



*SNB private woodlot owners and harvesters participating in a field tour during the INFOR "Around Your Woodlot" course.*

### **Upcoming Events**

*(contact SNB at 1-888-762-1555)*

#### **NB Federation of Woodlot Owners**

Annual General Meeting – Saturday, May 6  
at the Rodd Inn in Miramichi

#### **SNB Working Woodlot Program**

Annual General Meeting – Saturday, April 22  
at the Fairway Inn in Sussex

#### **SNB Joint Meeting**

Annual General Meeting – Saturday, May 27 at the  
Fairway Inn in Sussex

# 2005 SNB Woodlot Owners of the Year

## *SNB Would Like to Say: Congratulations to Harley and Bill Murray!!*

Thank you, as well, for hosting a SNB field tour for woodlot owners. This tour took place last October and included transporting those in attendance by 3 horse drawn carts and a follow-up barbeque.

Their 1500 acre property is located just off the Picadilly road. Harley Murray, 77 years old, William (Bill) Murray, 75 years and their father Stetson Murray purchased this property in 1954 and 1956.

With skills passed on by their father, a blacksmith by trade, the brothers modified tractors that could yard, split and buck hardwood into firewood. They also use a small porter in many applications as well a one-ton truck which they use to truck their products to their markets.

Their harvesting techniques are well thought out. Trees to be removed are poor quality and/or dying. In many cases these trees are marked before removal. In some of the poorer grade stands that required a full harvest they have allowed Harley's son Doug to harvest them with his processor. In the past areas that they had to harvest entirely are followed up with either planting or pre-commercial thinning. Harley's two sons and one daughter have also taken part in planting some of the areas.

Harley and Bill take pride and care in not disturbing the ground or damaging the trees left to develop further.

Harley's son Dave and Bill also run a sugar shack on the property which produces approximately 100 liters of maple syrup.

This property is accessible in two direc-

tions by well built roads and there is even a large wooden bridge built on one of these roads.

When the SNB Marketing Board presented each of them with a plaque, during the Annual General Meeting, Fraser Papers presented them with a cheque for \$1500.00 and 5000 seedlings.

The Woodlot Owner of the Year award has been established since 1990 to recognize the outstanding efforts of owners that are managing their properties. The award raises public awareness of the importance of forest management among other woodlot owners. These owners then are eligible to represent SNB owners in the Provincial competition for Woodlot Owner of the Year.

**If you know some one in your area that would be deserving of this award please contact SNB in order to fill out a nomination form. 🌲**



### **SOUTHERN NEW BRUNSWICK Forest Products Marketing Board**

Drurys Cove Rd, PO Box 4473  
Sussex, NB E4E 5L6  
Phone (506) 433-9860 · Fax (506)433-3623  
Toll Free 1-888-762-1555

The **Fundy Model Forest** provided funding to make this issue of Woodlot Advance possible. WOODLOT ADVANCE is SNB's newsletter published for private woodlot owners who own forested land in the SNB area, as well as information for the public. We invite your comments on WOODLOT ADVANCE, suggestions for articles you would like to see included or submissions you would like printed. WOODLOT ADVANCE is mailed under Canada Post agreement #0566128

## Rural Planning Update

Since our last report in the 2005 spring newsletter, there has been a considerable amount of progress with this issue.

The municipalities of St. Martins and Sussex Corner have initiated the development of a rural plan. However, these areas do not have significant amounts of private woodlots in them.

The municipality of Cambridge Narrows has completed their Rural Plan and the Minister of Local Government has formerly adopted it.

Collectively, the four parishes of Kingston, Norton, Hampton and Westfield have begun developing their plan in the fall of 2005.

The parishes of Studholm, Sussex, Cardwell, Havelock and Waterford have nearly completed their plan and are expected to begin holding public meetings during the spring of 2006.

If this is all new to you and you have never heard tell of Rural Planning, what does it all mean? In December of 2004, the province introduced new legislation to allow unin-

corporated communities the opportunity to choose a new form of local government. The very minimum that the new rural community can provide is the development of a rural plan. Although the individual plans will be designed to meet the needs of each community, all will incorporate a system of zoning similar to what municipalities now have in place. All land will be zoned for a particular use(s) and future development will be directed to the appropriate area within the community.

Landowners should make a point of participating during the public consultation process. Should there be something in the plan that you object to, this is the appropriate forum to voice your concerns. In particular, landowners should ensure that their respective properties have been zoned according to their intended use.

