

WHAT'S UP IN Canada's Forest Sector?

NOVEMBER 2010

INTERNATIONAL YEAR OF
BIODIVERSITY

TESTING SILVICULTURE
IN THE BOREAL

CANADA LAUNCHES
TRANSFORMATION
PROGRAM



Did You Know?

Canada's forests are home to about two-thirds of the country's estimated 140,000 species of plants, animals and micro-organisms – including some threatened species. Maintaining healthy populations of forest-associated species at risk is an important objective of forest management plans in Canada.

In 2002, Canada adopted the Species at Risk Act, based on a national list prepared by the independent Committee on the Status of Endangered Wildlife in Canada. Conservation actions range from monitoring the size or breeding success of the population to providing habitat for a variety of uses such as finding food, avoiding predators and reproducing.

Canada's Forests: Rich in Biodiversity

Canada's forests are rich in the biological diversity that organisms and ecosystems need to respond and adapt to environmental change. To maintain this biodiversity, Canada's forest sector uses a broad suite of approaches and tools to manage forests in a way that is ecologically sustainable and benefits local communities and society in general.

Maintaining biodiversity is an important forest management objective, and Canada's National Forest Strategy has identified the conservation of forest biological diversity as a priority, with indicators such as the area of forest, by type and age class, in each ecozone, and population levels of selected forest-associated species.

Canada's forest products industry works with other landowners and partners in government and the conservation community to manage forests sustainably, balancing social, economic, and environmental values. Researchers and forest managers study how landscapes and ecosystems work, and adapt planning and practices to local conditions.

In addition to establishing protected areas, Canada's forest sector actively supports the development of best management practices for sustainable forest management, and regularly incorporates this knowledge into forest policies and forest management plans.





Did You Know?

Canada's boreal forest and its wetlands *provide important breeding and nesting habitat* for nearly half of Canada's bird species. As many as six billion breeding or migratory birds representing more than *200 species pass through Canada's boreal region annually.*

The country's forest products industry ensures managed forests provide a variety of bird habitat conditions along migration routes and in over-wintering areas. Actions include *maintaining adequate coarse woody debris* – such as logs, stumps and large branches cut and left in the forest or trees that have died but remain standing – and leaving buffers along lakes, streams and other waterways. *It also supports bird research, inventory and monitoring.*

Developing Caribou Recovery Plans

Most of Canada's two million caribou are found in the open tundra and taiga of the country's north. About 180,000 woodland caribou are widely dispersed in small herds in Canada's boreal and mountain forests.

Woodland caribou populations face many risks, including pressure from predators such as wolves and bears; habitat loss or fragmentation from fires or industrial development, utility or seismic lines and roads; or a combination of factors.

Caribou recovery plans being developed across Canada identify critical habitat and support decisions related to land use planning, road access and long-term habitat management. Local communities, First Nations and resource industries are actively involved in the implementation of these recovery actions, and forest management plans address the need to ensure there are enough forests for habitat both today and into the future.

Canada's forest companies have implemented operational practices and guidelines to help manage and recover caribou where they exist. The Canadian Boreal Forest Agreement will lead to action plans for caribou based on leading, independent science that will be used to provide input into relevant government processes.

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International Year of Biodiversity

The United Nations declared 2010 to be the International Year of Biodiversity – a celebration of life on earth and of the value of biodiversity. In Canada, this offers an opportunity to celebrate, reflect upon, and renew the country's contribution to global efforts to protect biodiversity.

Conserving biodiversity and sustainably using biological resources are fundamental to achieving sustainable development. In Canada, governments, Aboriginal peoples, businesses, conservation groups, individual citizens and others have developed, or are developing, conservation and sustainable development strategies, policies and plans to work towards ecological, economic, social and cultural sustainability.

The Government of Canada, with support from provincial and territorial governments, signed and ratified the UN Convention on Biological Diversity in 1992, and immediately began work on a Canadian Biodiversity Strategy.

Canada's Diverse Forest Sector

What's Up in Canada's Forest Sector? offers you an opportunity to learn more about Canada's diverse forest products sector, and meet representatives from companies working with markets in Asia.

