

Forestry

Saskatchewan Links to Learning 2018
Natural Resources Panel
September 26, 2018



Sakâw Askiy Management Inc.

Forest Industry in Saskatchewan

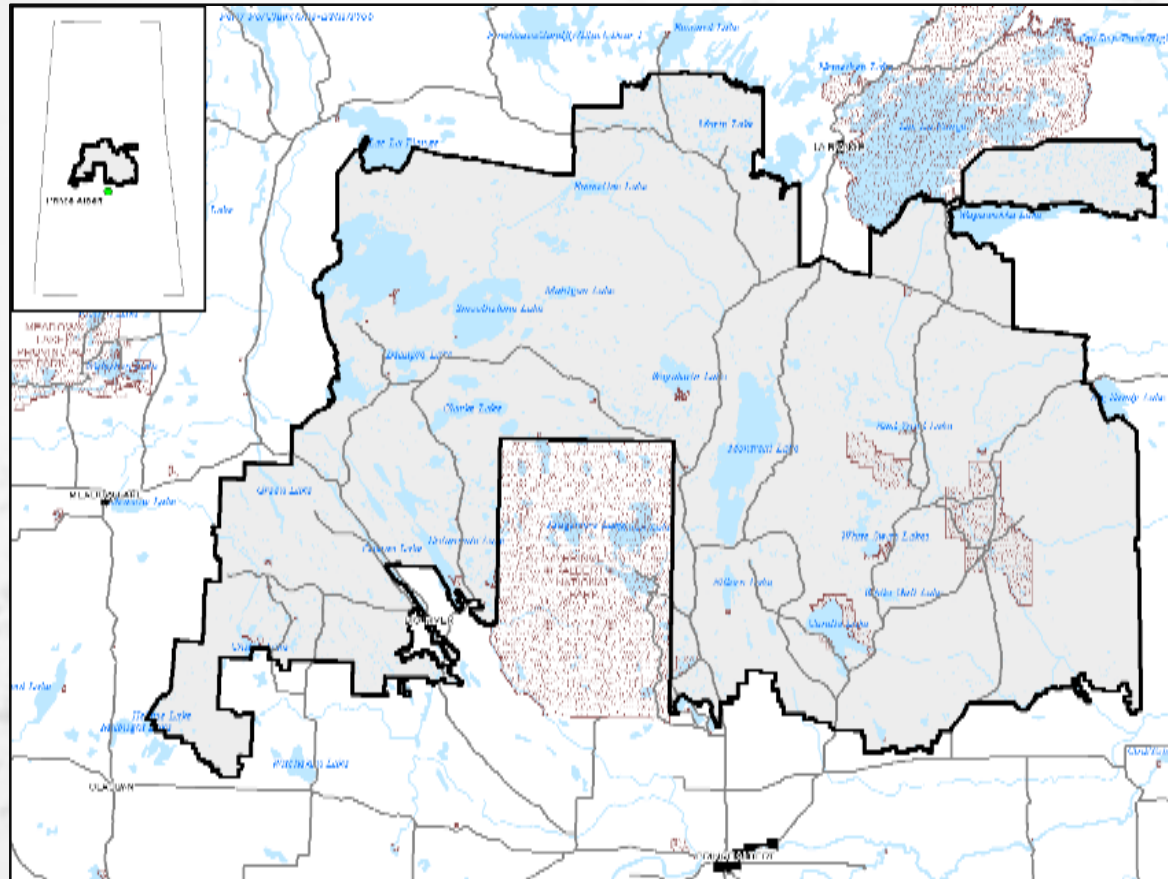
- 2nd largest industry in northern Saskatchewan
- 10 large mills (lumber, pulp, panels)
- 170+ smaller mills (custom sawing, posts, rails ...)
- 235+ suppliers (harvesting, roads, trucking, reforestation ...)

