

## 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

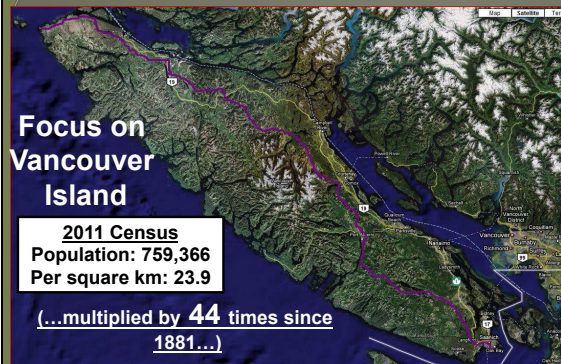
## Focus on Vancouver Island



### Private Managed Forests

Trade: \$400m  
Jobs: 3,500  
Logs: 5M m3

## Focus on Vancouver Island



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

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

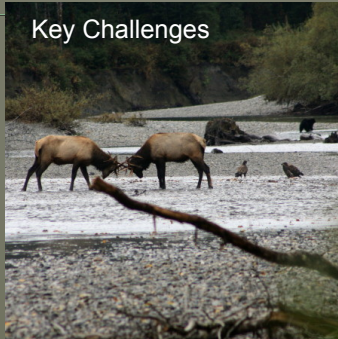
## Focus on Vancouver Island

Metropolitan Area	Population (2011 Census)	Core city
Capital Regional District	359,991	Victoria
Greater Nanaimo	98,021	Nanaimo
Comox Valley	55,213	Courtenay
Cowichan Valley	43,252	Duncan
Campbell River	36,461	Campbell River
Oceanside (Parksville-Quilicum Beach)	27,822	Parksville
Alberni Valley	25,465	Port Alberni

## 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

### Key Challenges



## Focus on Regulation & Stewardship

	1881	1973	2013
Legislation & Regulation	None	Fisheries Act Taxation Tree Farms	Fisheries Act Wildlife Act Migratory Birds Species at Risk Act Water Act PMFL Act
Third Party Certification	None	None	Sustainable Forestry Initiative CSA ISO
Professional Oversight	None	Engineers, Biologists, Foresters,	Engineers, Biologists, Foresters, Geoscientists.
Voluntary Commitments	None	None	PFLA BMP Program Watershed Assessments
Regulatory Oversight	None	Fisheries & Oceans Canada Ministry of Forests (scaling, and wildfires)	Ministry of Environment PMFL Council Ministry of FLNRO Fisheries & Oceans Canada Environment Canada

## Managed Forest Myth-Busters

1. Private Land standards vs. Public Land standards.
2. Property Taxation.
3. Private Land Log Export Restrictions.
4. Land Sales.

## 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 % 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.

## Managed Forest Myth-Busters

### 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.

## Managed Forest Myth-Busters

### 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:

“Workers and communities don’t benefit”

### Facts:



- ▣ Timber harvesting & haulage
- ▣ Forest protection & forest management
- ▣ Replanting & silviculture
- ▣ Dumping, sorting, towing, scaling etc
- ▣ Property taxes
- ▣ "stumpage" to owner\*

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



(in millions of cubic metres, 2012)

## Log Export Myth:

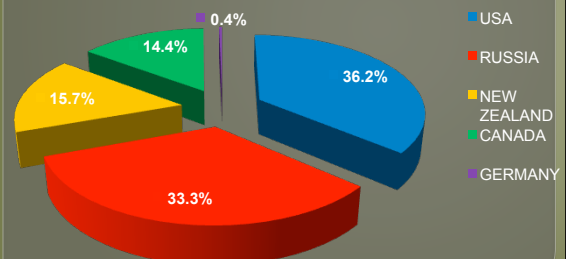
“There is a log shortage on the coast”

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”

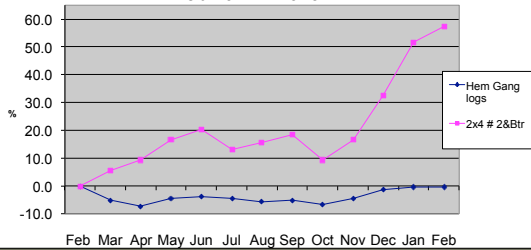


Japan Log Imports 2008, by Source

## Log Export Myth:

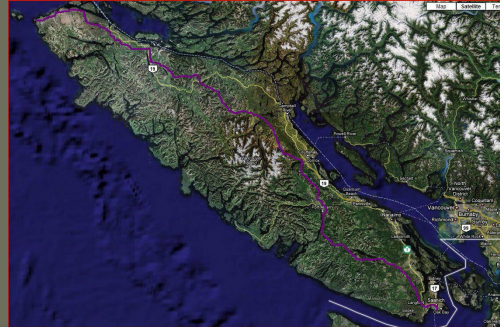
**“Profitable mills = Healthy Forests”\***

**Hemlock Log & Lumber Price Changes in %  
Feb 2012 - 2013**



## 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 neighbours 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.