All markets want to know their wood suppliers employ practices that ensure sustainable forests and a safe, healthy environment – and Asia is no exception, says Al Huber, International Sales Manager, Engineered Wood Products (EWP) for Louisiana-Pacific Corporation (LP).

So when LP began exploring the potential for its products in Asia, it found its commitment to biodiversity was a bonus. One example is a long-term forest bird monitoring project the company has had ongoing in Canada since 1997. This study, which monitors the occurrence of migratory and resident bird species in west-central Manitoba, has proven to be an invaluable database in providing information about the presence of bird species at risk in the province.

Donna Kopecky, LP's district biologist in Swan River, Manitoba, says the company understands the importance of doing what's right for the environment, including conserving biodiversity through a variety of sustainable forest management planning and operational practices.

"We often go above and beyond what is expected," she says. "Our Boreal Conservation Partnership with Ducks Unlimited Canada is a prime example. It focuses on strategies and the development of planning tools to promote sustainable management of wetlands and other aquatic habitats in the watersheds of the Duck Mountain Provincial Forest, an important wood supply area for LP."

Testing Silviculture in the Boreal

A large-scale research program in northern Alberta is examining the complex interplay of harvesting, silviculture and natural disturbances in the boreal forest – demonstrating how Canada's commitment to sustainable forest management is based on science.

EMEND (Ecosystem Management Emulating Natural Disturbance) is the largest experiment of its kind in the world, with a project area of 1,000 hectares of boreal mixedwood forest. Separate forest compartments cover at least 10 hectares, the size of a real forest operation. Because forests take decades to develop, EMEND will span one forest rotation, lasting up to 120 years.

Since fire is the most common natural disturbance in northern Alberta, researchers are burning some stands and harvesting others at various intensities to determine if different silviculture approaches are sustainable. EMEND is ideal for both extensive long-term studies that can be monitored over a single forest rotation and more intensive short-term studies. It has attracted a variety of scientists intrigued by the possibilities of such a broad project coordinated on a single land base.

"The suite of EMEND research projects now holds a 12-year history as a credible and internationally recognized effort to understand the effectiveness of the variable retention approach for preserving biodiversity," says Jim Witiw of DMI (Daishowa-Marubeni International), a forest products company that has contributed to EMEND since the beginning.

FPAC Joins Forest Legality Alliance

The Forest Products Association of Canada has joined an international, multi-stakeholder initiative to tackle illegal logging by reducing global demand for forest products from illegal sources.

The Forest Legality Alliance (www.wri.org/fla), launched earlier this year by the World Resources Institute and the Environmental Investigation Agency, aims to achieve better forest governance, sustainable management of forests and biodiversity conservation by reducing the demand generated by global market pressures for illegally harvested forest products, increasing transparency in forest product supply chains, and supporting supply chain efforts to deliver legal wood and paper.

Canada is a source of quality wood, paper and pulp products from legal and sustainable sources, thanks to its strict laws and regulations, efficient enforcement and compliance, and the large area that is third-party certified. Although the country has virtually no illegal logging, it can offer expertise to tackle illegal logging, which is a principal cause of deforestation abroad, and directly contributes to climate change and the loss of habitat and biodiversity.”

The alliance, with support from the U.S. Agency for International Development (USAID) and private donors, will leverage the professional expertise, market power, networks, and resources of its members to help organizations along supply chains – both large and small – understand and respond to emerging demand-side, forest-product legality policies.

Canada Launches Transformation Program

The Government of Canada launched a \$100-million Investments in Forest Industry Transformation program in August 2010 to expand opportunities for Canada’s forestry sector through the development of innovative projects and technologies. The program will help forest sector companies with existing facilities in Canada develop a more diversified portfolio of products and markets.

Avrim Lazar, President and CEO of the Forest Products Association of Canada, welcomed the program, saying the focus of the Canadian forest products industry has been on “finding solutions and meeting market demand for superior environmentally-sustainable products that maximize product value, and minimize environmental impacts, while securing jobs in rural communities across Canada”.