	2017	Full Development Potential
Jobs Supported	8,400+	13,000+
Forest Products Sales	\$1.2 billion ⁻	\$2.0 billion ⁺

Indigenous People

- 31% of timber allocated to Indigenous businesses (highest of any province)
- 30%+ Indigenous people in the workforce (highest of any province)
- 10% of Canada's Indigenous forestry employment
- Largest 100% First Nations owned and operated saw mill in Canada

Prince Albert Forest Management Agreement (FMA) Area



3.35 million hectares

2nd largest FMA area in Canada

Major communities include:

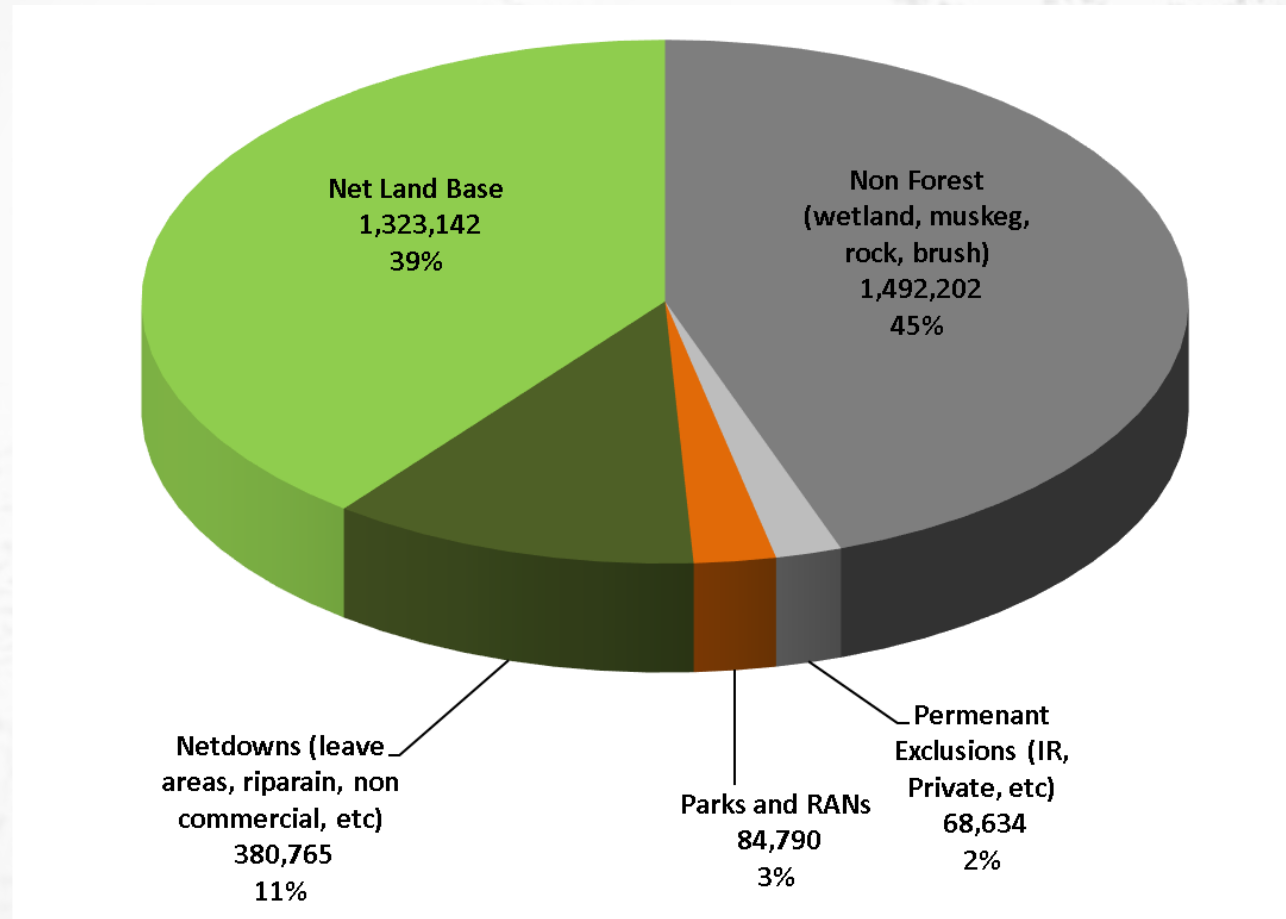
Big River

Weyakwin

Candle Lake

Montreal Lake

Landbase Summary



Licensee and Shareholders

Sakâw Askiy Management Inc.

