social programs if it is managed for that goal. Currently the legislation does not allow for prompt and effective penalties for infractions during forest harvesting on Crown Land. It is the opinion of the private woodlot owner that there are advantages to industry of harvesting timber on Crown Land that make it more favorable than purchasing wood from woodlot owners giving us an unfair disadvantage in the provincial forest industry.

Recommendations:

In summary, the SNB Woodlot Co-op makes the following recommendations to the select committee on wood supply:

- ◆ Enact new legislation which ensures that Crown Land be considered the secondary supply of wood fiber to industry after private land supply is guaranteed utilization at fair market value.
- ◆ Increase silviculture funding for both Crown Land and private woodlots ensuring that any increase in Crown Land funding be matched on private land.
- ◆ Promote multiple use management on Crown Land by implementing various silviculture systems, promoting natural regeneration and hardwood management where appropriate and allowing areas to become sufficiently established to provide benefit to wildlife and aesthetics prior to harvesting adjacent areas.
- ◆ Ensure profits from forest management on Crown Land benefit all New Brunswickers through Crown Land Monitoring by DNR that is effective with real and immediate penalties for non-conformance and implementation of cost recovery and stumpage increases ensuring revenue generation over and above current levels.

Private woodlots are an important contributor to the forest industry in New Brunswick. As such we must promote a viable forest industry in which market access is equitably distributed. As is the case in my situation many private woodlots have been in families for generations. Managing a private woodlot is not just a livelihood but a lifestyle choice which we make. It is important to our future and the future of this province that woodlots remain viable and competitive as the industry evolves and expands.

Thank you for the opportunity to be here today representing the S.N.B. Wood Co-operative. I would be pleased to answer your questions to the best of my ability.

Respectfully submitted:

James McCrea, President
S.N.B. Wood Co-operative Ltd.