To obtain more detailed information concerning Rural Planning in New Brunswick, go to: [www.gnb.ca/0370/0376/0004/English/0001-e.asp](http://www.gnb.ca/0370/0376/0004/English/0001-e.asp). You can contact the Royal District Planning Commission in Sussex at 506-432-7530. 📍



### Did You Know That SNB Has Forestry Supplies For Sale?



Flagging Tape



Tree Marking Paint



Wood Cooperative Ltd.



\*\*\*We sell a variety of products that are useful to the woodlot owner or contractor, to aid in the management of the property they own or are working on. Come see us and we would be glad to help you out with all your forest management needs.

## Federation News

Following the December 23<sup>rd</sup> action plan for forestry announcement in the Legislature and following a subsequent meeting with Natural Resources Minister Keith Ashfield, it was confirmed that the Provincial Silviculture Program budget for 2006 – 2007 will return to \$8 million, also over the next five years it will increase to \$9 million, (07-08 \$8.2, 08-09 \$8.3, 09-10 \$8.5, 10-11 \$9, 11-12 \$9) Woodlot Owners and the Federation are very pleased with the budget and the commitment to a six year program.

Discussion continues on Primary Source of Supply. The government assures us they are committed to fulfilling the promise made by Premier Lord in May 2003. At the time he said, “A new Bernard Lord Progressive Conservative government will review existing legislation and market mechanisms to ensure that private woodlots are harvested in a sustainable manner and are considered as a primary source of supply for the forestry industry.” Our next step is a meeting with the PC caucus.

At a Federation meeting on March 2, Minister Ashfield said he is doing everything possible to arrange this meeting as soon as possible.

The Federation has been in contact with the Executive Director of the NB Institute of Chartered Accountants. We are looking for a collaborative approach to inform all possible on the changes around intergenerational transfer that were made in the 2001 Federal budget. The Institute hopes to place an article in their upcoming newsletter.

There have also been discussions with Department of Transportation officials regarding spring road closure, to date the only outcome has been a three day extension in the south.

Sylvicon 2006 hosted a session sponsored by your Federation on “What young

people need to continue the tradition of woodlot ownership and management.” The session was very well attended. The discussion boiled down to two issues: will young people be able to afford to own and manage woodlots, and even if they can, will they want to?

Much of the discussion on the first issue is quite straightforward:

- Do tax policies place a serious barrier in the way of intergenerational transfers? (We were told that many owners are not yet aware of the change in 2001 that allows for deferral of capital gains on transfers of managed woodlots.)
- Is adequate financing available for young people who want to purchase a woodlot? (Farm Credit Corp., a federal government agency, has policies intended to assist land purchase by accepting the land value as collateral and by tying repayment of principal to revenue from harvests with payments between harvests limited to interest.)
- Even if reasonable financing is available, will land prices justify long-term management? (A big concern is the effect of liquidation harvests on land values. If you're not prepared to liquidate, it's hard to compete with the people who do.)
- What are the prospects for forest product markets? (As our markets shrink, that's a growing worry. Biomass markets may well fill some of the gap, but only some. Another contributor to financial viability could be payments in some form for “environmental goods and services” clean water and so on, a topic that is finally emerging onto the public policy agenda in Canada. However, it

# Natural Gas Flows Through Private Woodlots

Corridor Resources Inc. is the company that has submitted an application to the New Brunswick Public Utilities Board to construct and operate a natural gas pipeline connecting the McCully natural gas field (Penobscus Area) to the Maritime & Northeast Pipeline which carries gas from the Sable Island Project.

This pipeline will be 8 inches in size and will carry the production of natural gas from 13 to 14 wells for approximately 46 km. This pipeline is scheduled to be in production by November of 2006 and has the production capacity of 30-40 wells for a 50-year life expectancy.

Before Corridor Resources Inc. receives the approval from the Public Utilities Board they must have an environmental assessment completed on the location of the pipeline. As well, public and individual landowner meetings must be held in order to answer questions or look at alternative suggestions and discuss settlements for this 30-meter easement.

Corridor Resources Inc. has hired AMEC to provide them with the Environmental Assessment and they have hired DKM Acquisitions Services Inc to inform the general public, answer questions, assess damages, assess land value and to negotiate with own-

ers.