Formed to assume the Prince Albert FMA and its management responsibilities

Consortium of six forest companies with Saskatchewan mills, and two First Nations

General Manager reports to a Board of Directors composed of a representative from each shareholder

Shareholders

1. A.C. Forestry (Agency Chiefs)
2. Carrier Forest Products
3. Edgewood Forest Products
4. L&M Forest Products
5. Meadow Lake Mechanical Pulp
6. Meadow Lake OSB (Tolko)
7. Montreal Lake Business Ventures
8. NorSask Forest Products

FMA recognizes importance of creating economic development opportunities for Saskatchewan's First Nations and their members in the forestry and timber processing industry

Each shareholder granted an allocation of wood by the province

Indigenous interests granted 44% of total allocation (AC Forestry, MLBV, Norsask, L&M)

16 third-party operators with smaller mills also have licenses to harvest in the PA FMA area

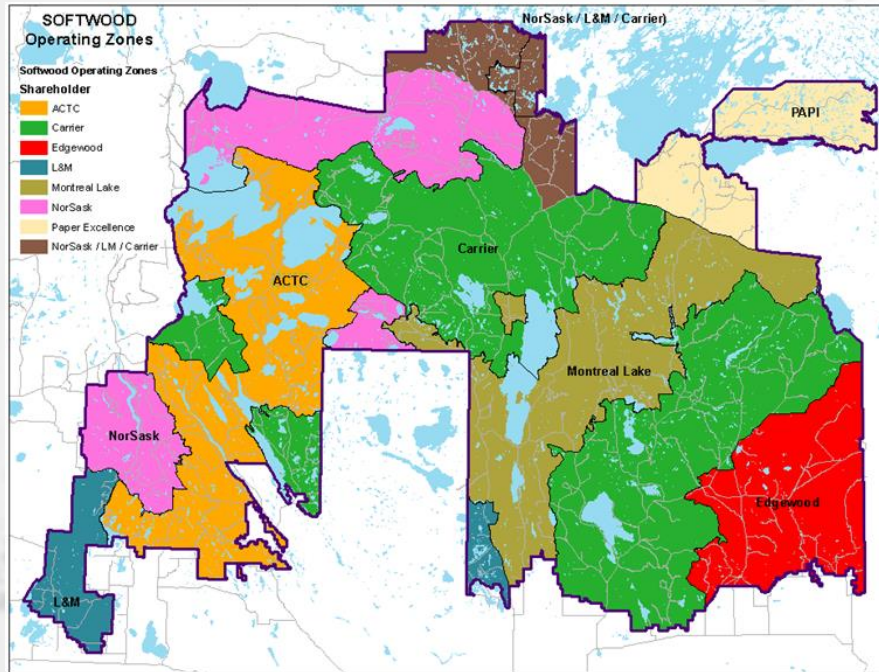
Key Responsibilities

The business model provides coordinated oversight at the FMA level (Sakâw), leaves on the ground decisions to those with the local knowledge (shareholders).

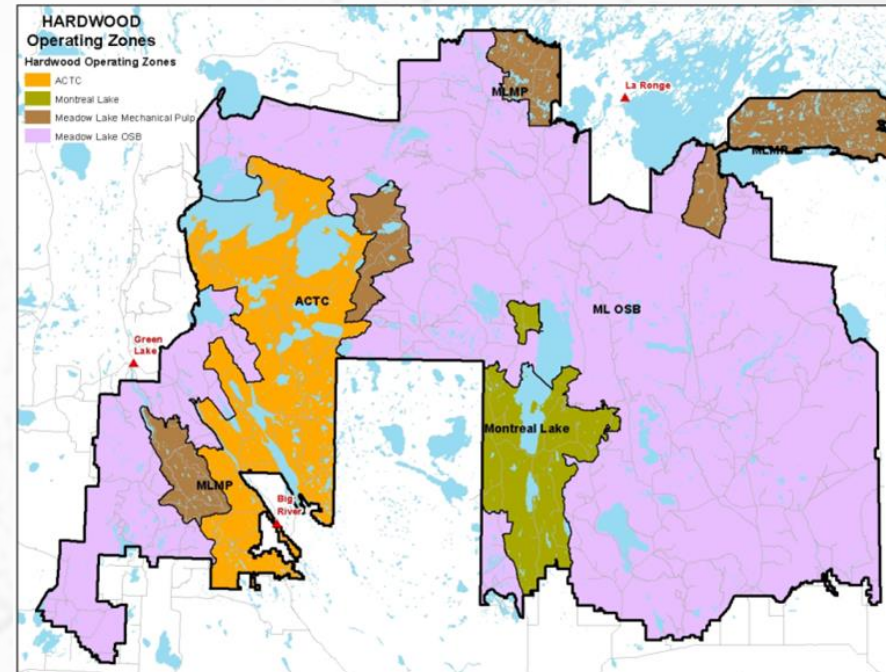
Sakâw Responsibilities (Management)	Shareholders Responsibilities (Operations)
Tenure Management	Development of Annual Operating Plans
– Forest Management Planning	Harvesting
– Submission of Operating Plan	Hauling
– Information Management	Forest Renewal
– Inventories	Road Construction and Maintenance
– Research	Business management
– Regulatory Improvements	– Execution of Forest Planning and Operations
Monitor Shareholder Compliance	Certification
Industry Advocacy	

