

**Forestry
Opportunities Summit**

Summary Report



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BACKGROUND

Context

The Jobs Board Secretariat was established to support the Jobs Board and its mandate to foster a jobs and economic growth agenda for New Brunswick. The opportunities-based economic development model is based on the idea that the competition for business investment and for highly ambitious entrepreneurs and talent has never been as high as it is today. We need to identify and align our resources to develop tangible, highly valuable and profitable opportunities that will attract investment from local businesses, communities, ambitious new entrepreneurs and multinational firms.

In order to ensure that we are considering the largest range of potential opportunities for NB's growth, the JBS has organized a series of Opportunities Summits around the province, between late September and April 2016, in partnership with Opportunities NB (ONB) and lead departments.

Summit Objectives

- Identified long list of viable economic opportunities to explore
- Identified conditions for success in identified opportunities
- Participants had a positive experience and felt their contribution mattered
- Participants felt heard

Summit Agenda and Participants

On April 19th from 11:00am-3:30pm at the Notre-Dame-de-Lourdes Cathedral, Atholville, NB , over 70 stakeholders gathered to discuss economic opportunities within the Forestry sector in NB. For a full list of attendees see Appendix A.

11:00am	Welcome and Mingle
11:10am	Remarks - MLA Gilles LePage and Minister Denis Landry
11:25am	Welcome and Summit Overview – Susan Holt – Jobs Board Secretariat
11:30am	Keynote speaker - Peter Milley, Halifax Global
11:45am	Brainstorming Opportunities
1:15pm	Lunch
2:00pm	Conditions for Success
2:45pm	Groups report back
3:15pm	Premier Gallant Remarks
3:25pm	Next steps and closing

WHAT WE HEARD

Opportunities

Participants were divided into tables of 6 and were given 30 minutes to discuss the future of Forestry in NB.

- **Imagine it is 2040, what could Forestry in New Brunswick look like?**

Below is a summary of their responses:

Forestry in 2040

- Potential bio-energy
- We put more value on timber than ever
- Engineered wood products in NB
- Ready-to-assemble furniture
- Bio-fuels using biochemistry, e.g. ethanol, etc.
- We export all over the world
- New diverse industry to maximize value managed forests
- Community based connection to forest
- Independent management of crown land to maximize benefits for the people of NB
- Carbon credits
- Who will manage Crown lands? Public/private partnerships (PPPs)
- There is a consensus in 2040 in the forestry sector between the public and the industry
- More available wood supply, better quality (northern softwood)
- Transitioned out of printing paper
- Forestry should be a higher economic driver of NB
- NB has a competitive advantage in wood supply, costs, energy, skilled labour, transportation
- Government and industry shared vision on competitiveness
- Knowledge cluster for entire value chain
- Healthy Forest industry – Environmental / recreation balance
- Many small mills
- Future in exports
- New technologies will change the products, value added products we can sell to the world
- 100% renewable natural resource
- Invest in innovation
- Clear direction
- Proud of what we do
- Advances in forest management (LIDAR)
- Easier access to allocation for new companies
- Model for use of Crown Land improves returns to shareholders
- Source of local energy
- Smaller scale more community based forestry (habitat retention)
- More local use
- Vibrant and sustainable
- Better access to markets regardless where they are

- Public is proud and supportive

They were then given 30 minutes to discuss the short term opportunities which would help realize the 2040 opportunities.

What are the opportunities for growth in Forestry in the next 3 years?

These opportunities are outlined below:

R&D and Commercialization (6 tables mentioned this topic)

- R&D coordination
- 2nd and 3rd Stage R&D
- Diversification
- Enhanced LIDAR shared with all (transparency)

Public engagement and education (5 tables mentioned this topic)

- Education of youth – woodlot succession
- Promotion of Forestry
- Re-engaged public with a shared vision for the forest sector (like Scandinavia) and a competitive regulatory environment that incents investment
- Government needs public support moving forward
- Public opinion

Silviculture (5 tables mentioned this topic)

- Policy to support private woodlot owners
 - Guaranteed supply from land should be supported with guaranteed supply from private
 - Private woodlot owners should benefit from NB Power mandate
- Clear forest strategy including all sectors, clear objectives for crown, private, (freeheld?) with increase silviculture
- Additional federal financing to increase silvicultural work on private woodlots and on Crown land
- Increased improved silviculture
- Increase silviculture on crown and private lands
 - Puts people to work immediately
 - Increases wood supply/ quality
 - Other opportunities like carbon
 - Good return

Policy – Forestry plan (5 tables mentioned this topic)

- Growth area : leadership in policy and management
- Political will to update policies to meet today's requirements
 - Attract investment

- Remove barriers
- Community Forestry (better access for small business)
- Tenure reform New Crown Lands and Forests Act
- 'New' path – forward (policy Reviews)
- Better incorporate European forest practices