To date what has been completed:

- Two public meetings have taken place
- Surveying of the pipe lines location
- Individual owner contacts have been made
- Proposed routes have been altered many times

What has to be done by their target date:

- More surveying because of changes made
- At least one more public meeting
- More individual consultation meetings
- Environmental assessments completed
- Environmental report completed
- Damage and land assessments evaluated
- Negotiations with owners
- Approval from the Public Utilities Board
- Harvesting or clearing of the Easement
- And then the actual construction of the pipe line

**If owners require independent consultation SNB would be happy to assist you in anyway they can.**

## Balances in Your Fund - Letters

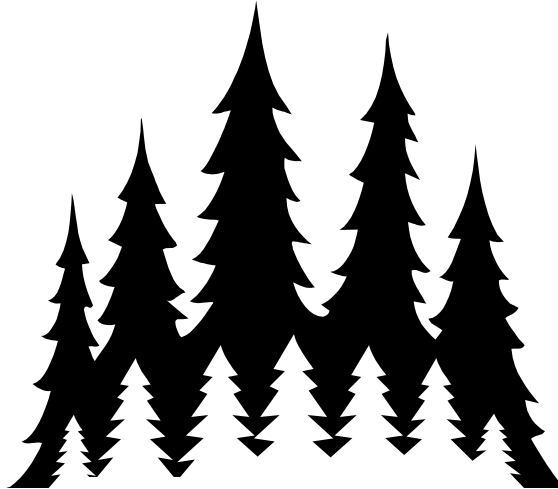
During the latter part of March, letters from SNB were sent out to woodlot owners who have forest management monies in their woodlot P.I.D. accounts. There are over 7,000 P.I.D. accounts. A tremendous number of these accounts have balances of under \$10; therefore to be cost efficient, letters are currently only be sent to you if your P.I.D. has a balance of \$10 or greater. Also included with the letters is some information on the new system implemented on April 1. As in the past, you can check on your account balance at any time by contacting our office via toll free 1-888-762-1555, local 433-9860 or by email [snb@nbnnet.nb.ca](mailto:snb@nbnnet.nb.ca).

## NB Federation of Woodlot Owner's ACOA Project to Aid Certification Efforts

The NB Federation of Woodlot Owners (NBFWO) has made a successful application for ACOA funding for a project aimed at upgrading the computer systems at the seven Marketing Boards in the province. The NBFWO and the Marketing Boards recognized the need to collect information in a more uniform way so that the Boards will be in a better position to proceed with certification efforts and the NBFWO would be better able to collect information from the Boards required for their work. The process of selecting a contractor to build this computer system has been long and involved including a process to select a contractor to develop a requirements document and then a separate request for proposals process to select a contractor to actually develop the software. The successful bidder on the project was Accesstec out of Fredericton. The process to date has included a joint development of a plan of action and three days of discussions on what the program should be able to do and how it should handle the variety of activities that each of the boards is engaged in.

The Marketing Boards have been paying producers / woodlot owners for wood deliveries, and delivering the provincial silviculture programs for years, but quickly and easily accessing the information on harvesting and silviculture activity for any given landowner has been difficult due to the fact that most of the information has historically been stored in a file folder in a cabinet or in storage in a

box. The new computer system being developed will allow for easy access to historical harvesting and silviculture activity for a landowner's woodlot, which will help both the landowners and the Marketing Boards deal with the information demands of a certification program. In addition to helping meet the demands of certification the new software should help the Boards to streamline their workloads and eliminate some of the duplication that occurs when woodlot owners access more than one service that the Marketing Board offers.



Just after Christmas, Accesstec presented the Boards with a document outlining each task that the new software will handle and all the Marketing Boards had the opportunity to make changes and suggestions for improvements. Once this process was complete the programming of the software began. Throughout the winter, Accesstec has been asking the Boards for input on how the program should function and how the users should input the required information. A working draft of the software is due to be complete by the end of March 2006 and a fully complete and functional version is scheduled to be delivered to the Boards in July 2006. With this new system in place it is hoped that the process of paying producers and silviculture workers, reporting to government and to woodlot owners will be streamlined and simplified. These benefits will be in addition to the better tracking of information and easier access to that information so that woodlot owners and Marketing Boards can pursue certification. 🌲

## Working Woodlot Program

SNB's Working Woodlot Program (WWP) continued its moderate growth during 2005-06 with 33 new woodlots joining, bringing the total hectares up to 51,763 and total woodlots up to 651.

