The Social and Economic Importance of Canada’s Privately Owned Forest Lands

Key Points
- Private forests make up 6% of Canada’s 402 million ha of forested land and 13% of the managed forest.
- Private forests produce 18% of the logs and fibre used by Canada’s forest products industry; contribute almost $7 billion to the national GDP and support 80,000 jobs in rural Canada.
- Private forests provide most of the forest-related Environmental Goods & Services in the settled regions of Canada: watershed and water quality conservation, biodiversity, wildlife habitat and landscape aesthetics.
- Forest owners deserve encouragement to keep their forests in production and recognition for their contribution to Canadians’ quality of life.

Privately Owned Forest Land in Canada

Ownership of Canada's Forests

Conservation of water quality is just one of the many environmental goods and services (EG&S) private forests provide.

As Canadians, we think of our forest land as a vast resource that provides economic, recreational and ecological benefits to everyone. The majority of Canadian forests are publicly owned by provincial governments. As such, they belong to all Canadians, and the benefits are shared equally by all Canadians.

Given the dominance of this paradigm in Canada, it is easy to forget that a significant portion (approximately 6%) of forested land is actually privately owned. Approximately 450,000 individual woodlot owners, farmers and companies own private forest land. Although this is a small proportion of the total forest area, due to their location and management, these forests tend to produce more environmental goods and services (EG&S), and higher economic value. Privately owned forests are generally located in more productive regions of the country, and closer to developed areas. As Canadians, we all benefit from the environmental goods and services (EG&S) these forests provide; however, it’s important to remember, the cost of providing these services is born solely by the individual landowner, not the general public who enjoy the benefits.

Ownership of Forest in Selected Countries (%)

92% of Canada’s 310 million ha of forest land is publicly owned – a much higher percentage than most forested countries.
Canada’s 6 million ha of federal forest land is not actively managed for timber and the annual harvest is small. For these reasons, federal forest land is not included in most sections of this report. Of Canada’s 310 million ha of forest, only 215 million is considered suitable for management and production of timber (used in the manufacture of sawn lumber, wood-based panels and pulp & paper products). Of this 215 million ha, perhaps only 188 million, is actually under management. These figures are estimates. The area of publicly owned forest land under management license to forest products companies changes, periodically, depending on the state of the economy.

Of the 188 million ha of managed forest land in Canada, only 25 million, or 13%, is privately owned. This 13% of privately owned managed forest land produces 18% of Canada’s timber supply. The location of these forests follows the pattern of railway construction and agricultural settlement. 20 million ha, or 80%, of private forest land is in private woodlots, averaging 40 ha in size, and owned by an estimated 450,000 rural families. 5 million ha, or 20%, is termed private industrial forest – properties averaging 10,000 ha, or larger, owned by a mix of forest products companies, individuals, municipalities and other organizations.

![Ownership of Forest and Other Wooded Land (OWL) in Canada - Total 402,485,000 ha](image)

**Table 1 – Ownership of Forested Lands in Canada (in millions of hectares)**

<table>
<thead>
<tr>
<th>Category of Forest</th>
<th>Total</th>
<th>Territorial</th>
<th>Provincial</th>
<th>Federal</th>
<th>Private Industrial</th>
<th>Private Woodlots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Wooded Land</td>
<td>92</td>
<td>20 (22%)</td>
<td>72 (78%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forest</td>
<td>310</td>
<td>36 (12%)</td>
<td>243 (78%)</td>
<td>6 (2%)</td>
<td>5 (2%)</td>
<td>20 (6%)</td>
</tr>
<tr>
<td>Totals</td>
<td>402</td>
<td>56 (14%)</td>
<td>315 (78%)</td>
<td>6 (1.5%)</td>
<td>5 (1.5%)</td>
<td>20 (5%)</td>
</tr>
<tr>
<td>Managed Forest</td>
<td>188</td>
<td>-</td>
<td>163 (87%)</td>
<td>-</td>
<td>5 (3%)</td>
<td>20 (10%)</td>
</tr>
</tbody>
</table>

Private forest landowners take pride in managing their forests sustainably.
Despite a relatively small area, privately owned forest lands provide significant environmental and economic benefits to all Canadians.


