



## Importance of Woodlot Owners

- ❑ 16% of Quebec's productive forest land—or 6.6 million ha—is privately owned, by 130,000 individuals, families, small businesses and large corporations.
- ❑ The average size of a woodlot in Quebec is 43 ha, although there are a few holdings of over 100,000 ha.
- ❑ 60,000 woodlot owners have a forest management plan.
- ❑ Quebec mills get 15% of their supplies from private forests.
- ❑ Our society requires that woodlot owners not only produce forest goods but also protect the water, wetlands, biodiversity and forest cover.
- ❑ **Every day, woodlot owners make decisions on managing their woodlots totally independently, based on their knowledge.**

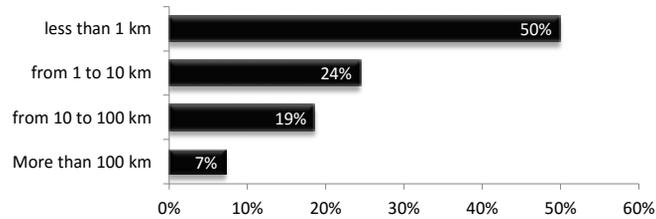
## A Changing Profile?

### Primary Occupation of Quebec Woodlot Owners

	1973	2012
Farmer	41%	14%
Blue-collar worker	27%	30%
White-collar worker	N.A.	21%
Retired	11%	33%
Other	21%	3%

## Portrait of Woodlot Owners

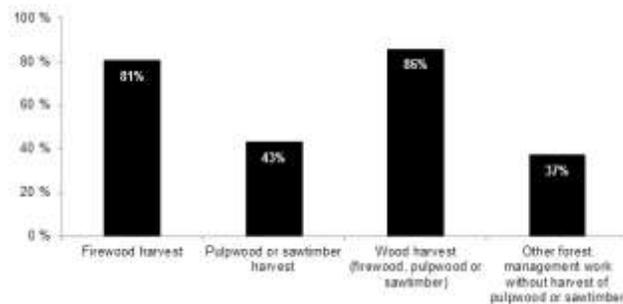
### Distance between home and closest woodlot



Source : Côté, M-A. et al. 2012. Caractérisation des profils, des motivations et des propriétaires forestiers québécois par territoire d'agence régionale de mise en valeur des forêts privées. Report available at [www.foretrivee.ca](http://www.foretrivee.ca): 42 p. + appendices

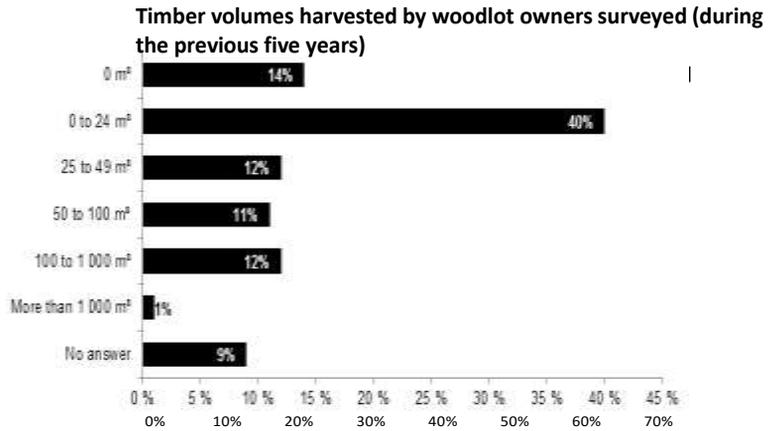
## Portrait of Woodlot Owners

### Proportion of Quebec woodlot owners carrying out harvesting and forest management activities (during the previous five years)



Source : Côté, M-A. et al. 2012. Caractérisation des profils, des motivations et des propriétaires forestiers québécois par territoire d'agence régionale de mise en valeur des forêts privées. Report available at [www.foretrivee.ca](http://www.foretrivee.ca): 42 p. + appendices

## Portrait of Woodlot Owners



Source: Côté, M.-A. et al. 2015. Characterizing the profiles, motivations and behaviour of Quebec's forest owners. Forest Policy and Economics, 59: 83-90. Report available at [www.foretrivee.ca](http://www.foretrivee.ca):42 p. + appendices

## Portrait of Woodlot Owners

Woodlot size (ha)	(%)
4-20	25%
21-40	31%
41-100	33%
101-800	11%
+ 800	
<b>Total</b>	

} 89%

Source: Registre des producteurs forestiers (2011)