The WWP continues to be the vehicle in which SNB plans to use for certification when the market place eventually demands the re-

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### Fundy Model Forest

The Fundy Model Forest is entering the final year of its current phase, and will be finding out from the Canadian Forest Service by March of next year what the next phase of this valuable program will look like. Currently there are three working groups at the Model Forest. There is a Sustainable Forest Management group (SNB rep. Daniel Folkins) which looks at forestry practices, an Education and Extension group (SNB rep. Greg Kierstead) which will help spread the knowledge gained to the interested parties, and a Research group (SNB rep. Rick Murray) which looks at research needs of forest managers in the Fundy Model Forest. These groups have just finished having their meetings concerning projects for the coming year. The project recommendations made by the working groups have been submitted to the executive of the FMF and the recommendations from the executive committee will be forwarded to the partners for approval in the very near future. Projects that should directly benefit woodlot owners in the upcoming year include: support for woodlot owner training courses, research into the balsam wooly adelgid (an insect that affects balsam fir) and support for the education of school teachers and school children about the forest and forestry. Anyone looking for more information on the Fundy Model Forest or the working groups can contact Jason Knox at the SNB Wood Co-op office or they can contact one of the SNB representatives from the Forest Management Committee.

quirement (see "Certification Update").

As the number of woodlots in the WWP continues to grow, so too does the demand for woodlot technical inspections from staff. In an effort to keep the costs associated with these visits to a minimum, SNB has put a system in place where an annual questionnaire is sent out to all members of the WWP. One of the primary objectives of this questionnaire is to identify the properties that are expecting activity in the upcoming year. Staff then schedules these properties for a consultative visit during the field season.

If you would like more information on SNB's Working Woodlot Program, please contact our office. 🌲

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### *Federation News continued from Page 4*

will take awhile.)

Even if woodlot ownership and management makes financial sense, do young people have an interest in pursuing family forestry as a business and vocation? Its social status is not especially high. The problem is not so much that it's low as that it's invisible. Our association needs to devote more effort to raising public awareness of the economic, social and environmental contribution we make. We need to encourage more cooperation at the local community level. We tend to be fiercely independent as managers and business people. We also cooperate with one another in all sorts of informal ways. Maybe we will find ways to expand local cooperation, and to share stories of success. Maybe some organization and promotion of mentoring opportunities can be a part of this.

Please note that the Federation Annual General Meeting will take place Saturday May 6, 2006 at the Rodd Inn in Miramichi NB. A detailed program should be available in a month's time. 🌲

## Long Term Commitment to Silviculture Funding

On December 12, 2005, the provincial government presented the forest industry of New Brunswick with an early Christmas gift. Although the primary beneficiaries of the package are the licensees and sub-licensees operating on crown land, private woodlot owners were not overlooked. The highlights of the comprehensive, \$250 million, five-year assistance package consist of:

- A commitment not to reduce the annual allowable cut (AAC) on crown land for the 2007-2012 period.
- A reduction of 25% on the royalty (stumpage fee) rate for pulp wood.
- An increase in silviculture funding of 25% over the next five years.
- The development of a biomass strategy by April of 06. This will set the stage to allow industry with access to a more economical source of energy.


Other components of the announcement include: taxation incentives, human resource development, transportation related initiatives and enhanced global competitiveness.

As part of the silviculture initiative, the Private Woodlot Silviculture program will also

be receiving the same level of increased funding. The announcement indicates funding will increase by a total of 25%.

Mathematically, this is true, but a bit misleading. Currently, the annual, provincial budget for private land silviculture is \$7.2 million and is scheduled to go to \$9.0 million by 2011, an increase of 25%. However the current \$7.2 million budget is a result of the 10% cut that our program experienced in 2004, when it was reduced from its then \$8 million level. So beginning this spring, 2006, our budget will be increased back to its pre 2004 level of \$8 million and then over the next five years, increase to a total of \$9 million.

Whether you look at it as a 25% or a 12.5% increase, it doesn't really matter, it's an increase. Lastly, and equally as important, woodlot owners now have a six-year commitment for silviculture funding. This commitment will bring desperately needed stability to the silviculture sector and will allow woodlot owner groups to build long term plans for their silviculture programs.

To read the full media report, go to:  
<http://www.gnb.ca/cnb/news/nre/2005e1738nr.htm> 

## Membership – Proposed Changes

The SNB Wood Co-op Ltd. was established in April 1974. When a member does business through a Co-op, there is an opportunity to share in the profits. New members can join simply by filling out an application, with \$5, and then it is presented to the Board of Directors for consideration. Each year at the Annual General Meeting, the members declare what the rebate to members will be. Traditionally, this rebate has been calculated on wood deliveries, silviculture and services; and was allocated to the producer. *At this year's AGM on May 27th, a proposal will be put forth that the woodlot owner, who is a member, will be the recipient of the rebate, unless that woodlot owner wishes to sign it over to the producer. Plan to attend!*

## Upcoming Field Tours for Woodlot Owners and Contractors

### Silviculture Field Tour

On Saturday, May 13<sup>th</sup> there will be a tour for woodlot owners / managers showcasing some of the silviculture options, both government funded and SNB funded, that are available to woodlot owners in the SNB area.

