Private forest operations are a small but significant part of the BC landscape, economy, and rural communities.

**Provincial Land Base**
- Crown land: 91 million hectares, 95% of BC forest land, 90% of BC timber harvest
- Private Land: 4 million hectares, 5% of BC forest land, 10% of BC timber harvest
- About 2 million hectares, or 2 per cent, of the provincial land base
- Approx 50% is designated as Managed Forest
- 10% of the provincial harvest (6 - 9 million m³)
- +20,000 landowners

**Managed Forest Program**
- Originates from 1940’s
- Common policy tool across Canada and United States
- Similar principles to Farm Class assessment
- Object is to encourage private owners to manage their land for the benefit of all British Columbians
- Partnership between owners and government
- Owners make investments in land and husbandry, take risk
- Government offers some stability regarding carrying costs, forest practices rules

**Managed Forest Program History**
- Forestry is a consistent provincial priority
- Forestry investments long term – require stability
- Local government priorities are more dynamic – land use rules change regularly
- MF rules provide stable operating climate across BC
- Similar to ‘Right to Farm’ Legislation on farm land
- Access to MF restricted – limited MF in Municipal Districts
- Local government controls underlying zoning density, determines development options

**Role of Provincial & Local Governments**
- Forestry is a consistent provincial priority
- Forestry investments long term – require stability
- Local government priorities are more dynamic – land use rules change regularly
- MF rules provide stable operating climate across BC
- Similar to ‘Right to Farm’ Legislation on farm land
- Access to MF restricted – limited MF in Municipal Districts
- Local government controls underlying zoning density, determines development options
Managed Forests
Leaders in BC private forest land management

- Represents 50 percent of all private forest land with legal requirement to reforest; rest of private land is largely unregulated
- Managed Forest lands are:
  - Forestry certified
  - Regulated to protect water supply, fish habitat, reforestation, critical wildlife habitat, soil conservation
  - Subject to penalties, audits and public reporting

Private Forest Landowners Assn
Advocates for responsible forest management

The PFLA represents:
- Individuals
- Families
- And investors

Over 70% of MF’s are smaller than 400 hectares (Coastal woodlot licence)

Focus on Vancouver Island

1881 Census
Population: 17,292
Per square km: 1.8

Focus on Vancouver Island

2011 Census
Population: 759,366
Per square km: 23.9

(...multiplied by 44 times since 1881...)

Focus on Vancouver Island

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Population (2011 Census)</th>
<th>Core city</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Regional District</td>
<td>359,991</td>
<td>Victoria</td>
</tr>
<tr>
<td>Greater Nanaimo</td>
<td>98,021</td>
<td>Nanaimo</td>
</tr>
<tr>
<td>Comox Valley</td>
<td>55,213</td>
<td>Courtenay</td>
</tr>
<tr>
<td>Cowichan Valley</td>
<td>43,252</td>
<td>Duncan</td>
</tr>
<tr>
<td>Campbell River</td>
<td>36,461</td>
<td>Campbell River</td>
</tr>
<tr>
<td>Oceanside (Parksville-Qualicum Beach)</td>
<td>27,822</td>
<td>Parksville</td>
</tr>
<tr>
<td>Alberni Valley</td>
<td>25,465</td>
<td>Port Alberni</td>
</tr>
</tbody>
</table>

Focus on Vancouver Island

Private Managed Forests
Trade: $400m
Jobs: 3,500
Logs: 5M m3

2011 Census
Population: 17,292
Per square km: 1.8
Stewardship of Private Forest Land

- Responsible forest stewardship means economic activity and investment, but is increasingly complex and costly.
- World class log prices are necessary to support world class forest stewardship.
- Our #1 source of revenue is log sales.