Forestry Operations

Carried out by each shareholder within operating zones in the FMA area



Softwood Zones (spruce, pine)



Hardwood Zones (aspen, poplar)

Forestry Operations

Planning

- 5-year Operating Plans (submitted annually)
- 20-year Forest Management Plans
 - Strategic management direction for FMA area (tactical map)
 - Guides all forestry operations
 - Management of values such as wildlife, recreation, visually sensitive areas, etc.
 - Sets targets that are reported on

Public Engagement

- Advertised public information sessions
- Ongoing discussions with public, First Nations, Metis communities, groups and individuals
- Website has current, key information
- Forestry plans available at all shareholder offices
- Province also has a duty to consult with Indigenous people



Forestry Operations

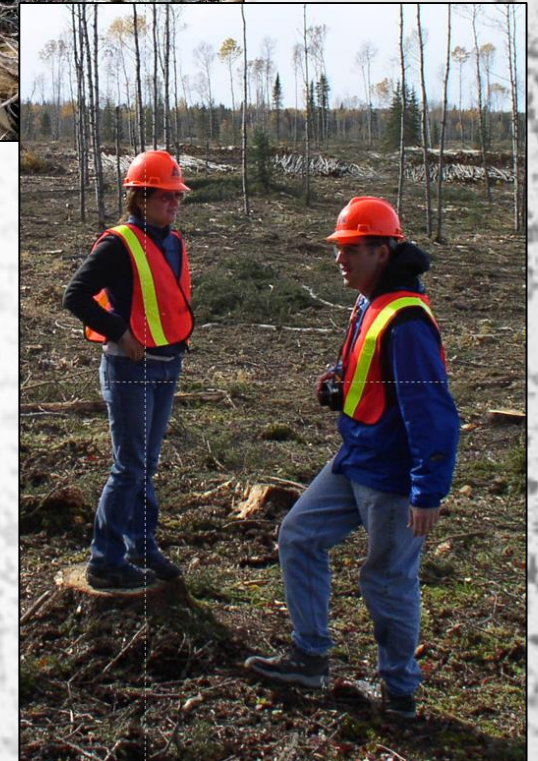
Road construction, maintenance, reclamation

Harvesting and hauling wood

Renewal and followup surveys (after 7 and 14 years)

Archaeological surveys

Certification of forestry practices, and third party audits



Forest Management Strategies

Protect Biological Diversity

Take cues from nature: Landscapes similar to those created historically by natural disturbances

Leave Green Trees Behind (Ave. of 9%)

Landscape Patterns

- Size of most 10-year harvest events between 100-1,500 ha. (Some smaller, some larger)

Maintain all types of forest cover

Maintain old forests ...and interior old forests that are free from edge effects



Forest Management Strategies

When More is Needed ...