For more information, please call Jason Knox at the SNB office. The tour will start at the SNB office at 9 a.m. on Saturday, May 13<sup>th</sup>. Transportation will be provided.

### Best Management Practices Tour

On Friday, April 28<sup>th</sup> there will be a tour for contractor / harvesters showcasing some of the best management practices for stream crossings and working near water in general.

For more information on this tour please contact Jason Knox at the SNB office.

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SNB  
Woodlot Cooperative Ltd.

## 2005-06 Provincial Silviculture Program

The past silviculture season went smoothly with over 300 woodlot owners participating in the program. The following provides an overview of the activities completed in the SNB area over the 2005-06 season.

Planting-cutover	335 ha.
Fill planting-cutover	6 ha.
Planting-fields	41 ha.
Fill planting-fields	7 ha.
Scarification-cutovers	287 ha.
Farm land reclamation-mechanical	33 ha.
Farm land reclamation-chemical-ground	103 ha.
Farm land reclamation-chemical-air	8 ha.
Plantation release-ground	118 ha.
Plantation release-aerial	303 ha.
Plantation cleaning	174 ha.
Pre-commercial thinning	1188 ha.
	<b>Sub-total</b>
	<b>2603 ha.</b>
Planting-fields-via Forest 2020	36 ha.
	<b>Total</b>
	<b>2639 ha.</b>

Along with the above, there were also 70 management plans completed through the silviculture program. The Forest 2020 project was a one-time program funded through Forestry Canada aimed specifically towards abandoned farmland.

For 2006-07, we are expecting the overall volume of the silviculture program will increase by 10% as recently announced by the provincial government (see "Long Term Commitment to Silviculture Funding"). The majority of this additional funding will be directed toward pre-commercial thinning and plantation cleaning.

It is hoped that the increased funding for 2006 and subsequent increases for the five years following will help address the year-plus, long waiting lists that we currently have. 🌲

### Certification

The seven marketing boards in the province and the NB federation of woodlot owners are involved with the Canadian federation of woodlot owners in an effort to develop a recognized certification scheme for private woodlots across Canada. The goal is to have a simple, easily implemented certification program that is cost effective for private woodlot owners, that is recognized by the major certification bodies like the Forest Stewardship Council (FSC), Canadian Standards Association (CSA), and the Sustainable Forestry Initiative (SFI) as being up to their standards. The Pan Canadian Certification Program is the result of all of the work done by many woodlot owners and Marketing Board staff from all over the province and the nation. This system developed by woodlot owners and their representatives has been picked up by the Canadian Standards Association (CSA) and is being tested this spring in five pilot sites across Canada, including one in New Brunswick. This pilot study will be watched carefully and the lessons learned will be incorporated into the final program. Further updates on this certification program will be provided, as they become available.

## SNB Fund 2005-2006

During the 2005-06 season, woodlot owners accessed a record level of forest management credits. To the end of January, a total of \$203,000 had been used for a variety of activities. Out of the total, \$100,000 was used to cover owners' "out of pocket" expenses for treatments under the provincial silviculture program. The remaining \$103,000 was used for the following activities:

Boundary Line Maintenance	\$10,264	
Boundary Line Reconnaissance	12,443	
Boundary Line Surveying	\$3,649	
Road Construction	\$ 20,584	
Culverts	\$828	
Seedlings	\$11,433	
Commercial Thinning	\$11,439	25 ha.
Semi-Commercial Thinning	\$22,932	38 ha.
Uniform Shelterwood	\$613	2 ha.
Uniform Selection	\$2,658	7 ha.
Release Cutting	\$4,898	20 ha.

The 2006 season will bring significant changes for the SNB Forest Management Fund. These changes are a result of over three years of analysis. As approved by Board, forest management credits generated after April 1<sup>st</sup>, 2006 will no longer be tracked by PID but rather will be deposited into the new General Fund. Credits accumulated up to that date will remain in the PID account until the owner uses them or they mature to the General Fund after reaching ten years of age.

