

Ontario's Forest Sector: The path forward

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Toronto Feb 27 2020

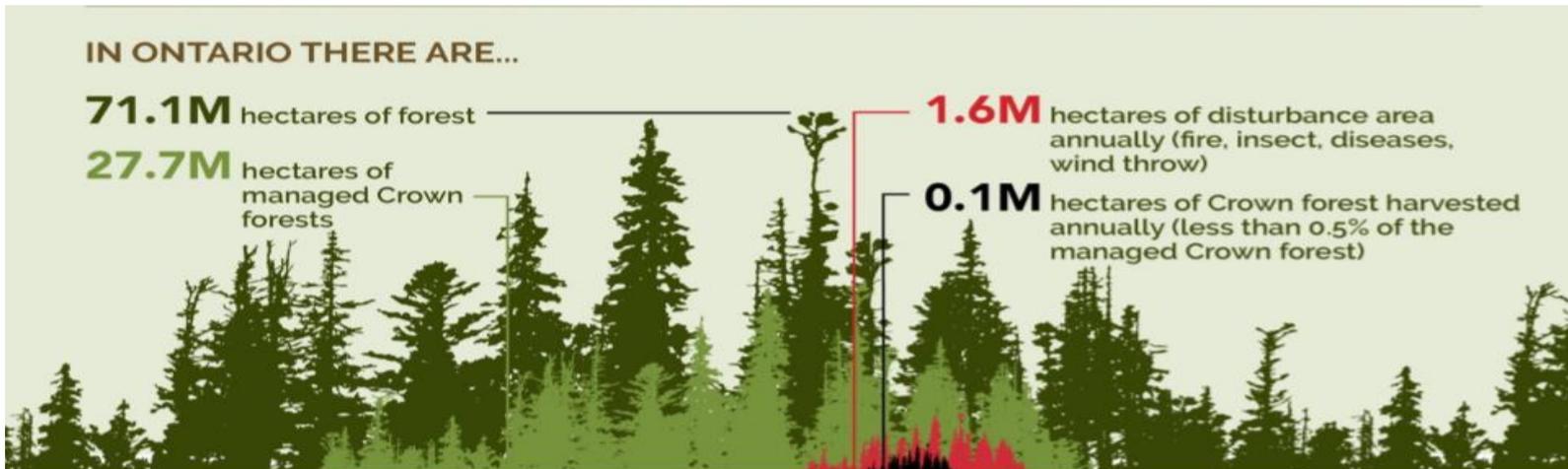


Topics

- Ontario's Forest Sector overview
- Forest Sector Strategy
- Past and Present Industry
- Reaching for 30
- "Putting Wood to Work"
- Fostering Innovation, Markets & Talents

Ontario's Forest Sector

- The forest industry is a key element of Ontario's economy
- Communities in Northern Ontario are five times more dependent on forest resources and services for their economic well-being when compared to other economic regions of the province.