Species at Risk

- Work with governments and local people to protect the species and their habitat.
- Woodland Caribou
- Northern Leopard Frog, Whooping Crane, Piping Plover



Forest Management Strategies

Caribou Habitat Management

Habitat: Large tracts of older forests

Habitat Management: Create large, continuous areas of suitable habitat across the landscape over time

Red Areas: Harvest deferred for 20 years (length of FMP)

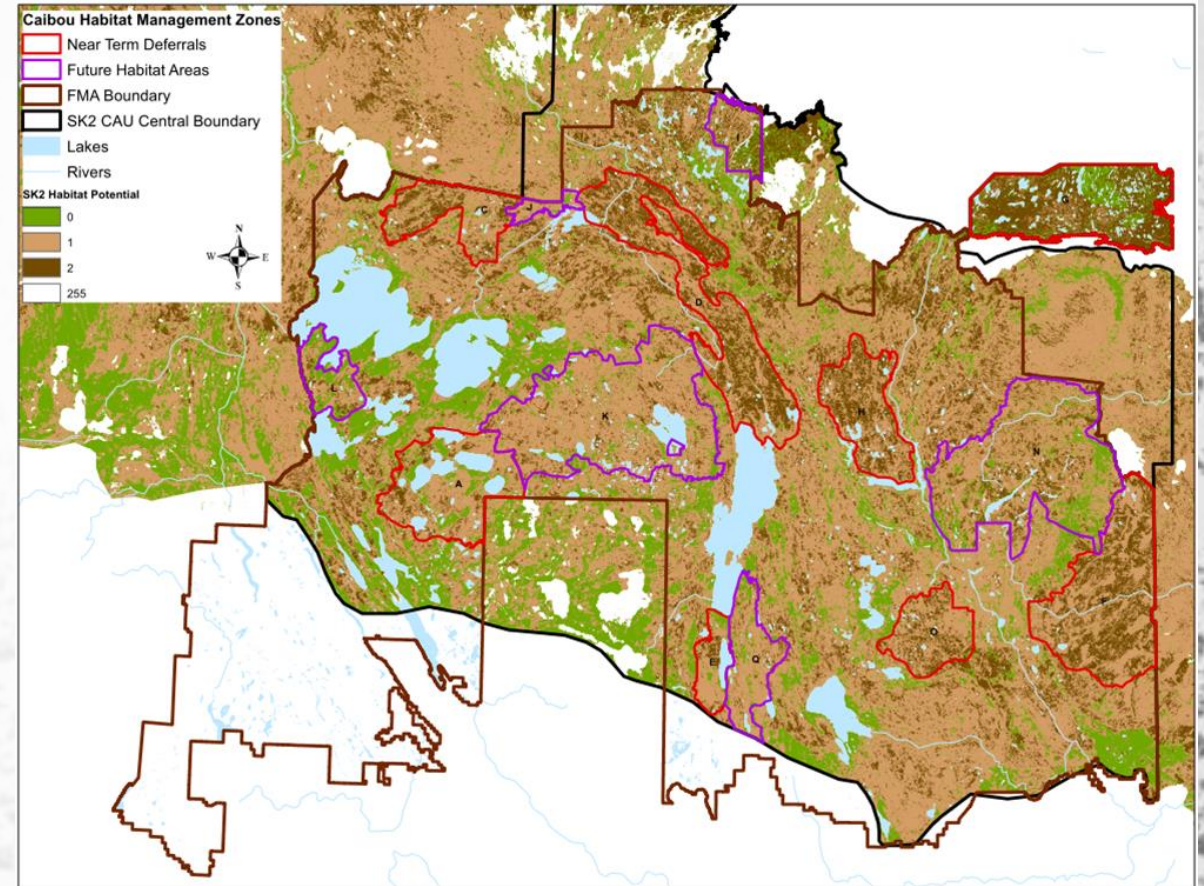
Purple Areas: Usually recently burned. Harvest for 10 years to clean up green wood that should be harvested. Then defer harvest for 20 years.