As part of this new system, SNB will be creating a new method of providing owners with financial incentives for alternative harvesting treatments. Once you have utilized all of your forest management credits in your PID account(s), you will be eligible to participate in this new funding mechanism for alternative harvesting activities. 🏡

### Sustainable Forest Initiative (SFI) Trained Forest Worker Courses

#### INFOR – Best Management Training For Contractors

INFOR has developed a training course that has been approved by the SFI Implementation committee and has been delivered several times in the SNB area since 2004. This course is a relatively quick way for contractors/harvesters to get the training that they need in order to access the pulp market in Cherryfield Me. and the poplar market in Houlton.

#### INFOR – “Around Your Woodlot” course

INFOR has altered the “Around Your Woodlot” course to provide a woodlot management course as well as meet the SFI standard. We are currently offering the INFOR course in February/March in the Hampton area. The staff at SNB is currently offering training for harvesters and woodlot owners in best management harvesting principals around the SNB board area. These training courses are being presented by SNB staff who have been trained to present adult education courses. There has been a continuing stream of requests from landowners and harvesters who are interested in participating in these Trained Forest Worker courses.

The maximum class size per course is 20 participants. During the first few years of offering these courses SNB has trained over 200 woodlot owners and contractors, and we intend to continue offering both the “Around Your Woodlot” course and the “Best Management Training for Contractors” courses in the coming year.

The Fundy Model Forest, SNB and the course participants themselves all provide the funding for these courses.

## Sylvicon 2006

Sylvicon is an annual event held in Fredericton to promote communication, information transfer and dialogue within the province's forest industry. It brings together professionals from all aspects of the sector, as well as other interested participants. This year's focus was on development, innovation, research and technology.

Usually a two day event, the first day is scheduled for Annual General Meetings of the Association of Registered Professional Foresters (ARPF), NB Forest Products Association (NBFPA), NB Forest Technicians Association (NBFTA) and Canadian Institute of Forestry (Maritime Branch). Also, a meeting for woodlot owners is held by the NB Federation of Woodlot Owner's. The second day is reserved for the technical sessions, some politics and a little fun. We'll just briefly discuss the technical stuff.

For a woodlot owner, some presentations are sometimes very technical and on topics that are for large scale forestry. But don't be too quick to discount them, as with the first topic entitled "Accelerating best forest management practices with a high-resolution wet-areas and flow-channel mapping tool" by Dr. Paul Arp. His research has developed computer modeling to predict where the wet areas will be on the land. Using GIS mapping, a refined depth to water table is created for the landscape. As we know there are wet areas within the forest stands that can cause difficulty and should be avoided. If these areas can be easily predicted and identified they can be avoided or at least minimized.

Wayne Powers of Rege Nord Ltd. presented his company's developments in GPS and information tracking. This information, again, is focused to help the large scale forest base and their users. As with society, time and resources need to be managed efficiently and centrally. To stay competitive one must look toward new technology with out distain, but with open-mindedness as to its applications. With GPS tracking and GIS mapping, satellites and cell phones, information can be delivered from the field to the office in the matter of seconds. And if time is money then this will surely reduce costs for forest managers.

Research on domestic Canada Yew (*taxus canadensis*) by Dr. Ron Smith has enlightened many as to the ways to propagate and grow this species in plantations. The importance of this plant to cancer treatment and research is vital in maintaining a stable supply to the pharmaceutical industry.

This could have benefits for woodlot owners who have unavailable land for forestry or agriculture (re: power line right-of-ways, pipelines, old fields, etc.) that could be planted with Canada Yew. This would be a step into integrated resource management.

Plains, strains and wind tunnels, now that sounds

more interesting. Gerry Cormier of Forest Protection Ltd. (FPL) presented what this company is up to. With the new planes and equipment for controlling forest fires and insect infestations, FPL has been able to expand its services around the world. It has acquired a wind tunnel (from the Acadian Research Forest Centre) and has set it up to test its different nozzle configurations for spraying pesticides and herbicides.

Since pests and fires do not respect boundary lines and migrate from crown to private to freehold and then back again, new developments in fighting these forest threats will benefit everyone.

Fritz Weirathmueller has oil on his mind: specifically, how to keep it inside hydraulic pumps, hoses and pistons. His company Spill Check Inc. has developed bi-directional check valves and E-stop systems to reduce the flow of hydraulic fluid onto the ground when hoses or fittings break. These systems not only will benefit the environment, but also the pocket book.

One of the hot topics lately within the forest industry has been energy from biomass. So hot that the government couldn't ignore it and so included it as one of their action items. Therefore, the presentation by Bruce McCallum, president of CANBIO was very timely. CANBIO is short for Canadian Biomass Association, which was formed to promote the use of biomass as an energy source. He gave many examples of schools, businesses and other high volume users of energy that have switched to biomass for heat and energy.

