Forestry or Agriculture:
A Case for Diversification - Project No. 042

More than 80 ranchers, agrologists and foresters met in Dawson Creek and Fort St. John on April 29-30, 1988 to discuss diversification in agriculture in the Peace River Region. The two 1-day seminars were organized by Northern Lights College and funded by the Canadian Forestry Service under the 5-year $300 million Canada - B.C. Forest Resource Development Agreement (FRDA). The purpose of the seminars was to provide participants with the opportunity to hear and meet people experienced in coniferous and deciduous forestry and integrated land use.

A complete proceedings of the 14 presentations is available from the Canadian Forestry Service in Victoria as FRDA Report #042 (see last page of this memo for address). A summary of each presentation is included here.

Charlie Lasser, Chairman of Northern Lights College gave an informative and thought-provoking talk entitled Personal experience in integrated farming and ranching. By comparing the past to the present Mr. Lasser showed that times have indeed changed, and within this context of change he made his case for Peace River ranchers to move into integrated agriculture and forestry.

He suggested that Peace River ranchers could raise high quality cattle, grow hay, and if they preferred, diversify into game farming with deer, reindeer, elk, or buffalo. He suggested that, with minor investments, hay could be grown and sold profitably to clients in the lower mainland or the interior. Mr. Lasser suggested that an aspen wood lot could provide winter work and income when pulpwood could be harvested. He explained how, on his own ranch, he was successful in managing cattle, and game animals in conjunction with aspen stands and hay fields. Charlie Lasser's presentation included numerous tips and experiences on getting the most in terms of forage, livestock, and pulpwood from a piece of land.

Mr. El Framst, a long-time farmer from Cecil Lake, B.C., presented a personal history of farming in the Peace River region. Mr. Framst spoke of the hardship that faced families such as his when they settled near Cecil Lake in spring, 1930. He outlined how, by keeping expenses to a minimum, they were able to pay their bills and slowly expand the size of their holdings.

Mr. Framst explained how the B.C. Rail made a significant difference to their grain sales. It reduced the hauling distance at the farm and reduced their freight charges on shipments to Vancouver. He concluded that the biggest change in farming was not technological, but rather it was the change from farming as a way of life, to farming as a way to make a living.

LeVern Merkel, Timber Officer with the B.C. Ministry of Forests in Prince George, presented a fact-filled history of forestry in the Peace River region. Mr. Merkel reviewed the history from several aspects. First, he defined the land base upon which forestry was practised and forest investments were made. Next, he reviewed the structure and growth of the forest industry and the employment it had provided. Last, he reviewed how the rate of harvest had grown.

In 1930 the Peace River Block, an area of some 5470 square miles, which the Province had conveyed to the Dominion in aid of railroad construction, was returned to the Province. Within a few years the Peace River forest industry was comprised of nine small portable sawmills producing 5 500 000 fbm (approx. 360 500 m$^3$) in lumber and ties. In contrast, the recent Louisiana Pacific waterboard mill built in Dawson Creek and the Fibrecor pulp mill at Taylor have each helped to push up the volume of products coming from Peace River forests. The latest sustained-yield A.A.C. approved by the Chief Forester was 3 100 000 m$^3$, nearly ten times the production of the early 30's. Merkel points to the major forest management job facing the Peace to maintain these new production levels.

Wayne Thorp, RPF, Wood Procurement Forester with Louisiana - Pacific Panel Products Ltd. in Dawson Creek presented a talk and slide show on the deciduous resource in the Peace River area; an industrial perspective. Mr. Thorp covered the topic of aspen (poplar) in terms of value and distribution, hardwood management, hardwood harvesting, as well as providing his personal view on the future of the hardwood resource in the Peace.

Mr. Thorp pointed out that aspen is one of the most widely distributed tree species in North America. He also explained that, unlike other regions, aspen reproduces best in even-aged stands by suckering. Suckering is the development of new trees from dormant buds in the parent tree's root system. Aspen requires direct sunlight for suckering to occur.

Thorp presented aspen as the "true champion" of multiple use. He stated "...it provides excellent wildlife habitat, domestic range area, excellent nurse crops for conifers, it heals quickly our scarred landscape, provides dazzling fall colours, and as a pioneering tree species it regenerates rapidly with short rotations."

Bob Clarke, Forestry Superintendent with Canadian Forest Products Ltd. in Fort St. John, presented the industrial perspective on coniferous sawlog production. Through the use of tabular statistics, Mr. Clarke demonstrated how the supply of coniferous timber had fallen short, and will continue to fall short of the milling capacity and demand in the Peace. From this position Mr. Clarke built a case for ranchers interested in diversification to look carefully at managing their existing conifer stands for sawlog production or to consider planting pine or spruce on their class 4 and 5 land. To match the
existing timber shortfall in the Peace, Mr. Clarke estimates that up to 250,000 hectares of farmland could be used for growing softwood species.

Arthur Hadland, P.Ag., and Jim Collins, P.Ag. of InterAg Group in Fort St. John presented hard numbers on the financial consequences of converting privately owned class 4 and 5 farmland from grain production to perennial hay or forest. Using their economic model the agrologists found that, given today’s market for hay and aspen, only hay showed the potential for a marginal profit.

They were quick to point out, however, that if forest production on private land can be teamed-up with additional land from the Crown, through a long-term lease, prospects of success would be improved. Also, given the projected long-term global wood shortage, prices for aspen may increase by the year 2000 to justify today’s investment.