Traceability Confirms Market Access Requirements

Quebec wood manufacturing and remanufacturing companies are being offered customized training and coaching services so they can establish a traceability chain for their products – including help to prepare for chain-of-custody certification or pursue multiple forest certifications.

The \$4.6-million Forest Products Traceability Program, administered by the Quebec Wood Export Bureau (QWEB) and funded by the Canadian and Quebec governments, will help companies keep track of the various certification standards, confirm compliance with phytosanitary standards, and meet the growing demands and requirements of clients.

Such a program is very timely, considering the ever-increasing number of market requirements when it comes to product certification or verification of legal origin. “The participation of Quebec companies in the traceability program clearly shows that they understand that this growing trend is not about to end any time soon, and that the implementation of chain-of-custody systems helps position them favourably on markets,” says Sylvain Labbé, QWEB’s chief executive officer.

In 2009, the Quebec forest industry exported nearly \$8 billion worth of wood products to all markets, accounting for close to 13 per cent of the province’s total exports. Chain-of-custody certification tracks wood products from a certified forest, as well as any uncertified sources, to ensure their integrity.

British Columbia

INVESTING IN MARKET DEVELOPMENT

British Columbia is investing \$8.3 million through Forestry Innovation Investment to develop markets in key Asia-Pacific countries and maintain markets in Europe and North America.

About half of the funding will go to Canada Wood Group for market development projects in China, Japan, Korea and Europe. Among other things, Canada Wood will demonstrate the superior strength and seismic performance of British Columbia forest products in Japan and working with in-market associations to deliver wood-frame construction designer and builder training in South Korea.

FII also announced that the Business Innovation Partnership (BC Wood Specialties Group, FPIInnovations-Forintek Division, and the University of British Columbia’s Centre for Advanced Wood Processing) will receive \$900,000 to provide business development, marketing and technology transfer services to companies in the value-added wood products sector.

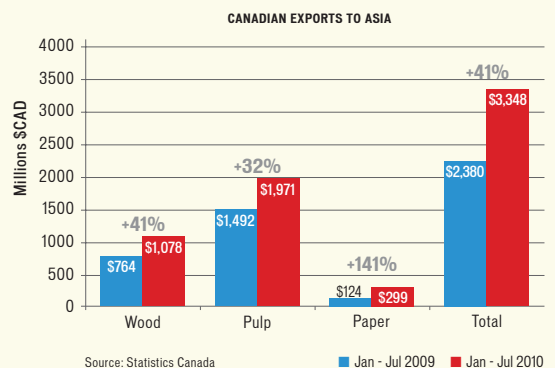
PROTECTING RARE ECOSYSTEM

The Ancient Forest Alliance has congratulated British Columbia for protecting an additional 1,598 hectares of the province’s rare Coastal Douglas-fir ecosystem.

“This is a major leap forward in protection for one of Canada’s most endangered ecosystems, much of which today lies underneath the cities of Victoria, Nanaimo, and Duncan,” says Ken Wu, Ancient Forest Alliance campaign director. “The protected areas include pockets of old-growth Douglas firs and a large array of rare and sensitive habitats.”

The Coastal Douglas-fir ecosystem is ranked both globally and provincially as high-priority for preservation, and is home to 29 endangered plant communities. Only nine per cent of the 256,800 hectares in British Columbia is provincial, Crown land, and 40 per cent of this now is protected from logging and other resource development activities. Eleven per cent of the ecosystem is owned by other levels of government and 80 per cent is in private ownership.

Canadian Exports to Asia



Canadian exports of forest products to China, Japan, South Korea and Taiwan rose significantly from January to July 2010 over the same period in 2009. Overall, exports rose 41% with paper increasing 141%, wood 41% and pulp 32%.

BRIEFS

Canada's Leaders Endorse Water Charter

Premiers from all of Canada's provinces and territories have endorsed the Council of the Federation Water Charter, recognizing the collective obligation of Canadians and their governments to be responsible water stewards. The Council of the Federation was created in 2003 to support collaborative intergovernmental relations. In their endorsement, the 13 premiers stated: "It is important that Canada's wetlands and boreal forest be protected. The boreal forest is one of the world's largest remaining intact forests, totaling 1.4 billion acres."