Canada’s relatively small area of privately owned forest land makes a disproportionately large contribution to the national timber supply, forest-related ecosystem goods and services (EG&S), as well as the socio-economic well-being of families living in rural regions. While private forest lands cover only 6% of Canada’s total forested area, they represent 13% of Canada’s managed forest land. The proportions vary greatly across the country.
### Table 2 – Provincial Forest Land under Active Management Licences and Private Forest Ownership by Province (000 ha or %)*

<table>
<thead>
<tr>
<th>Province</th>
<th>BC</th>
<th>Alta</th>
<th>Sask</th>
<th>Man</th>
<th>Ont</th>
<th>Que</th>
<th>NB</th>
<th>NS</th>
<th>PEI</th>
<th>N&amp;L</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provincial Forest under Licence (e)</strong></td>
<td>46,700</td>
<td>21,700</td>
<td>5,800</td>
<td>10,300</td>
<td>25,000</td>
<td>38,800</td>
<td>2,900</td>
<td>1,000</td>
<td>0</td>
<td>11,000</td>
<td>163,200</td>
</tr>
<tr>
<td><strong>Private Industrial</strong></td>
<td>900</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>744</td>
<td>1,000</td>
<td>1,210</td>
<td>850</td>
<td>-</td>
<td>65</td>
<td>4,794</td>
</tr>
<tr>
<td><strong>Woodlots</strong></td>
<td>1,200</td>
<td>1,535</td>
<td>400</td>
<td>987</td>
<td>4,795</td>
<td>6,800</td>
<td>1,785</td>
<td>1,780</td>
<td>238</td>
<td>36</td>
<td>19,577</td>
</tr>
<tr>
<td><strong>% Private Forest</strong></td>
<td>4.3</td>
<td>6.7</td>
<td>6.5</td>
<td>8.7</td>
<td>18.1</td>
<td>16.7</td>
<td>50.1</td>
<td>72.5</td>
<td>100.0</td>
<td>0.9</td>
<td>13.0</td>
</tr>
</tbody>
</table>

*Unpublished reports and Dansereau & de Marsh 2003

### Environmental Benefits

Private forest land provides the majority of forest-related EG&S in the settled regions of Canada. For this reason, forest owners should be encouraged to keep their land in forest. Forest-related environmental goods and services (EG&S) include:

- **Watershed Regulation and Flood Control**: Due to their location near settled regions, private forests often play an essential role in watershed regulation and flood control. Compared to cleared or urban land, a forested watershed has a much greater capacity to absorb water into the soil, re-charge the water table and moderate surface runoff during the heavy rains and melting snows of spring.

- **Conservation of Water Quality**: Forests help to conserve two key aspects of water quality – water temperature and sedimentation. Trees provide shade to keep water cool. Cool water maintains a higher oxygen content than warm water. Insects fall off tree branches beside the watercourse and provide food for fish and other aquatic life. Erosion is the main source of sedimentation. A forested watershed has more moderate runoff patterns and less erosion. Sediment damages the gills of fish and can destroy gravel beds used for spawning. Private forests, in particular, make an important contribution to the conservation of aquatic habitat, and to the purity of community water supplies.

- **Wildlife Habitat**: With the exception of densely populated areas, Canada has maintained the majority of original forest cover. In urban areas, and areas where most of the land has been cleared for agriculture, farm woodlots, and other forested lands, provide important wildlife habitats for forest dwelling wildlife: animals, birds and amphibians.

- **Biodiversity Conservation**: Many species of trees, shrubs, ground vegetation, birds, animals, amphibians and insects require a forest ecosystem to thrive. Deforestation, conversion to agriculture and urban sprawl all contribute to the loss of biodiversity. Private forest lands tend to be located in the southern regions of Canada. These areas are more productive and provide...
habitat for species that are indigenous to these regions. By maintaining their land in forest, private owners make a significant contribution to conserving biodiversity and maintaining thriving forest ecosystems.

- **A Reservoir of Forest Carbon:** It is widely recognized that forests constitute an important pool of carbon. Trees take carbon out of the atmosphere through photosynthesis and tree growth. This carbon is stored in the trees. Green wood, by weight, is about 25% carbon. The national forest carbon reservoir is sustained by keeping forest land in a healthy growing condition. Forest management operations take place without damaging the forest carbon reservoir by ensuring quick regeneration of harvested areas. The majority of harvested carbon is stored in solid wood products; this results in a net carbon uptake.

- **Outdoor Recreation:** Forest lands, together with lakes and streams, provide an excellent resource for outdoor recreation – hunting, fishing, hiking and camping. Due to their proximity to settled areas, private forests are often widely used for recreation.

- **Landscape Aesthetics:** Forested hills and mountains provide the backdrop for Canada’s tourism industry. They also provide enjoyment for all Canadians, both urban and rural. Often, the vistas we enjoy the most are a result of careful management by individual landowners.

**Socio-Economic Benefits**

The amount of annual harvest from privately owned forest land depends largely on market factors. Over a 10-year period (2000-2009) the average harvest from private forest land was 32 million cubic meters of saw logs and pulpwood – a significant contribution to the socio-economic well-being of rural Canadians.

*Canada’s private forests play an important role in climate change mitigation by storing vast amounts of carbon.*

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[Graph showing Canada's annual timber harvest from provincial and private forest lands from 2000 to 2009.]
A recent economic study in New Brunswick indicates that a cubic meter of wood contributes $220 to the provincial GDP. The harvest and manufacture of 1 million cubic meters of wood, into building materials and pulp and paper, supports 1,300 direct, and 1,200 indirect, jobs (D. Campbell Jupia Inc.). It is fair to estimate that 2,500 families gain economic and social benefits from every 1 million cubic meters of wood harvested and manufactured into building materials and paper products, each year.