Value added (5 tables mentioned this topic)

- Adding value to jobs and products (bio-energy, refinery)
- More value-added product by using biomass product to generate small power generating plant
- High-value non-timber products (syrup, mushrooms, 'Niche' products)
- Increased diversity of products
- Develop/expand values from non-timber resources

Low grade products (6 tables mentioned this topic)

- Better/new uses for low grade materials
- Policy to support the use of low grade fiber (Green infrastructure, schools, public builds Ex. PEI, Maine)
- Find low grade product options/products
- Develop markets for low grade forest products – need to consider residuals and not whole trees (South America grows trees in 6 years, why grow something for 40 years just to burn it?)
- Find/develop ways to utilize low-grade wood (over supply)
- Government leads by example

Carbon and Climate Change (5 tables mentioned this topic)

- Manage forest to fight climate change (carbon storage)
- Carbon tax credits wood
- CAP/trade
- Wood is carbon sink
- Young Forest New-Brunswick

Increase Hardwood & Mixed wood (2 tables mentioned this topic)

- Stop conversion of hardwoods (HW) and mixed woods (MW) to softwoods (SW)
- Promote restoration management of HM and MW

Budworm (2 tables mentioned this topic)

- Spruce Budworm
- Control the Budworm epidemic

Infrastructure (1 table mentioned this topic)

- Improve transportation infrastructure (bridges, roads, rails)

Other

- The land should be recognized as safe values under financial equity
- Investment requires stability/predictability (wood supply, wood costs, energy rates, trade issues)

Conditions for Success

Then tables were asked to choose an opportunity from the ones identified in the previous activity and to identify conditions for success within each of the 5 pillars in the Jobs Board economic policy framework.

<i>Opportunity – Low Grade Product (Disclosure: Assume Quality Fiber is available at a competitive price)</i>	
<i>People</i>	<ul style="list-style-type: none"> ▪ Skilled workforce ▪ Creativity ▪ Entrepreneurship ▪ Promote to attract people – quality that we need ▪ Experience work force on marketing and exports
<i>Ideas</i>	<ul style="list-style-type: none"> ▪ Trade missions to explore new markets ▪ Joined R&D with universities ▪ Clear innovations objectives / programs ▪ Trade shows
<i>Money</i>	<ul style="list-style-type: none"> ▪ Incentives to invest in V.A. products ▪ Public / private partnership ▪ Capital seed policy ▪ Defined provincial budget envelop for forest V.A. products
<i>Infrastructure</i>	<ul style="list-style-type: none"> ▪ Harbour improvements <ul style="list-style-type: none"> ○ Multimodal ▪ Logistics for V.A. products ▪ Public policy to promote use of local forest product (6 story buildings) ▪ Defined provincial budget envelope
<i>Nimble Business Climate</i>	<ul style="list-style-type: none"> ▪ Incubator for start-up companies ▪ Develop international network/contacts/partnership ▪ Incentive for innovation

Opportunity – Increase silviculture

People	<ul style="list-style-type: none"> ▪ Many new jobs in the <u>regions</u> ▪ Long-term program to ensure jobs/training with secure jobs ▪ Most of the money invested will go toward salaries ▪ Training in tree marking ▪ Training in selective cutting ▪ Encourage/give indicators to those who do selective cutting
Ideas	<ul style="list-style-type: none"> ▪ More intensive development of hardwood stands ▪ Increase financing ▪ Increased processing of hardwood ▪ Increase the percentage of commercial thinning (public and private land) ▪ Encourage mixed stands ▪ Encourage other types of silviculture, other than clear-cutting ▪ Renew the financial commitment for the northern hardwood research centre
Money	<ul style="list-style-type: none"> ▪ Increase funding equally for private woodlots and Crown lands by \$10 million per year in the long term
Infrastructure	<ul style="list-style-type: none"> ▪ Have access to LiDAR resources (aerial photos) ▪ Funding for equipment and new companies specialized in alternative silvicultural treatments ▪ When looking for federal funding, silviculture should be considered as infrastructure
Nimble Business Climate	

Opportunity – Research and development - commercialization

People	<ul style="list-style-type: none"> ▪ Promote forestry as an attractive career ▪ More women in forestry
Ideas	<ul style="list-style-type: none"> ▪ Promote forestry as an opportunity sector (not sunset) ▪ Forest opportunity fair - issues based partnership like those occurring for

	the Healthy Forest Partnership Vegetation management
Money	<ul style="list-style-type: none"> ▪ Private sector and government need to equally commit to investment and shared risk ▪ Early adoption and leveraging federal funds (program)
Infrastructure	<ul style="list-style-type: none"> ▪ Direction from the top to leverage federal and provincial R and D infrastructure for the benefit of the province ▪ 14 research institutes that are not academic ▪ 7 academic institutes between colleges and universities ▪ Wall to wall Enhanced Forest Inventory and Terrain Products ▪ Open access
Nimble Business Climate	<ul style="list-style-type: none"> ▪ Nimble government ▪ Remove silos ▪ Cross sectoral partnerships