Partnership Leads To Four-Storey Wood-Frame Building In Korea

Canada Wood Korea and developer Samgaksan Valley built Korea's first four storey wood-frame building with support from Natural Resources Canada's demonstration fund. The demonstration project shows how well wood-frame construction meets Korean commercial low-rise building needs. It also includes improved assembly designs for floors and walls to meet requirements for apartment fire safety and sound insulation. Canada Wood Korea, with support from Canada's National Research Council, worked with Korean scientists and institutes to develop assembly configurations that meet Korean requirements for sound attenuation.

Canadian Pavilions At Expo 2010

Over 500,000 visitors to the Canada and Vancouver Pavilions at Shanghai Expo 2010 from May to October 2010 had a chance to experience the beauty and diversity of modern wood design. Both pavilions feature iconic Canadian wood species - maple and western red cedar.

The Vancouver Pavilion also had glulam beams made from Canadian SPF (spruce-pine-fir), combined with regular 2x6 construction. The architectural design showed how Canadian wood products can be used to make impressive public buildings that offer environmental and seismic benefits, and the exhibits showed how Canadian wood-frame building systems are being used to create better, greener cities in China.

Mission Attracts 700 Participants

BC Wood's 7th annual Global Buyers' Mission brought together about 700 people from 15 countries, including international buyers, manufacturers, architects, designers, municipal planners and representatives of Canadian wood products manufacturers.

"Participants were able to grow export opportunities and develop new business relationships," says Brian Hawrysh, CEO of BC Wood. "The event is expected to generate over \$20 million in new sales for Canadian wood products manufacturers."

Delegates included 28 buyers from China, 14 from Korea, 16 from Taiwan and 33 from Japan looking for new wood products and suppliers from Canada. More information about the event, held Sept. 9 to 11 in Whistler, B.C., is posted on the BC Wood website at www.bcwood.com.

NEW PUBLICATIONS

Forestry Innovation Investment, a Crown agency of the Province of British Columbia that works with diverse partners to support an environmentally sustainable and globally competitive forest sector in the province, has posted new publications, including:

- A background paper **Exporting B.C. Wood Products to China** to provide Canadian exporters and Chinese importers with a brief overview of the key topics and issues surrounding the trading of B.C. wood products. The publication is posted at www.coastforest.org/media_pdf/2010-06_wood_exp_guide.pdf.
- Trend Analysis reports, including a **Global Market Overview and Export Market Summaries**, are posted at www.bcfii.ca/industry_resources/market_research.htm - for a password, contact Forestry Innovation Investment at info@bcfii.ca.
- Updated fact sheets on topics such as third-party forest certification in British Columbia, innovative wood products and the benefits of wood in green design are posted under resources on the Naturally Wood website <http://naturallywood.com/Resources.aspx>.

WHAT'S UP IN CANADA'S FOREST SECTOR?

What's Up in Canada's Forest Sector? examines Canada's diverse forest products sector and invites views from representatives of companies working with markets in Asia. Issued quarterly, it delivers the facts about forests, operations and products for buyers and builders in Asian countries who are considering Canadian forest products for their building and paper needs. Contact us at Ottawa@fpac.ca with comments and suggestions.

For more information, visit the Canada Wood website at www.canadawood.org or contact your local Canada Wood office:

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FOR MORE INFORMATION ABOUT CANADA'S FOREST SECTOR, VISIT:

The Forest Products Association of Canada (www.fpac.ca) represents the largest Canadian producers of wood, pulp and paper products. Its website includes information about a variety of topics, including a Buyers' Guide to Canada's Sustainable Forest Products to help customers create a sustainable forest products procurement policy.



The Canadian forest products industry adheres to the following five principles, which are increasingly important to responsible buyers of forest products:

1. Harvest legally.
2. Regenerate promptly.
3. Reduce waste and support recovery and recycling.
4. Reduce greenhouse gases and help fight climate change.
5. Welcome independent scrutiny of how they manage forests.