



The Value of a Hectare

**Legislative Assembly of British Columbia
Select Standing Committee on Finance and Government Services
2008 Budget Consultation – Thursday, October 11, 2007**

Presented by:

R. M. (Rick) Jeffery

President & CEO

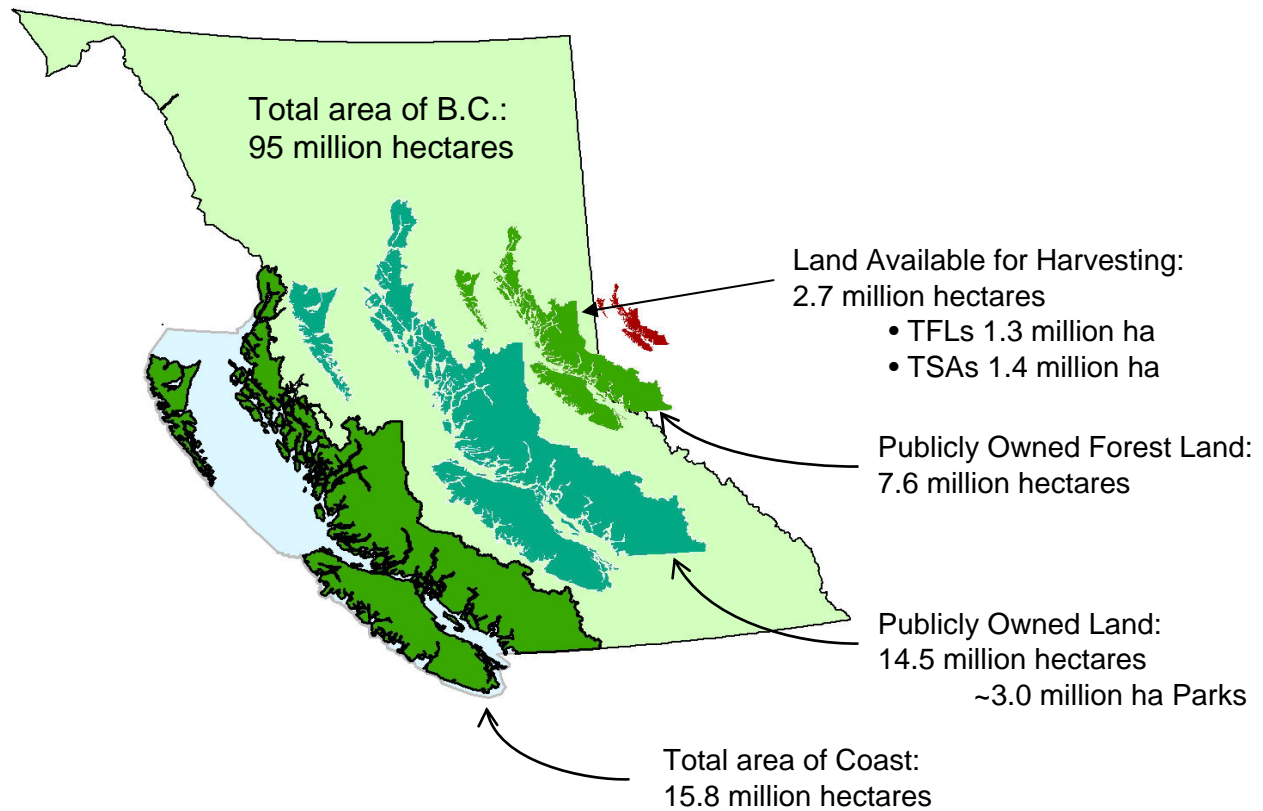
Coast Forest Products Association

Coast Hectare Value*

- Coastal Product Sales (incl. lumber, pulp & value added) = \$7.5 billion (Source: PriceWaterhouseCoopers)
- Billed Harvest Volume (Crown and private) = 22 million m³ (Source: Ministry of Forests harvest billing system)
- Value per m³ = \$341.00
- 2007 Value per m³ = \$355.00 (2% annual adjustment)
- Value per Hectare (over a rotation approximately 70 yrs.) = \$266,000 (\$355 x 750 m³/ha)
*2005 used as base year

Direct Stumpage Revenue per Hectare of Crown Land:

- 2005 Stumpage Revenue = \$8,700/ha (\$11.60/m³ x 750 m³/ha)
- 2007 Stumpage Revenue = \$12,000/ha (\$16.00 x 750 m³/ha)
(year to date including current labour disruption)



But wait, there's likely even more . .

- Additional Protected Areas?
- Ecosystem Based Management (EBM)
- Species at Risk Act (SARA) listings
- Fisheries Sensitive Watersheds
- More Wildlife Habitat Areas / features
- Ungulate Winter Ranges
- Resource features
- General Wildlife Measures / Regionally Important Wildlife
- Independent Power Producers
- Recreation and Commercial Tenures
- Residential
- First Nations issues
- etc....

The Forgotten Parks

- ~20% (3,000,000 ha) of coastal BC's land base is formally protected.
- Contributions not fully considered
 - Inventories lacking
 - Outside management boundaries
 - 'As if no forest or habitat within'
- THLB the focus of conservation needs?

Summary

- For every hectare of THLB there are another 6 hectares meeting ecological or other needs
- The harvestable land base is valuable
 - Long term economic potential
 - THLB is decreasing
 - What remains is hampered by additional constraints
- Rigorous analysis of risk (ecological, socio-economic)?
- Focusing conservation on the THLB breeds investment uncertainty for a very precarious industry
 - Is this consistent with restoration of the Coastal Forest Industry?
 - Short and long term stability and security of tenure is critical

Solution Set

- Focused Planning
 - Eliminate independent, single purpose decision making
 - Overlap constraints
 - Optimize public benefit
- Gatekeeper
 - Annual Report Card
 - Ensure discipline inherent in LUOR and GAR
 - Missing process for other resource sectors
- No Net Productivity Loss
 - Secure productive timber land
 - Augment productivity
- Investor security / transparent compensation