



# MADISON'S TIMBER PREVIEW

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As if in affirmation of a featured article in your weekly Madison's Lumber Reporter a few weeks ago, Tuesday the BC Minister of Forests, Lands and Natural Resource Operations announced a new forest licence awarded to the Westbank First Nation (WFN), in part of their traditional territory north of Big White, BC. It will allow the band to harvest 32,400 cubic metres a year.

Questions of what will develop with British Columbia's forested land base, and the timber and fibre supply upon it, have abounded since the full scope of the mountain pine beetle infestation was calculated a few years ago. As previously described by Madison's, the BC government seems so preoccupied with resolving the fallout of various crises, emergencies, major company decisions, and industrial accidents that it has not yet been able to make a plan or build concrete policy for a changing land base in the future.

The fact that there has been no investment into taking an overall provincial forest inventory in more than a decade is outrageous. When operators on the land base, whether large or small, whether tenured or contract, have no idea about the scope and nature of the timber supply, how can they possibly make sound decisions? The recent announcement of closure of two of the largest, and among the most modern, sawmills in BC's interior suddenly brought to light the severity and imminence of the pine beetle problem.

As Madison's has explained, new opportunities and new kinds of license agreements will be drafted as the Forest Ministry continues handling issues on a case-by-case basis. Those already planning or currently in discussions with government decision-makers will find approval of access to the land base coming more frequently in the future. New players might have a more challenging time.

Indeed, the provincial government says there are currently 395 forestry-related licences held by First Nations under different agreements, according to CastaNet. When added to the Woodlots, Community Forests, and Municipal Forests, the total potential timber volume is significant.

The issue for operators is that a large proportion of this volume is outside of the typical #2 Sawlog supply. The current structure of BC Timber Sales and the Market Pricing System are so focussed on #2 Sawlogs that getting access to alternate fibre can be difficult.

The value of the new Westbank licence in timber sales could vary from \$40 a cubic metre pulp wood received, to \$80 a cubic metre for top-grade timber. And prices vary with the markets, explained WFN forestry manager Dave Gill to media at the announcement.

That would make the licence worth \$1.44 to \$2.56 million. The logs would be sold to either Tolko Industries or Gorman Brothers Lumber, and will include spruce and balsam, with a small amount of pine.

The licence is a 15-year replaceable forest licence, which means it is likely to be renewed at the end of the 15 years, in perpetuity. This rivals the duration of the much-prized long-term access agreements which the largest lumber manufacturers have with BC's government.

A signing ceremony was held by the WFN Tuesday afternoon with Forests, Lands and Natural Resource Operations Minister Steve Thomson who said the licence will allow the WFN to participate further in what is a cornerstone of resource activity in BC, the forest industry.

WFN chief Robert Louie said the band has been managing a community forest licence on the west side of the lake since 2002 that is slightly larger, yielding 55,000 cubic metres, as well as another smaller licensed tenure near the one announced this week.

It includes 9,000 hectares in a 16,000-ha area that is a traditional trapping area for the WFN, he said, and includes the area around Two John Lake, Derickson Lake, Mount Moore, Jubilee Mountain and St. Margaret Lake, near the Graystokes.

In addition to the jobs and economic spinoffs there will be for the whole community and region, Louie said the band also brings its knowledge of the importance of protecting wildlife, plants and water resources in the area.

“We are careful and prudent and take care of all things that form a part of our lands,” he commented.

This is the first such licence awarded to a first nations band in the Okanagan Timber Supply Area, noted Thomson, but it is part of an ongoing plan to improve access to forest tenures for first nations people in the province. Gill said in the coming year a forest stewardship plan will be created, cut blocks planned out, and when that’s completed, cutting will begin.

The licence is the result of years of effort involving members of the band and the provincial government. Adding further confusion to an already cumbersome system, it is even more difficult to obtain access to forest residue as feedstock for biomass fuel production than for a strictly low-grade log harvest. A misguided program out of BC Hydro, thankfully cancelled recently, was previously the only authority granting access to collect residual fibre after timber harvest operations.

The BC Forests Ministry is currently rolling out transfer licenses, between existing forest operators and new energy companies, to assist procurement of this residual fibre.

But progress is slow, and the largest companies are reluctant to embark on such a government-encouraged partnership because they have plans to generate power on their own. Eventually. Here too, progress is slow. In the mean time the dead and dying forest continues to degrade.

As always, business finds a way. And this First Nations agreement is an example of the new type of opportunities for wood fibre and feedstock going forward.

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