Harvesting

- in fewer places, for longer periods of time (10-yr harvest events)

Roads

- Reclaim. Close to manage access
- Use temporary winter roads whenever practical



Forest Management Strategies

Water and Shorelands

Protect water quality, water quantity

Where roads cross streams

- design crossings to allow predicted storm water flows, avoid getting soil and sediments in the stream

Next to water: Restricted or no harvesting

- large (>5 ha) lakes, rivers, streams: 40 m restricted zone



Visually sensitive lakes, rivers, hillsides:

- minimize visual impact of a harvest area (use retention as a screen, irregular boundaries, reduce size, timing of harvest)

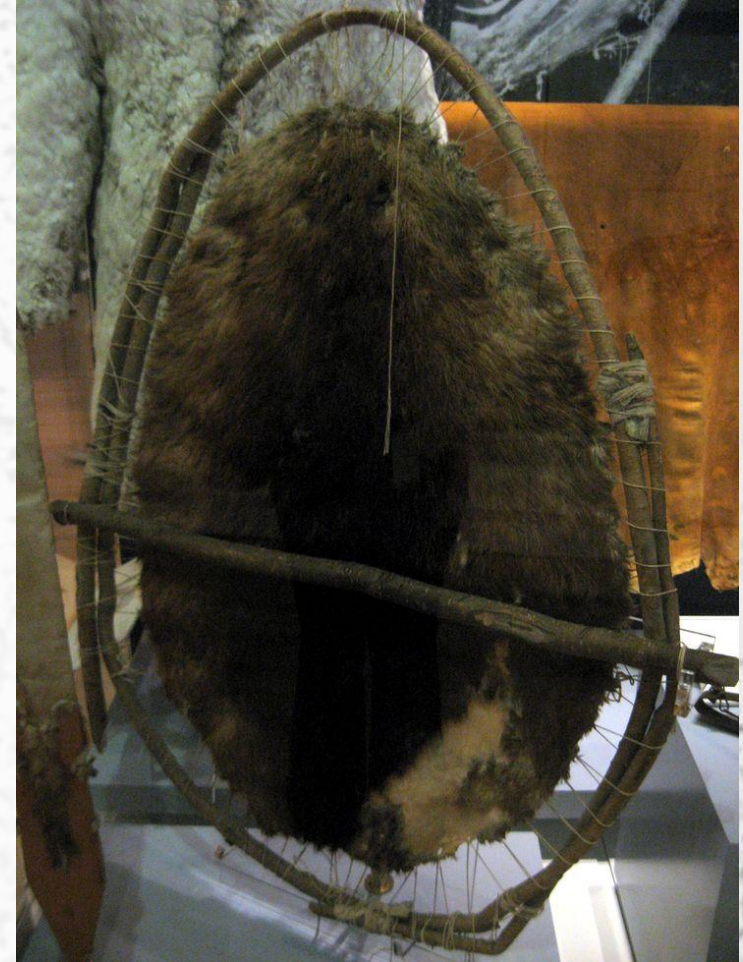
Forest Management Strategies

Trapping, Outfitting

Work together during the development of Operating Plans

Trapping: Accommodation measures may include retaining high value trapping habitat within harvesting events, ensuring traditional access is maintained

Outfitting: Accommodation measures may include adjusting harvest areas, leaving retention in specific locations, and taking measures to manage access.



Forest Management Strategies

Reporting

Report annually on 33 measures of sustainable forest management, related to

Biological Diversity

Ecosystem Condition and Productivity

Soil and Water

Role in Global Ecological Cycles

Economic and Social Benefits

Society's Responsibility

Management Implementation Team will assess results, address issues



Regulatory Framework

Forest Resource Management Act

- associated Regulations, codes, standards, guidelines

Environmental Management and Protection Act

Environmental Assessment Act

Wildfire Act

Heritage Properties Act

Prince Albert Forest Management Agreement

- Assignment and Assumption Agreement
- Memorandum of Understanding (Side Agreement)

Forest Management Plan approval conditions

Operating Plan approval conditions

And more....

Internal Governance

Unanimous Shareholders Agreement

Operating Zone Agreement

Governing Policies



Self-Regulated Profession

Must be a member of the Association of Saskatchewan Forestry Professionals with a RPF, RPFT, or Restricted Member designation, to practice forestry in Saskatchewan.

Why?

- Standards of professional ethics and excellence in the management of the province's forests
- Continuing education (ongoing learning, skills, proficiency)



For more information ...

Visit our website at www.sakaw.ca

- Includes an webmap of the current Operating Plan

Contact Sakâw

- (306) 953 2021
- gm@sakaw.ca

Contact any shareholder

- See links on www.sakaw.ca

