

## OPEN LETTER TO THE GOVERNMENT OF NEW BRUNSWICK

Much of the controversy around the Forest Strategy announced in March by the government concerns reductions in protected areas and the effect of these reductions on wildlife. At the same time, a significant part of the province's forests, the 30% owned by 40,000 New Brunswick families, has wood available for sale that industry is not buying. The government has missed a real opportunity to limit the controversy over encroachment on protected areas and at the same time, to re-establish a balance between Crown Land and woodlot owners in how they share the market for the timber used by the province's forest products industry.

Each year, the government publishes a breakdown of the origin of wood used by the forest industry in New Brunswick: how much came from Crown Land, industrial land, woodlot owners, and imports. We have taken a careful look at these figures. The story they tell is of a serious detrimental imbalance.

For 30 years after the government first declared the principle of a fair balance between Crown Land and woodlot owners (1974-2004), woodlot owners sold industry a remarkably stable share of the wood it used: on average, 25% (+/- 4%), for all but 2 of those 30 years, when it reached 31%. The actual volume went up and down somewhat reflecting good and bad years for the industry, but it was also very stable: between 2 and 3 million m<sup>3</sup> per year. That's a lot of wood: an average-sized truck load is about 30 m<sup>3</sup>, so two million m<sup>3</sup> is the equivalent of more than 65,000 truckloads, worth about \$100 million.

Then, in 2005, things changed drastically for woodlot owners. Not only did the volume of sales drop as mills closed in the midst of a severe crisis in the industry. The woodlot owners' market share percentage dropped by over half, to less than 12% on average, and it has stayed at that level ever since. This has been a loss of \$50 million or more annually for much of rural New Brunswick. During these years, Crown wood sales showed barely any decline in volume at all, and it did this by displacing woodlot owner wood and increasing its share of the market to more than 50%, for the first time since 1974.

Yes, we are aware that the industry has been through some tough years and we share the relief felt by many New Brunswickers that it is now seeing better days. Our point is: woodlot owners took nearly the whole brunt of the downturn and even with a major market upturn in the industry in recent years, they are still stuck at 12% of the market. Even imports of wood from outside the province have supplied a bigger share of industry's needs in five of the nine years since 2005, according to the government's figures.

The problem did not start with the present government, but it has not fixed it either. The new Forest Strategy was a great opportunity to do so. Industry was asking for big concessions. What better time to re-establish the long standing requirement to strike a fair balance between the volume of timber the industry gets from Crown Land and the amount it buys from woodlot owners?

We urge the government to take advantage of this opportunity and at the same time, do the right thing: fix this problem.

Signed by:

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