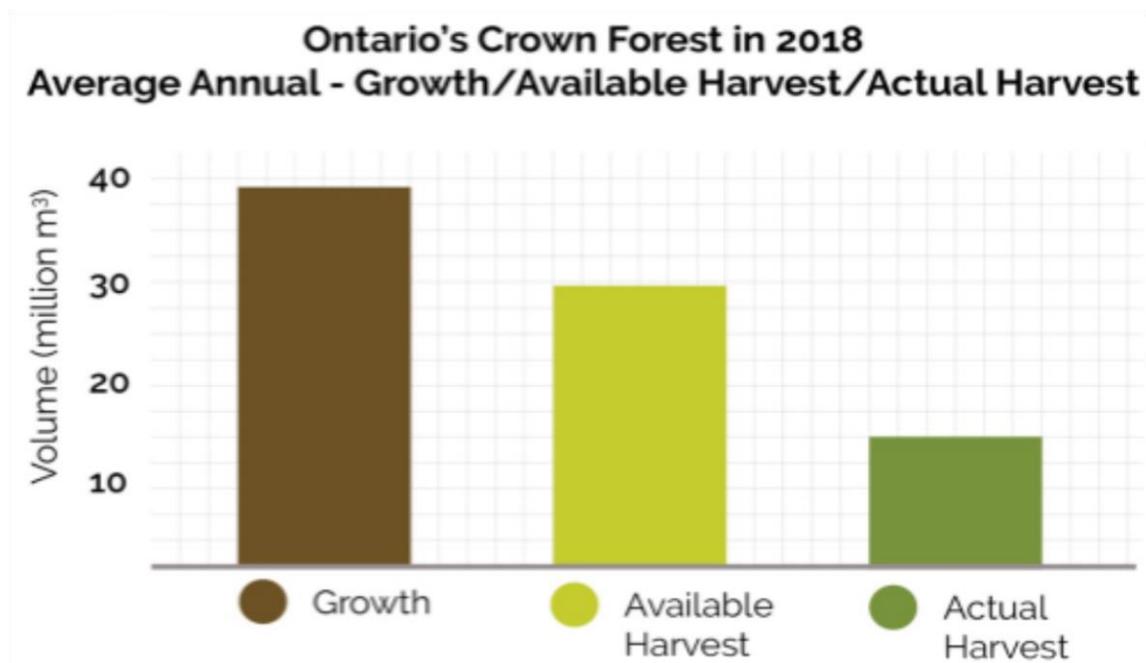


How Much Wood?

- Planned > 19 M ha?
 - 0.4 – 1.63 m³/ha/yr as of 2014
 - Finland 3-4 m³/ha/yr
- Allocated area vs planned area vs committed volumes?
- Trends; declining allocated area in last two decades
- Land base expanding to include “Far North”
- Costs?

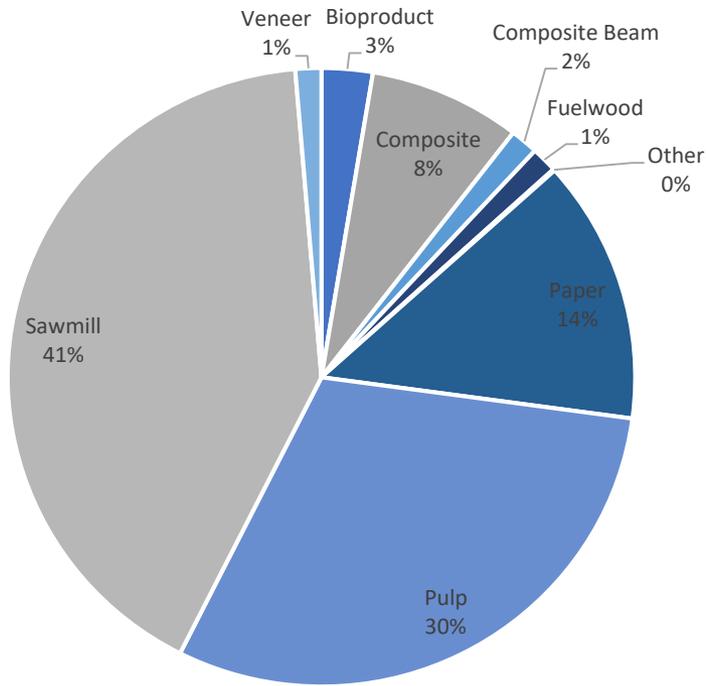
Why do we need a Forest Sector Strategy?

- Currently, the volume of timber harvested is less than 60% of what it was in 2000.
 - In 2018/19, ~14 million m³ was harvested from Crown forests while the sustainable volume available for harvest was about 30 million m³
- There is ~15 million m³ of available wood supply that industry has not been able to harvest which could support further investment and allow Ontario to capitalize on future markets without impacting forest sustainability.
- At the same time there is increasing global consumer demand and preference for renewable, recyclable, and green products from sustainably managed forests.