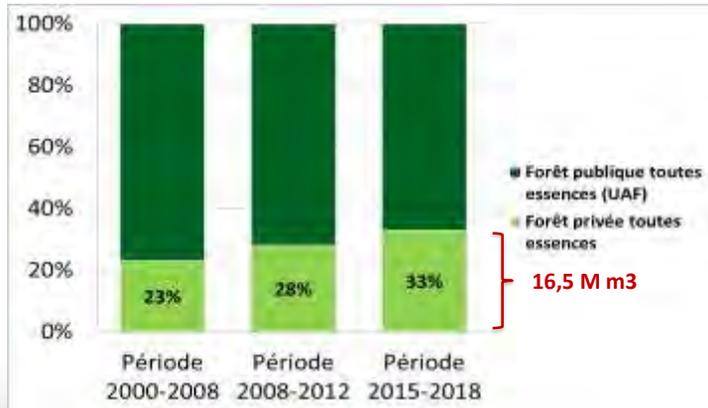
## The Quebec government seeks to establish a partnership with woodlot owners

Since 1942, Quebec has implemented a number of measures to encourage its 130,000 woodlot owners to manage their forests to supply wood to the forest products industry.

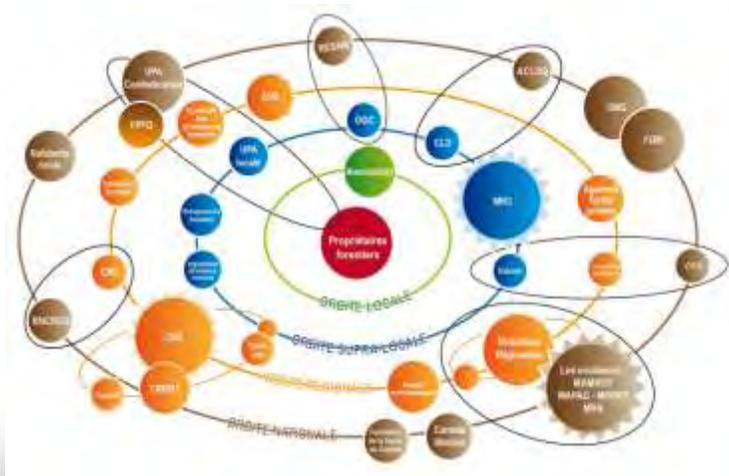
## Support Measures Offered to Quebec Woodlot Owners Over the Years

Since	Government support measure
1942	Consultation visits by forest technicians and professionals
1942	Free distribution of forest seedlings
1965	Freeze on property assessments of reforested land (discontinued in 1986)
1975	Loan guarantees to acquire land and machinery (forestry credit program and forestry funding program)
1974	Beginning of direct funding of silvicultural work for woodlot owners in a cooperative
1980	Beginning of direct funding of silvicultural work for woodlot owners not in a cooperative
1986	Tax credits for silvicultural work
2006	Income averaging for forest producers (discontinued in 2009)

## Transfer of Annual Allowable Cut from Public to Private Forests



## Private Forest Stakeholders



## **Private Forest Stakeholders**

To simplify, within a single region, you will find:

1. A forest owners' association, which manages a marketing board that is responsible for negotiating with mills, informing woodlot owners, organizing supply logistics and making payments to wood producers
2. Several forest owners' cooperatives, providing silvicultural services
3. Several private consultants, also providing silvicultural services
4. A governmental agency to establish regional silvicultural priorities.

## **Mobilizing Forest Resources Is More Complex in Private Forests**

Operations in private forests are fragmented.

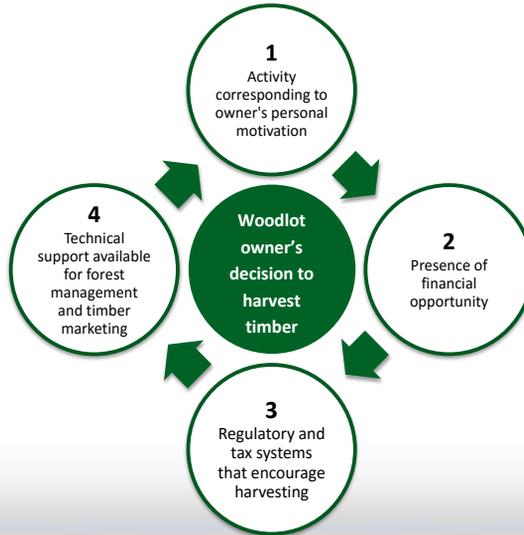
Causes:

Large numbers of small holdings

Different motivations among owners for owning woodlots

Difficulty of scheduling activities on multiple properties

## Ingredients for Mobilizing Wood in Private Forests

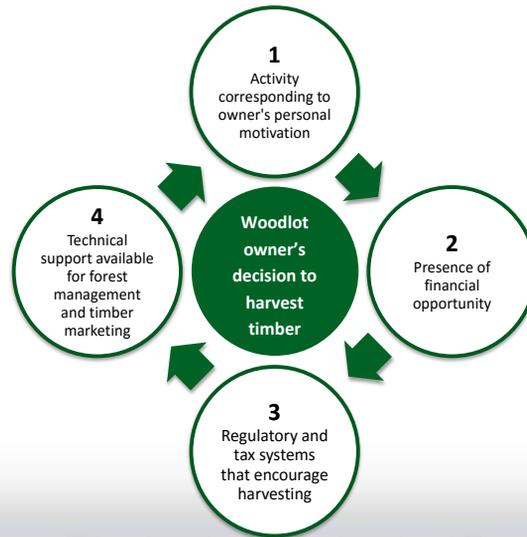


## Mobilizing wood or forest owners?

### Part 2: Measures to support silviculture

By Marc-André Côté, Forest Engineer, Ph.D., General Manager

## Ingredients for Mobilizing Wood in Private Forests



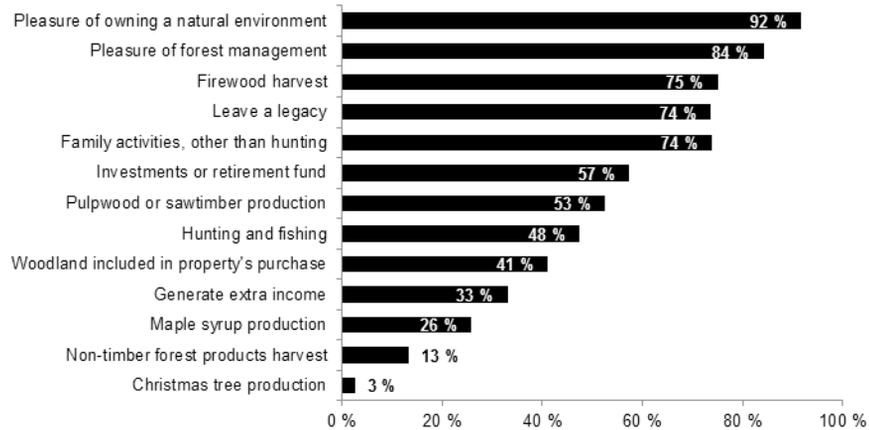
### Does harvesting correspond to owners' personal motivations?

Harvesting timber to supply wood to the forest products industry is not the primary motivation of most woodlot owners.

Cause:

The motivations for owning a woodlot are generally linked to the owner's identity, personal values and lifestyle rather than to a business opportunity.

## Does harvesting correspond to owners' personal motivations?



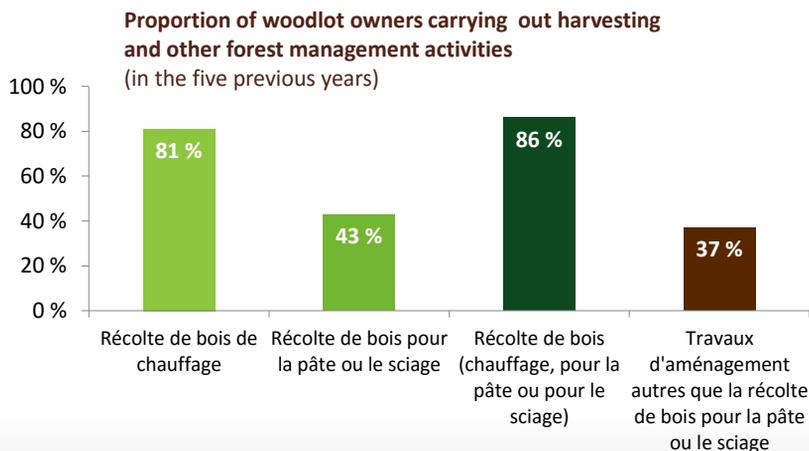
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## Does harvesting correspond to owners' personal motivations?

**Attention!**

These motivations do not necessarily mean that woodlot owners do not engage in forest management...

## Does harvesting correspond to owners' personal motivations?



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## Does harvesting correspond to owners' personal motivations?