The two speakers felt that other forestry products worthy of consideration included Christmas trees, fence posts, pine shakes and firewood.

Mr. Jim Pearson of Pearson Forestry Consulting Ltd., Beaverlodge, Alberta presented three economic scenarios for growing trees on the farm. Mr. Pearson drew upon data from actual cases and costs from examples in the Peace in developing his “ball-park” figures. His three scenarios were:

1. Trees as a crop; growing pine trees to age 50 on farmland.

2. Trees as a crop with FRDA; growing pine to age 50 on farmland with supplemental funding through the FRDA program and

3. Converting cropland with FRDA and a Woodlot Licence; gaining financial assistance from FRDA to convert private land plus utilizing the Woodlot Licence program available from the province.

Mr. Pearson presented realistic scenarios for each of these options along with his “bottom line” projection. He also presented four alternative strategies for listeners to consider as examples of the many alternatives and combinations that are available. He emphasized the need for good long-term planning, including the identification of personal and family objectives and resources, and he recommended that ranchers make use of any and all extension services available.

An economic model projecting returns to woodlot owners utilizing aspen for sale in pulp was presented by Mr. Ray Fautley of the Canadian Forestry Service in Prince Albert, Saskatchewan. In a similar manner to Mr. Pearson, Ray Fautley compared costs and returns for a sustained-yield harvesting of aspen for pulpwood on 40 hectares to the costs and returns of growing barley. His bottom line figures show an annual return of $84.00/ha for aspen as compared with $106.20/ha for barley. However, Mr. Fautley points out that if the wood produced was utilized for higher-value products (eg. dimensional lumber, posts and rails) and consideration was given to the intangible benefits of soil and water conservation or wildlife habitat, for example, a substantially higher net return could be expected. Mr. Fautley suggested that the time has come for ranchers to seriously consider developing a private woodlot strategy.

Mr. Jim Johnston, also with the Canadian Forestry Service in Prince Albert, highlighted a number of agriculture-forestry examples from Saskatchewan. His examples ranged from farmers selling sawlog timber on-the-stump, to Christmas tree culture. Mr. Johnston suggested that the time had come for farmers to look at forestry as an opportunity worth considering and that foresters should be looking at private land as a long-term source of forest products.

Peter DeMarsh, President of the New Brunswick Federation of Woodlot Owners, spoke on the development of a woodlot owner organization. He reviewed experiences with woodlot owner organizations in Quebec, Nova Scotia, and his home province. He explained how, due to the buying monopoly of several major forest products companies, individual woodlot owners found it difficult to effectively market their forest products. However, formation of a woodlot owner organization 15 years ago had allowed them to work toward an effective marketing system.

Mr. DeMarsh points out that dollars are key to private woodlot management, both in terms of investment and income. He adds that it is up to the woodlot owners to decide on the kind of organization and marketing system they want. The organization must be independent if it is to be effective and it must be backed by solid government support. Also, where markets don’t exist, Mr. DeMarsh feels that his organization is responsible to develop them.

Mr. Ian Tavias, a forest policy graduate student from UBC presented a paper prepared by Dr. Les Reed and himself on a global view of softwood timber resources. After reviewing the resources of B.C.’s competitors in the United States, Europe, the USSR, Pacific Rim, and Africa, Tavias concluded that B.C. has reason to be optimistic about the future. He and Dr. Reed argued that projections for softwood production from these regions are inflated, and by their calculations, quality softwood will be in short supply globally by the start of the next century. Consequently, they advocate a positive long-term view to B.C. forestry, especially investment in intensive silviculture.

Mr. Peter Sanders of the UBC Research Forest spoke about propagating and managing trees for long term forest production. He spoke about the benefits of stand uniformity and uniform products, about striving for a high “harvest index”, about species that are easily grown and about keeping the forest free from disease and defects. Mr. Sanders also discussed the merits of keeping private-land forestry complementary with other land uses and retaining a variety of options. He discussed what information and assistance is currently available and also where the information exist. Mr. Sanders’ paper closed on an optimistic note. He feels the Peace holds great promise for an industry based on the integration of agricultural and forest resources.

The topic of diversification into game ranching was presented by Mr. Bill Bickford, a game rancher from Cecil Lake, B.C. Mr. Bickford discussed his experiences with raising...
bison, presented his personal views on the value of mixed farming and proposed a number of alternative strategies to help ranchers move toward diversification.

Mr. Bickford feels that game farming could have an excellent future in the Peace with a market that is well ahead of the supply and a climate ideal for growing hay. He also sees aspen crops easily fitting into this game farming scenario. Mr. Bickford suggests, however, that major information gaps exist for many ranchers interested in diversification. He proposed a joint agriculture-forestry demonstration site be established of sufficient size to simulate an average Peace River ranch.

Mr. Henry Litzenberger of the Peace Liard Venture Corporation presented a visionary perspective on diversification of product to meet diversifying markets. He showed that the demand for chicken eggs and other food products in Hong Kong is sufficient to create a boom market for the Peace. Mr. Litzenberger also explained how these products could be transported fresh and by air to Hong Kong at a lower cost than was possible from the lower mainland. He also suggested that similar markets exist for other types of products and encouraged ranchers to investigate these opportunities.

Copies of the entire proceedings “Forestry or Agriculture: A Case for Diversification” are available as FRDA Report 042 while supplies last from:

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