Focus on Regulation & Stewardship

<table>
<thead>
<tr>
<th>Year</th>
<th>Legislation &amp; Regulation</th>
<th>Third Party Certification</th>
<th>Professional Oversight</th>
<th>Voluntary Commitments</th>
<th>Regulatory Oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1881</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>1973</td>
<td>Fisheries Act</td>
<td>None</td>
<td>Engineers, Biologists, Foresters</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>2013</td>
<td>Fisheries Act</td>
<td>Sustainable Forestry Initiative</td>
<td>Engineers, Biologists, Foresters, Geoscientists</td>
<td>None</td>
<td>Fisheries &amp; Oceans Canada Ministry of Forests (scaling, and wildfires)</td>
</tr>
</tbody>
</table>

Managed Forest Myth-Busters

1. Private Land vs. Public Land Standards
   - Private MF Land Act goal is to find balance between environment, economy & private property rights, recognizing that 90% of private forest land is small.
   - Requirements for protecting fish habitat and water quality very similar. The approaches are different but the private model is working.
   - Crown land regulatory model seeks to manage for a broader range of values.
   - Private forest owners seek to be good neighbours but do not seek the same level of intensive consultation as public forest lands.

2. Managed Forest Property Tax Incentive
   - Common policy tool in forestry jurisdictions.
   - Key cost and competitiveness factor.
   - Farm class for growing trees.
   - Property tax & land carrying costs are very significant due to especially long forestry time-frames.
   - Split class assessments & harsh participation rules deter abuse.
   - Growth of MF program & tree planting is a success story.

3. Private Land Log Export Restrictions:
   - Have not protected mills (60? closures since 2001)
   - Massive public land undercut (> 30mm m3/year)
   - Domestic log market manipulated, artificially low and dysfunctional (why are international prices higher?)
   - No-bid BCTS sales (domestic market lower than logging costs)
   - Community, First Nations, Woodlot agreements floundering (lack of viable markets)
   - Depressed revenue from public forests (MoFR ministry costs exceed public land revenue)
Why is the export log trade so important?

- Lifeline. Domestic markets not viable, or have disappeared
- Landowners invest decades to grow trees. Better prices allow for greater reinvestment in land and environment
- Like any business, we need to diversify markets and get best price for products
- Thousands of forestry and mill jobs depend on export trade.
  - Some stands only become economical to harvest if there is the ability to sell some logs at true international prices.

Log Export Myth: “Exporting a log is exporting a job”

Facts:
- Log exports keep tree planters, nurseries, forest management crews, loggers, truckers and log handlers working
- Most stable jobs on the BC coast over the past ten years have been on private land
- Domestic log market has collapsed - export opportunities are a lifeline to operations
- If unable to export some logs many stands would be uneconomical to log

Log Export Myth: “Works and communities don’t benefit”

Facts:
- Timber harvesting & haulage
- Forest protection & forest management
- Replanting & silviculture
- Dumping, sorting, towing, scaling etc
- Property taxes

Where the revenue from log sales goes

*(includes cost of land, ownership costs, insurance, overhead, interest)

Log Export Myth: “There is a log shortage in BC”

Private Log Exports vs. BC Public Land AAC

<table>
<thead>
<tr>
<th></th>
<th>Timber exported from private forest land</th>
<th>BC public land AAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Log Exports</td>
<td>2</td>
<td>85</td>
</tr>
</tbody>
</table>

(in millions of cubic metres, 2012)

Log Export Myth: “There is a log shortage on the coast”

Log Availability*: 24
Mill Capacity: 16.5
Surplus: 7.5
Exports: 5.5

(*million cubic metres, 2012)

Log Export Myth: “Customers will have no choice but to buy our lumber if we refuse to sell them logs”

Japan Log Imports 2008, by Source

- USA: 36.2%
- Russia: 14.4%
- New Zealand: 15.7%
- Canada: 0.4%
- Germany: 3.3%
- Other: 15.7%
Log Export Myth:
“Profitable mills = Healthy Forests”

Managed Forest Myth-Busters
4. Land sales and land conversion.

Summary
- Private forest land is a small but important component of the BC forest sector and our communities.
- Managed Forest owners are responsible neighbors who provide substantial benefits to BC.
- The future will be different than the past.
- We can expect more challenges & opportunities.
- We are all in this together.
- We need to look to the future and move with the times.
- We need your support.