Since we seem to be going into a marketplace that doesn't want low quality forest products or at least can't afford to pay the cost to produce them, this is one avenue for its use. The challenge will be how to organize and manage this change in our ways of managing the forests. Woodlot owners should be in the forefront by investing and developing projects that will create a need for their low quality wood and biomass. The technology is already here, do we dare to use it?

Each topic, as you can read was informative. They showed that the forest industry in New Brunswick isn't dead, far from it, but if we ignore or neglect research and development we may someday find it that way. For woodlot owners, it may seem that individually we can't accomplish much, but by positively working together we have enough land base, knowledge and experience to forge ahead with confidence.

Three simple rules were stressed at the beginning of the sessions. These rules are will ensure success in whatever we do. They are:

Do what's right – be honest and fair

Do your best – all the time, in everything

Treat others as you would like to be treated

If all business's operated this way, imagine what could be accomplished. 🏡

# Taxation and the Managed Woodlot: Keeping it in the Family!



*Are you concerned about the future of your woodlot? Are you worried that the many values that you and your family, friends and community have enjoyed may be lost in the future if the woodlot is sold or inherited by a person who does not have the same level of interest in environmental woodlot stewardship?*

In his December, 2001 Budget, the Hon. Paul Martin announced that managed woodlots would receive the same capital gains tax treatment as family farms, when passed from one generation to another within the family. The tax will be deferred indefinitely as long as ownership remains within the family.

What does this mean to the landowner, or to the woodlot owner who has practiced good management of his or her land? It means that you can keep the woodlot in the family without incurring the significant taxes that owners used to have to pay prior to this change in the Income Tax Act.

For a woodlot owner to meet the requirements of this policy, which came into effect on Dec 10, 2001, the woodlot must qualify as a "commercial farm woodlot" as defined in The Canadian Revenue Agency's **Interpretation Bulletin IT 373R2**, and the woodlot must be managed according to a management plan.

What is needed to qualify as a "commercial farm woodlot"?

1. You must demonstrate that you operate your woodlot as a business, with a "reasonable expectation of profit." The following list covers some of the ways in which you can show your intentions:

- A management plan for the woodlot. If you don't already have one, seek the assis-

tance of a professional forester or forest technician and put a plan in place as soon as possible. The Federal Government is currently in the process of establishing the mandatory content of such a plan to make it qualify. Until those guidelines are officially published, the types of plans currently used will suffice.

- A simple business plan which will estimate expected costs and revenue over time.
- Records describing how these plans have been implemented, including the activities undertaken and the time you spent. Some of us are organized, some are not! But it is important in this case to keep careful records tracking the plans and any other work or activities you carry out on your woodlot.
- Records of training you have taken, as well as additional technical advice you have obtained. This includes contacting your woodlot owner association or private consultant.
- Records of time you spend on the business. As you work on your woodlot, make sure you record that time as an investment into your woodlot business.
- Membership in a woodlot owner association.

2. The main activity of this business is caring for the woodlot through good management practices to grow trees for eventual sale. A business that mainly involves buying woodlots in order to harvest them would not be considered a farm woodlot business.

To take advantage of this opportunity to avoid taxes and maintain family ownership of your woodlot, it is important to develop plans

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## Conservation Easements for Working Land

As they near retirement, many farmers and woodlot owners often have concerns about what will happen to the land that they have carefully managed during their working lives. When they consider selling it to fund their retirement or passing it on to the next generation, they look for assurance that the land will continue to be productive and managed with good stewardship.

For the past two years, Fundy Model Forest supported projects to promote and develop conservation easements on working woodlots. These projects were carried out by the NB Community Land Trust, which was formed in 1995.

Working farms and woodlots are the base of much of New Brunswick's rural economy. Fundy Model Forest sees conservation easements as a tool for landowners who wish to ensure that their farms and woodlots continue to be managed sustainably and continue to benefit local communities.

Conservation easements to preserve farmland and working woodlots are new to this province. Some frequently asked questions are:

### **What is a conservation easement?**

A conservation easement is a voluntary, legally binding agreement between a land owner and a land trust. It outlines the land use restrictions that the owner wishes to place on their working land, so that it remains in sustainable production through time.

### **What sort of land use restrictions can be included in a conservation easement?**

Land use restrictions can be quite simple or quite complex, depending on what specific restrictions the landowner wants to include.