Opportunity – Carbon Sequestration/Climate	
People	<ul style="list-style-type: none"> ▪ Private woodlot owners ▪ Provincial government ▪ Industrial freehold
Ideas	<ul style="list-style-type: none"> ▪ Adapt management strategies to balance forest ▪ Balance education to forestry/ climate
Money	<ul style="list-style-type: none"> ▪ Incentives for small/private woodlot owners to monetize ▪ Market valuation
Infrastructure	<ul style="list-style-type: none"> ▪ Balanced healthy forest ▪ Research on climate change tolerant species ▪ Stop spraying
Nimble Business Climate	<ul style="list-style-type: none"> ▪ Develop GHG strategy with forestry as part of solution ▪ Pegs – (i.e. building codes to incent increased wood usage)

Opportunity – Public Engagement Education

What is happening – working?

- Budworm spraying notification
- Bringing teachers to the woods
- Forest management council of northern New-Brunswick
- Levels of education
 - Promotion of forestry sector education (broad sense)
- Communication of the various aspects
 - Industry
 - Environment
 - Non-timber values
 - Sustainability
- New generation of woodlot owners – uninformed

What's missing – next?

- Need public consultation process
- Clarify regulations over local involvement
- More information about broader forest value
- Include youth (investment in education) (textbook & in field)
- Engage forest management council provincially
- Support of various groups, fishing, ATV, hunting, snowmobiling
- Education outreach within school curriculum (next generation)
- Outreach program to educate woodlot owners on opportunities
- Transparency with factual information timelines (public)
- Community partnerships
- Economics – importance to New-Brunswick citizens

Opportunity – Infrastructure

What is happening – working?

- Roads (trucking)
- Marine
 - Belledune
 - Dalhousie
 - Saint John
- Rail
- Crown Land Infrastructure
- Public buildings
 - Schools
 - Hospitals
 - Offices

What is missing – next?

- Increase payloads on Secondary Public Roads
- Increase use of deep water port (Dalhousie)
- Develop overseas markets to advantage port (Eastern and seaboard)
- Competitive rates (CN)
- Maintain Miramichi-Bathurst line and freight standard
- Bridges
- Main access ← deterioration
- Convert to biomass heating

Opportunity – Improving the Forestry Strategy

What is happening – working?

- Strengthened anchor mills and created security for investment
- Opportunity for expansion with more fibre supply
- Private investment is happening in New-Brunswick (\$520 million since 2014)
- Increased accountability on crown licenses
- Confidence for investors
 - \$100 million
 - Balanced values
- Social, environmental, economic
 - More PNA's
- Value added forest products exist in New-Brunswick
- Economic stability
- Future

What is missing – next?

- Improved attention to wildlife sustainability
 - More research
- Funding per commitment
- Private wood of 250,000 m³ increase needs to be honoured
- Marketing system for private work
- Need low grade market
- Government should manage crown lands
- Insufficient silviculture
- Communication
 - Two way transparency for social acceptance
 - What is the mechanism for this?
 - Establish advisory committees :
 - Public policy development (provincial, surveys)
- Environmental impacts of the plan
- Habitat concerns
 - Science unknowns
 - Species diversity
- Use data to make future decisions
- Revisit outcome
- Based forestry
- Objectives that involve public input
- Need to diversify our products

LESSONS LEARNED

This summit was one in a series of sector specific Opportunities Summits throughout the Province. For every summit lessons learned are noted to inform future Summits in the series.

What went well

- Great keynote presentation
- Good turnout considering location
- Engaged and diverse participants

What could be improved

- Change of date due to a storm resulted in a loss of previously committed attendees
- More engagement of youth/students

NEXT STEPS

Summit Survey

Following the summit a survey was sent to the participants to collect additional input on the ideas discussed and the event itself. This feedback helps us to assess which discussions resonate beyond the summit, as well as to continue to improve future summits.

Summit-Specific Report

Following each summit a report of the ideas generated (this document) and participant feedback (Appendix B) is shared with all participants following the summit.

All-Summits Report

After the full series of summits have been completed a final report will be prepared and shared with all summit participants. This is meant to provide visibility of the ideas generated from other summits and to highlight common themes related to the opportunities.

Early Opportunities

The Jobs Board Secretariat plans to identify and advance initial opportunities coming from the summits in partnership with Opportunities NB and lead departments, and to test the opportunities-model of economic development using the 5-policy pillar structure on these early opportunities. We will also identify opportunities that would benefit from further study and those that government is not well-positioned to lead, and share this assessment with the community of participants and interested New Brunswickers.