Harvesting activities carried out on owner's woodlot in the five years before the survey

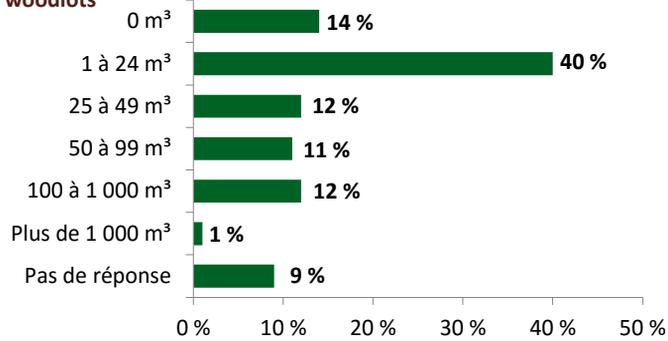
Activités	1973	1985	2012
Récolte de bois de chauffage	N.D.	80 %	81 %
Récolte de bois à pâte	25 %	42 %	43 %

An activity that continues despite changes in the socioeconomic profile of woodlot owners

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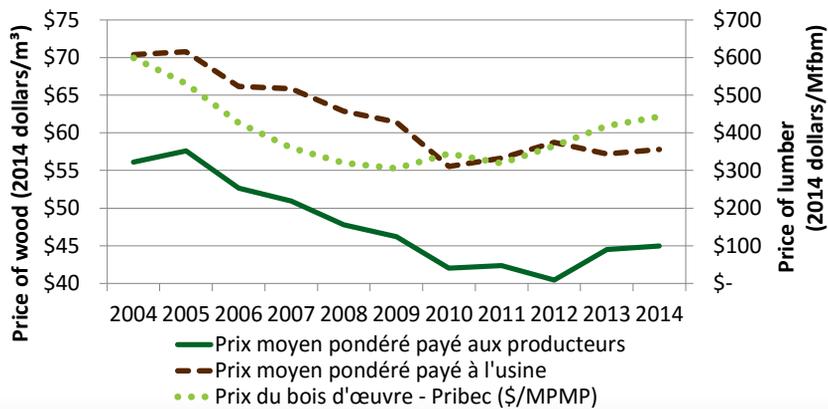
## Does harvesting correspond to owners' personal motivations?

Volume of wood harvested (firewood, pulpwood and sawlogs combined) in the last five years on owners' woodlots



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## Is harvesting worthwhile financially?



## Is there a market for the wood?

Roundwood consumption by pulp and paper, saw, plywood, composite panel and pellet mills, according to timber origin  
(million m<sup>3</sup>)

Year	Private forests	Public forests	Outside Quebec	Total	Proportion from private forests
2002	8.1	30.8	5.7	44.6	18%
2003	7.5	30.7	5.5	43.7	17%
2004	7.2	31.9	5.6	44.7	16%
2005	7.2	30.6	5.9	43.7	16%
2006	6.9	27.2	5.9	40.0	17%
2007	6.0	23.1	5.9	35.0	17%
2008	4.5	21.1	5.1	30.7	15%
2009	3.4	16.2	4.3	23.9	14%
2010	4.1	18.0	4.6	26.7	15%
2011	3.9	18.4	4.1	26.4	15%
2012	3.9	18.9	4.1	26.9	14%
2013	4.2	20.3	4.3	28.8	14%
2014	4.8	20.3	4.2	29.3	16%



## Do regulatory and tax systems encourage wood production?

Yes	No
Cost-shared program for forest management activities	Municipal taxes calculated based on skyrocketing property assessments
Tax credit for silvicultural work	Stricter municipal and provincial regulations to protect the forest cover
<i>Act Respecting the Preservation of Agricultural Land</i> to reduce the practice of lot severances and building construction	
Tax measure on restricted farm losses to encourage spending on silvicultural work by individuals	10% tax on forestry revenues (if net amount exceeds \$10,000)
Tax rollover on forest property allowing transfer to next generation	Income tax measures that do not take account of the special characteristics of silvicultural work

### **Cost-Shared Program for Forest Management Activities**

The government pays 80% of the cost of common silvicultural work, such as site preparation, tree planting and thinning.

Forest owners can do the silvicultural work themselves or with the help of forestry advisers.

The regional governmental agency is responsible for assessing the quality of the work.