**Canada’s private forest contributions:**

- GDP – 32 million m$^3$ x $220 = over $7 billion each year
- Employment – 32 million m$^3$ x 2,500 jobs = 80,000 jobs

This is an important contribution to the socio-economic well-being of rural Canadians.

**Forest Land Productivity**

In Canada, private forest land is more productive than publicly owned land. Private lands are generally located in regions of the country where early agricultural settlement was concentrated. Railways were built to provide long-distance transportation to these early settlements. The soils in these regions are generally more fertile, and the climate is often more moderate than in northern parts of the country where most publicly owned forests are located. Proximity to markets, good soil quality, moderate climate and the management objectives of the forest owners all contribute to the superior productivity of private forest land.

![Image of forest and trees](image)

**Table 3 – Productivity (cubic meters/ha/year) of Forest Lands in Canada by Ownership**

<table>
<thead>
<tr>
<th>Category of Ownership</th>
<th>Territorial</th>
<th>Provincial</th>
<th>Private Industrial</th>
<th>Private Woodlot</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Forest Land (000,000 ha)</td>
<td>-</td>
<td>163 (84%)</td>
<td>5 (3%)</td>
<td>20 (10%)</td>
<td>188</td>
</tr>
<tr>
<td>10-yr average harvest (000,000 m$^3$)*</td>
<td>-</td>
<td>146 (82%)</td>
<td>11 (6%)</td>
<td>21 (12%)</td>
<td>178</td>
</tr>
<tr>
<td>Avg. harvest m$^3$/ha</td>
<td>-</td>
<td>.90m$^3$/ha</td>
<td>2.2m$^3$/ha</td>
<td>1.05m$^3$/ha</td>
<td>0.92m$^3$/ha</td>
</tr>
</tbody>
</table>

*The 10-yr average harvest is for the period 2000-9 based on data from NRCan National Forestry Database.

![Image of logging truck](image)

**Private forests provide $7 billion annually to Canadian GDP.**
Level of Active Management

Most of the 5 million ha of private industrial forest land in Canada is actively managed to produce timber. In many cases, timber production is the main business of the forest owner. The private industrial forest lands on the BC coast and the Maritime Provinces are among the most productive forest lands in Canada. They are carefully managed for timber and other values. Most are certified to one of the three sustainable forest management certification programs used in Canada.

450,000 owners manage Canada’s 20 million ha of private woodlots to meet a wide variety of objectives. For some owners, the annual revenue from woodlot harvesting makes an important contribution to the family finances. For others, woodlot harvesting may only happen periodically, when market conditions offer attractive prices, or when the family needs extra money to cover a significant expense. It is estimated that 20-30% of private woodlots are not managed for timber, but for other objectives. All private forest land, whatever the management objectives, makes an important contribution to the rural economy and provides significant forest-related EG&S.

It is important to note: an estimated half of privately owned forests are located in the southeastern region of Canada where the Deciduous, Great Lakes-St. Lawrence and Acadian forest regions provide the majority of high-quality tolerant hardwoods found in the country.
Private Land, Public Land: A Fundamental Distinction

Due to huge areas of publicly owned forests in Canada, private forest land is often forgotten. The owners of Canada’s 25 million ha of private forests are proud of the services they provide; however, they’re concerned that their interests will be overlooked by federal and provincial policy makers. It’s critical to their families and their livelihoods that policy makers recognize the distinction between publicly and privately owned land.

Forest-related Ecosystem Goods & Services
Society places an increasing value on forest-related EG&S. Private lands make a significant contribution to Canada’s forest-related EG&S. In most cases these contributions are taken for granted by Canadian society as ‘free goods’. Private forest owners should be recognized and rewarded for the contributions they make.

Property Rights
25 million ha of rural Canada is private forest. This forest land is very productive and has significant ecological value. Forest owners have the right to manage their lands to meet their objectives. As property owners and taxpayers their rights must be recognized. They do not have the right to use harmful practices. Forest management practices must be consistent with public policy objectives. If public policy objectives impose restrictions on the management, productivity and revenues from these lands, the owners should be compensated.

Property Taxes on Forest Land
Land taxation should be based on actual use of the land. Private lands make an important contribution to society, at large, through the provision of forest-related ecosystem goods & services, as well as timber that supports jobs and economic activity. These contributions should be recognized and rewarded through an appropriate rate of property taxation.

Private forest lands provide many of the stunning vistas Canadians are so fortunate to enjoy.

Canada’s private forest landowners take pride in their land, and deserve recognition for the EG&S they provide to the benefit of all Canadians.

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