

POSSIBILITIES FOR A NATIONAL FOREST NURSERY ASSOCIATION IN CANADA¹

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INTRODUCTION

In January 1999, Hodgson presented a discussion paper on the need for a national forest nursery association to the first ever meeting of group of provincial representatives engaged in the business of growing and using tree seedlings for the purpose of forest renewal. Delegates agreed that there was a need for such an organization and that a survey should be carried out to assess the interest of the community at large.

This paper outlines some of the issues raised by Hodgson and summarises some of the information gathered at the Thunder Bay meeting.

SIZE OF THE INDUSTRY

It was estimated that the total value of the industry Canada wide was \$462 million, taken to include a greenhouse value of \$128 million (approx. 100 ha), input costs of \$17 million, a labor value of \$42 million, tree plant value of \$158 million, and tree seedling value of \$117 million.

The total numbers of tree seedlings grown and planted in the different provinces added up to 624 million Canada wide, for a planted value of approximately \$0.75 per seedling, not taking into account the value of land preparation and post plant release or other management treatments required to ensure the establishment of a healthy forest. Provincially it was estimated that Alberta plants 70 million seedlings, the Atlantic provinces 35, British Columbia 229, Manitoba 20, Ontario 120 and Quebec 150 million seedlings. These numbers are down from past years due to government cutbacks and economic forces controlling the amount of timber harvested.

Provincial Organization to Date

Different forms of Association or Co-operative have existed in the provinces for many years, mainly to address a need for technology transfer, although OTSGA (Ontario Tree Seedling Growers Association) and the BC Growers Association were formed in response to a united front being required to deal with political issues surrounding privatisation of the industries in those provinces. At present two of the associations have changed their mandate to become Not-for Profit Co-operatives (Ontario and Atlantic provinces), and all address a need for technology transfer due to government cutbacks in research and extension services. Smaller growers now buy these services

independently through their Co-ops, which pursue outside sources of funding for their research business. Large companies employ their own research personnel and keep the information in house as free enterprise takes a stronghold on the industry.

A private nursery size in excess of 30 million seedlings may be necessary for the budget to be large enough to employ in house research expertise. Few companies in Canada have this capacity, and one of the few has recently become a public company.

FORCES OF CHANGE

The following economic and political pressures were recognized as driving change in the industry.

Privatization of Government Nurseries

In most provinces there has been a complete change from government owned and run nurseries producing bareroot seedlings to a private containerised seedling industry. This first happened in 1989 with the birth of PRT Inc. in BC, and was followed in 1996 with Pineland in Manitoba, a consortium buyout of Pine Ridge in Alberta in 1997, and several privatisation contracts in Ontario in 1998. The same issues are being addressed in Quebec at present. In the Atlantic provinces there are historical reasons why the government continues to own and operate forest seedling nurseries.

The change in ownership has always resulted in an increase in the proportion of containerised seedlings in relation to bare root, such that the latter form a small percentage of the total number of seedlings grown country wide.

Growth, Takeovers and Withdrawals

Free market forces have resulted in take overs, and the formation of consortiums to address the effects of competition in the market place, especially in light of a reducing market due to world economy changes which affect the amount of land required to be reforested. The privatisation of forest management through Sustainable Forest licence agreements has also played a role.

Dismantling of Provincial Boundaries

The marketing of seedlings Canada wide has become possible as provincial trade barriers have changed and BC

¹Smith, I.; Hodgson, J. 1999. Possibilities for a national forest nursery association in Canada. In: Landis, T.D.; Barnett, J.P., tech. coords. National proceedings: forest and conservation nursery associations—1998. Gen. Tech. Rep. SRS-25. Asheville, NC: U.S. Department of Agriculture, Forest Service, Southern Research Station: 102-103.

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companies now market seedlings in Alberta, Saskatchewan, Manitoba and Ontario, as well as export to the USA. Similarly Quebec and Manitoba companies sell into Ontario and vice versa, and also export to the USA. The buying of seedlings out of province has also been used to create change in the type of service delivered, and the product being delivered.

NEW DIRECTIONS

Environmental Pressures

The forces of change, environmental pressures, and the development of new technology has resulted in new products. On average larger seedlings are being grown today as they address the need for less use of weedicides on competitive sites, and faster growth to 'free to grow'. In many cases these are client driven due to conservation and environmental needs, or a need to grow more fibre on a shrinking land base.

New Products

The nursery industry has an increased range of products including conservation species for special habitat restoration (wetlands, stream banks and windbreaks). Recently a change in name was required for the long time journal which met tree seedling technology needs (Tree Planters' Notes) in order to incorporate a wider audience.

Global Change

Climate change and global emissions may affect the health of the forest, as well as population pressures in third world countries. There are opportunities for tree seedling growers to exploit carbon emission credit trading which has already been floated on the futures market in Canada. Carbon dioxide emitters (the oil and energy business) will have to invest in credits which will translate into more reforestation worldwide. New nursery projects with international investment and management in Mexico City, Chile and other countries are evidence of this.

Private Research Companies

New opportunities have been created for research in the private sector due to government cutbacks and downsizing. Analytical laboratories, product development testing, and quality control services are all available as a result of less government activity in this sector. Many consultants, operating with low overheads, offer services on a contractual basis to growers and forest companies.

Changes in Research Funding

Federal and provincial governments encourage business development and employment creation by providing funds on the open market which can be accessed for research, product development and marketing. Co-operatives are efficient vehicles which monitor availability and provide access and services for these funds to their grower members. New companies monitor new funds for clients.

Other organizations (Flowers Canada) have set up trusts to fund long term research in partnership with government and Universities as they embrace change.

National Forum

Participants at the Thunder Bay meeting identified the need for a national organisation as being:

Education

Influence—Of government, industry and the population at large.

Research and technology transfer—To maintain or improve market position, develop new products.

- Create national data base
- Project Canadian industry into the global market place
- Foster national meetings and trade shows
- Develop a national certification programme
- Address emission offset issues
- Register a national research trust/foundation
- National lobby forum
- Digital technology transfer
- Research data base

The meeting voted to establish the name of the organisation as being: The Forest Nursery Alliance of Canada/Alliance Canadienne dePepiniere Forestiere.

This could only be formalized at a first national meeting which was recommended to take place as soon as possible.

The aims and objectives of the new organization would be to :

- provide a co-ordinating function for growers and forest managers,
- research seedling production systems,
- research the use of seedlings in forest renewal,
- determine research priorities,
- raise and allocate funding,
- encourage the use of research technology, and
- provide technology transfer.

There are at present 122 forest seedling nurseries in Canada. How many can be persuaded to buy in, together with their customers and supply companies to achieve these objectives for the long term health of the industry? The seedling industry should be in control of its own destiny going into the 21st century.