### **Can the land be sold or passed once a conservation easement is in place?**

A conservation easement allows land to be sold or passed on to the next generation. However, the future owners are required to abide by the stewardship principles of the conservation easement.

### **Is there a tax benefit for land conservation?**

Landowners, who place a conservation easement on their property, or donate all or part of the property in trust, are eligible for an income tax credit. The value of the credit is established by the value of the donated property, or the difference between fair market value and the (reduced) value created by the conservation easement restrictions.

### **What is the role of the New Brunswick Community Land Trust?**

The purpose of the NBCLT is to support ecologically sustainable land use practices and economic development in rural New Brunswick by helping landowners establish conservation easements on their land. It can also accept land donations and hold land in trust.

For more information, please contact the New Brunswick Community Land Trust at (506) 461-5521 or visit [www.nbclt.org](http://www.nbclt.org). Email: [nbclt@nbnet.nb.ca](mailto:nbclt@nbnet.nb.ca). Or you may contact the Fundy Model Forest at 1-800-546-4838 (Maritimes only) or (506) 432-7575. Email: [info@fundymodelforest.net](mailto:info@fundymodelforest.net) or visit [www.fundymodelforest.net](http://www.fundymodelforest.net). 🌲

*Taxation.....continued from Page 13*

and begin carrying out good management practices as soon as possible. It is important to demonstrate your commitment over as long a period of time as possible. Don't wait until just before the transfer. Since every situation is different, you should contact your accountant or lawyer before making financial decisions. For more information, consider contacting your local woodlot owner association regarding the specific details for your province.

*This information has been provided by the Private Woodlot Strategic Initiative, a collabora-*

*tion between the Canadian Model Forest Network and the Canadian Federation of Woodlot Owners. For more information, please visit [www.woodlotscanada.ca](http://www.woodlotscanada.ca) or [www.modelforest.net](http://www.modelforest.net) or contact Fundy Model Forest 506-432-7565. You may obtain a copy of the Woodlot Owners Journal 2006 for record keeping by contacting Fundy Model Forest. Natural Resources Canada supports the Canadian Model Forest Program. 🌲*



*Mount Allison University student Ben Phillips (left) and Dr. Colin Laroque of MAD Lab (Mount Allison Dendrochronology Laboratory) conducted field research in Fundy National Park area last year. During his research, Phillips discovered the oldest red spruce in North America. It is 445 years old. He gave a talk about his research in Sussex on March 27.*

## Forestry & Wildlife Quiz

1. Which of the following would be the main contributing factor to creosote build-up in your chimney/wood stove?

- a) Burning dry/seasoned wood
- b) Burning wet/unseasoned wood
- c) Burning only dry hardwood
- d) Burning only dry softwood

2. Which of the following species has the highest BTU (heating value) rating?

- a) apple b) tamarack c) sugar maple d) red oak

3. What is a pickaroon?

- a) A sub-species of the racoon family
- b) A type of food commonly eaten for desert
- c) A device used to move around pulpwood or logs
- d) A device used to split large blocks of firewood

4. Which of the following species of shrubs/herbs would you most likely find in a forested wetland?

- a) Jack-in-the-pulpit
- b) Purple trillium
- c) Ground hemlock
- d) Labrador tea

5. What is this type of tool used for?



- a) Spearing fish
- b) Rolling logs over
- c) Picking pulpwood up and carrying it to a trail
- d) Inserting into the notch of a tree to help push it over

6. What is "Dendrology"?

- a) The study of trees and woody plants
- b) The art and science of producing or tending a forest
- c) The study of insects
- d) The art and science of growing garden plants

7. What is the name of this insect that commonly defoliates trees and is found in large webbed "tents" on hardwood trees?



- a) Eastern tent caterpillar
- b) Forest tent caterpillar
- c) Western tent caterpillar
- d) Eastern spruce budworm

8. What type of leaf is this?

- a) Poplar
- b) Grey birch
- c) Beech
- d) Willow



9. What type of leaf is this?

- a) Manitoba maple
- b) Hop-hornbeam or Ironwood
- c) Yellow birch
- d) White ash



10. What is the total amount (%) of productive forest land for N.B. in private ownership (i.e. not crown, federal or industrial freehold)?

- a) 51%
- b) 29%
- c) 18%
- d) 2%

Submit your quiz answers to Jamie Floyd at [jfloyd@snbwc.ca](mailto:jfloyd@snbwc.ca)

Answers to last quiz (Spring 2005): 1. a), 2. b), 3. d), 4. c), 5. a), 6. d), 7. c), 8. c), 9. a), 10. a)