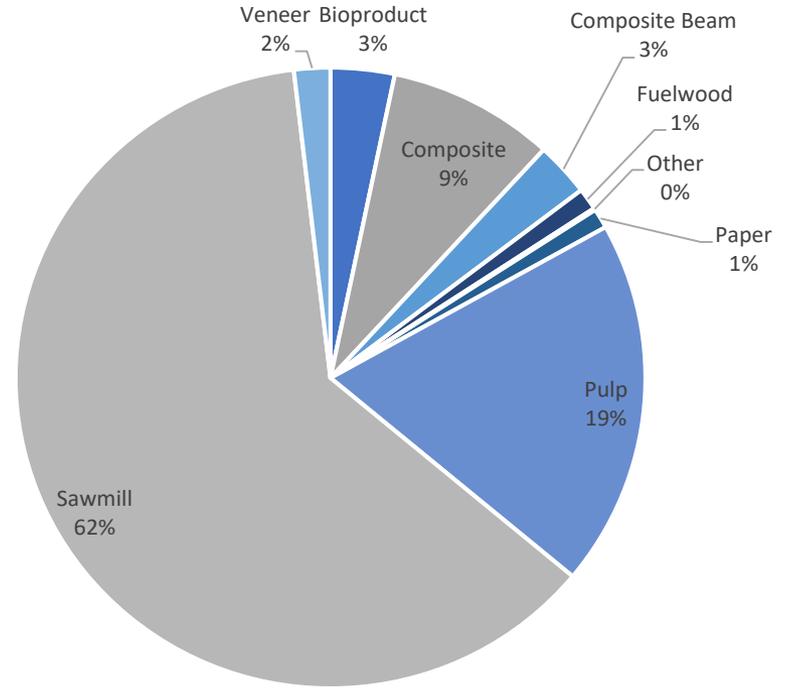


Past and Present

2009 Crown harvest destination



2019 Crown harvest destination

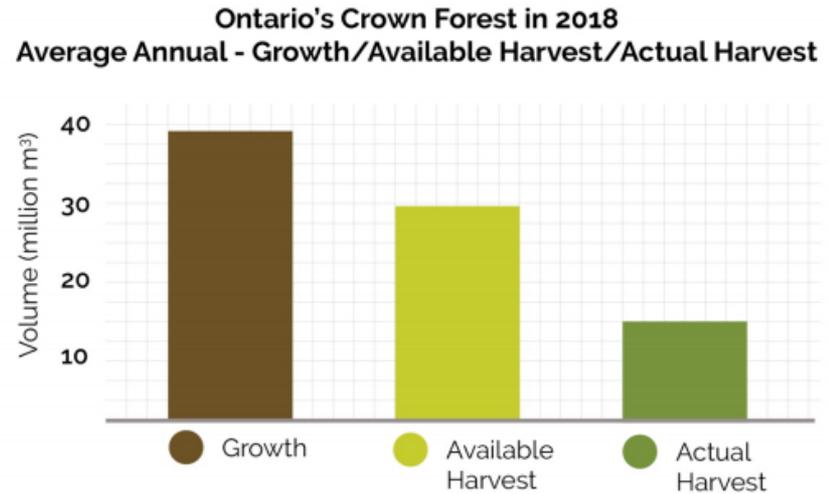


- Over the past 10 years the sawmill sector has improved
- Sawmill residual fibre has increased to offset need for pulp mills to take raw logs
- Paper sector has almost disappeared

By 2030 – Harvesting Our Sustainable, Available Wood Supply

Draft Forest Sector Strategy pg.19

- *Approved forest management plans for Ontario's Crown forests identify about 30 million cubic metres of wood supply that can be harvested annually while ensuring our forests are managed sustainably.*
- *Recent provincial harvest levels, however, have only reached 15 million cubic metres per year.*
- *Our managed forests currently produce more than 38 million cubic metres of growth annually.*
- *A target harvest level of 30 million cubic metres is significantly less than annual forest growth*



- There is a significant opportunity to increase harvest levels up to the 30 million cubic metres while meeting the objectives (e.g. biodiversity, wildlife habitat, species at risk, etc.) laid out in forest management plans.
- Ensuring the sustainability of our forests is a key principle of Ontario's forest management system.
- Reaching the allowable sustainable harvest of about 30 million cubic metres by 2030 will require quantifying the types and locations of unused wood supplies by volume, location, species and quality with estimations of costs.
- Ontario is working with the Centre for Research & Innovation in the Bioeconomy to develop an economic fibre supply model that will help investors and communities identify options for expanding existing forest production and finding new markets.

Putting More Wood to Work

By 2022

- Investing in Advanced Remote Sensing Technologies
- Removing Policy Barriers to Accessing Wood
 - *CFSA - Species at Risk*
 - *Forest Pest Discussion Paper*
- Providing a Path to Increase Forest Growth
- Providing Wood Supply Certainty, Ensure Use and Attract New Investment

By 2030

- Harvesting Our Sustainable, Available Wood Supply
- Establishing Targets for Forest Growth
- Boosting Our Forest's Productivity
- Enhancing Private Land Harvesting

Fostering Innovation, Markets & Talents

By 2022

- Making Strategic Investments
- Promoting Innovation
- Increasing Wood Use
- Reaching New Markets
- Addressing Barriers to Trade
- Making Ontario Wood the Natural Choice
- Collaborating on Carbon Analysis
- Growing Talent in the Forest Sector

By 2030

- Adopting New Technologies
- Testing Automated Vehicles
- Supporting Innovation in Construction

How Much, What Quality and at What Cost?

- 30 MM m³ planned potential? Quality/Properties?
- 17-19 MM m³ allocated?
- 15 M m³ utilized
- 20 M m³ in mill capacity?
- What investments /efficiencies/markets needed to meet current capacity (15+ 5= 20 M m³)?
- How much investment needed to increase capacity (+10 M m³)? Where do we find ~ \$10 billion in new investment? let alone filling the gap for current capacity? (S. Mueller)