Implementing Policy Conditions for Growth

Finally, with your help, we will identify the best growth opportunities for New Brunswick. The Jobs Board Secretariat will lead the formation of cross-departmental teams, the development opportunity plans and measures, and assist in the implementation of the necessary policies to create the conditions growth. GNB will then track the progress and outcomes of these efforts and report those findings.

Future Summits

Consideration is being given to hosting follow-up summits in 2016 and early 2017 to explore whether this approach is demonstrating early results, discuss how it could be improved, and what has changed with the opportunities for NB's economic growth.

APPENDIX A: ATTENDEES

Name/Nom	Organization/Organisation
Clément Arpin	Eco Vie de Kedgwick
André Arpin	Eco Vie de Kedgwick
Linda Bell	Carleton-Victoria Forest Products Marketing Board
Rodrigue Bellefleur	Madawaska Forest Products Marketing Board
Paul Black	Twin Rivers Paper Company
Karl Branch	Maritime College of Forest Technology - Bathurst
Riley Côté-Demerchant	Leading Edge Geomatics
Ross Creelman	Northern Energy Solutions (Marwood)
Tony Diamond	University of New Brunswick
Rick (cc Ken Hardie) Doucet	NB Federation of Woodlot Owners
Drew English	Arbec Forest Products
Pam Folkins	Southern New Brunswick Forest Products Marketing Board
Kevin Forgrave	Northumberland County Forest Products Marketing Board
Tim Fox	Forest Products Commission
Pierre-André Fruytier	EY
Daniel Gautreau	Université de Moncton
John Goodfellow	Stewart Lumber Products (2010) Inc.
Jean-Paul Hachey	North Shore Forest Products Marketing Board
Nairn Hay	Fundy Model Forest
Jim Irving	J.D. Irving, Limited
Kevin Jewett	Fornebu Lumber Company Inc.
Frank Johnston	Green Light/Feu Vert
Serge Laplante	Groupe Savoie Inc.
Kevin A. Larlee	AV Nackawic Inc.
Rhéal Leger	Leger Firewood Ltd.
Mike Legere	York-Sunbury-Charlotte Forest Products Marketing Board
Jonathan Levesque	Groupe Savoie Inc.
Francine Levesque	Eco Vie de Kedgwick
Jason Limongelli	J.D. Irving, Limited
Théo Losier	Groupe Savoie Inc.
Derek MacFarlane	Natural Resources Canada

Name/Nom	Organization/Organisation
Marcel Maillet	South East New Brunswick Forest Products Marketing Board
Peter Milley	Halifax Global
Mark Mosher	J.D. Irving, Limited
Terry Noble	Twin Rivers Paper Company
Mike O'Blenis	AV Cell Inc.
Michael O'Donnell	Marwood Ltd. (Nasonworth)
Erica O'Donnell	York-Sunbury-Charlotte Forest Products Marketing Board
Claude Ouellet	Kent License Management Team
Jerome Pelletier	J.D. Irving, Limited
Michel Poitras	Atlantic Canada Opportunities Agency
Kevin Porter	Natural Resources Canada
Dale Prest	Forests International
Doug Prosser	AMEC Foster Wheeler
Bernard Robichaud	Chaleur Sawmills Associates
Jean-Paul Savoie	Ville de Kedgwick
Meaghan Seagrave	Bio NB
Margo Sheppard	Nature Trust of NB
Michel Soucy	Atholville
Adam Stone	W.F. Tompkins & Sons Ltd.
Charles Tardif	Les Cèdres Balmoral Ltée
Fenton Travis	Maritime Fibre and Energy
Clem Tremblay	Association francophone des municipalités du N-B
Glen Warman	Marwood Ltd. (Nasonworth)
Duane Woods	Chaleur Sawmills Associates
Stephen Wyatt	Université de Moncton

GNB Participants	
Hon. Brian Gallant	Premier
Hon. Denist Landry	Mininster, NB Department of Natural Resources
Andrew Harvey	MLA
Gilles LePage	MLA
Mike Bartlett	NB Department of Natural Resources
Marc Belliveau	NB Department of Natural Resources
Bernie Doucet	NB Department of Natural Resources
Susan Holt	NB Job Boards Secretariat
Hemant Kumar	NB Job Boards Secretariat
Bill Levesque	NB Department of Natural Resources
Tom MacFarlane	NB Department of Natural Resources
Kristian Moore	NB Department of Natural Resources
Yves Nazair	Opportunities New Brunswick
Chris Norfolk	NB Department of Natural Resources
Chris Ward	NB Department of Natural Resources

**APPENDIX B: PARTICIPANT FEEDBACK
COMING SOON**