### **Cost-Shared Program for Forest Management Activities**

- 60,000 (out of 130,000) woodlot owners have a forest management plan valid for ten years
- 50,000 hectares annually undergo silvicultural work supported by government programs
- 15,000 woodlot owners sell their wood to mills every year
- 2,000 forest owners get their main income from their woodlots.

## Tax Credit for Silvicultural Work

The Quebec government gives forest producers a tax credit in exchange for silvicultural work on their woodlots.

Forest owners can do the silvicultural work themselves or with the help of forest advisers.

This program complements the shared-cost program.

## Tax Credit for Silvicultural Work

A wide range of activities are covered under the program:

- Forest management plans
- Forest plantations
- Salvage cutting of trees damaged by insect outbreaks, ice storms or windstorms
- Thinning treatments for stand improvement purposes
- Repairs to forest roads or culverts
- Demarcation of sensitive forest habitats

## **Tax Credit for Silvicultural Work**

The refundable tax credit cannot exceed 85% of the property tax paid on the wooded part of the property.

However, the credit can be staggered over several years, if expenses exceed the property tax amount.

## **Tax Credit for Silvicultural Work**

### **Example:**

1. Jean Tremblay has his forest adviser carry out thinning on one hectare of his spruce plantation.
2. Under the program, he gets a credit of \$1,650/ha.
3. Tremblay's property taxes on his woodlot are \$1,000.
4. On his tax return, Tremblay can receive 85% of \$1,000, or \$850.
5. The unused portion of the expenses ( $\$1,650 - \$850 = \$800$ ) can be used in subsequent years.

### ***An Act Respecting the Preservation of Agricultural Land***

Under the Quebec law, a lot of less than 100 ha located in an agricultural zone cannot be subdivided. In addition, more than one house cannot be constructed on each 100-ha unit.

This law has reduced the fragmentation and urbanization of agricultural and forest land.

### **Tax Rollover on Forest Property**

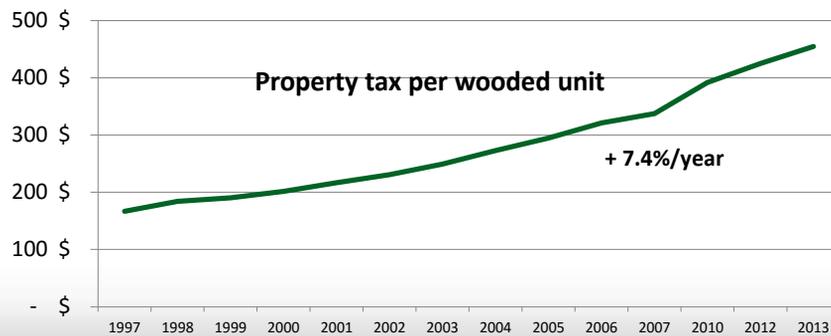
This measure allows a reduction in the capital gains tax owed when forest land is sold to the children of the owner.

It can reduce the practice of severances, which owners are forced to resort to in order to pay the capital gains tax when land is transferred.

It is infrequently used.

## Property Taxes

This tax is calculated based on the commercial value of the property.



## Tax on Forestry Operations

Net revenues that exceed \$10,000 from forestry operations are taxed 10%

## Summary

Through its various policies, legislation and programs, the Quebec government both encourages and discourages wood production. It has become increasingly difficult to maintain consistent government interventions, given the fact that different departments have different agendas.

## For more information: [foretprivee.ca](http://foretprivee.ca)

The screenshot shows the website for the Fédération des producteurs forestiers du Québec. The header includes the organization's name and a search bar. A navigation menu features several options: 'J'AMÉNAGE MA FORÊT', 'JE PROTÈGE MA FORÊT', 'JE CHERCHE UN EXPERT', 'JE CHERCHE DU FINANCEMENT', 'JE M'INFORME', and 'NOTRE FÉDÉRATION'. The 'JE CHERCHE UN EXPERT' and 'JE CHERCHE DU FINANCEMENT' options are circled in green and red, respectively. A red arrow points from the 'JE CHERCHE UN EXPERT' circle to a list of programs on the left side of the page. The list includes: STATUT DE PRODUCTEUR FORESTIER, PROGRAMME DE MISE EN VALEUR, PROGRAMME DE REMBOURSEMENT DES COÛTS FONCIERS, PROGRAMME DE FINANCEMENT FORESTIER, PROGRAMME FORÊT-RAUPE, MESURES FINANCIÈRES À LA CONSERVATION, and MESURES FISCALES DISPONIBLES. The 'JE CHERCHE DU FINANCEMENT' section is also visible, with a sub-heading and introductory text.