

Forestry Futures Trust Committee
2007/08
Annual Report
Forestry Futures Trust



Forestry Futures Trust Committee

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*FFTC thanks Pat Pelech for
providing the artwork for the cover*

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Mike Barker, Member

Bob Elliott, R.P.F., Member

Ric Monzon, R.P.F., Member



**FORESTRY
FUTURES
TRUST
ONTARIO**

January 23, 2009

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Honourable Donna H. Cansfield
Minister of Natural Resources
6630 - 99 Wellesley St. W
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Toronto, ON M7A 1W3

Dear Minister:

This year has presented an interesting challenge of designing and delivering the variety of programs that the Forestry Futures Trust Committee (FFTC) oversees within the tough environment of a forest industry in transition. Funding for the core Forestry Futures Trust (FFT) continues to be based on a fixed (\$0.48/cu m) charge levied on harvest volumes. With a reduced harvest, income to the Trust was far less than the \$10 m level set during the establishment of the Trust in the mid-1990s, despite a growth in requests for funds to treat increases in areas burned, levelled by wind, damaged by insects and a full program for provincial audits of Sustainable Forest License units.

The Committee continued to oversee its full program: the original Silvicultural Fund (the call for proposals was cancelled due to insufficient funds in the Trust, but ongoing projects were monitored); the winding up of the Enhanced Forest Productivity Science program (EFPS); the Independent Forest Audits (IFA); the Far North Development (FNFD) program, which supports community-based land use planning north of the Area of the Undertaking; and the enhanced Forest Resource Inventory Program (eFRI). This year the Committee, working with the assistance of MNR staff, oversaw the addition of the initiative to convert SFL's to Co-operative SFL's. This included the design of a standard application and review process.

Since the funding of Silviculture projects began, the FFT has funded \$152 m of the \$229.4 m requested by applicants. This represents a 66.5% approval of funding requested from the inception of the Trust. To date, 76% of applications submitted to the FFTC have received full or partial approval. Since 1996, the greatest emphasis has been remediation (category 2). Stand Improvement (Category 1) was emphasized between 2003 and 2006. In 2003, the FFTC was concerned that Class Z lands were not being regenerated so this

activity was added to the FFT mandate (Category 5) in 2004. Approval rates for this category were high in the first two years (100% for 2004 and 68% in 2006). Protection projects also had high approval rates. There were two dips in 2004 and 2006 but even in 2007, when the forestry industry was beginning to exhibit challenges, average applicant contributions were 40%.

With respect to the co-operative SFL program, MNR created a new process to convert single entity SFLs to shareholder SFLs where it added value. The following benefits are anticipated: more efficient management of disputes, increased wood availability, reduced delivered wood costs, equitable sharing of costs amongst shareholders, increased wood supply and reduce management costs with management unit amalgamations. The Forestry Futures Trust Committee oversees the allocation of the funds remaining from the original SFL Conversion program (\$3.2 million) for this new program.

During the first year of operation, the FFTC received and approved 5 applications for funding to help in the formation of co-operative SFLs from single-entity SFLs:

1. Hearst Forest Management Inc.
2. Thunder Bay Woodshed Inc.
3. Pic River Cooperative Inc.
4. Lake Nipigon Forest Management Inc.
5. Cochrane Area Forest Cooperative

A total of approximately \$1.4 million was allocated to the 5 above-mentioned projects during the 2007/08 fiscal.

Throughout the year, the committee held or participated in a total of 56 meetings. Meetings were held in Thunder Bay, Sudbury, Sault Ste. Marie and Toronto. In addition to the formal meetings, exchanges took place between the Chair and applicants, project managers, auditors, MNR staff and among Committee members by email and/or phone to conduct Committee business.

These uncertain times have given the FFTC an opportunity to reflect on priorities and to revisit its decision-making criteria in order to strengthen the rigour of fiscal tracking. It has also provided the stimulus to identify where the Trust can make the greatest contribution to sustaining both the forest estate and oversight functions.

I will close by extending my thanks to the dedicated members of the Forestry Futures Trust Committee and the cooperative support provided by the Ministry of Natural Resources secretariat. I continue to enjoy the opportunity to serve as Chair of the Committee overseeing the implementation of the above programs that contribute positively to enhancing forestry in the province. It is therefore my pleasure to present you with the 2007/08 Annual Report of the Forestry Futures Trust. The report format has been modified to provide trend information in addition to a summary of work completed to date. As always, if you have any questions, please contact me at the Thunder Bay office.

Sincerely,



H. Maureen Kershaw,
Chair

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INTRODUCTION

The 2007/08 Annual Report of the Forestry Futures Trust Committee (FFTC) marks the thirteenth year of operation of Ontario's Forestry Futures Trust (FFT). The Trust was established under the authority of an amendment to the *Crown Timber Act*; that amendment was subsequently carried forward in Part V of the *Crown Forest Sustainability Act* (1994).

The Trust fund is managed by the Trustee, RBC Dexia Investor Services Trust and funds are allocated to successful applicants under the direction of the Forestry Futures Trust Committee. The Committee members are appointed by the Minister for a three year term, which may be renewed at the discretion of the Minister. The Trust is funded by harvest volume charges on Crown timber that are paid by the Sustainable Forest Licensees.

PURPOSE OF THE FUND

The Forestry Futures Trust shall, according to Section 51 of the *Crown Forest Sustainability Act*, provide for the following matters on such terms and conditions as may be specified by the Minister:

1. The funding of silvicultural expenses in Crown forests where forest resources have been killed or damaged by fire or natural causes.
2. The funding of silvicultural expenses on land that is subject to a forest resource licence, if the licensee becomes insolvent.
3. The funding of intensive stand management and pest control in respect of forest resources in Crown forests.
4. Such other purposes as may be specified by the Minister.

Source: Crown Forest Sustainability Act, Section 51(3)

Other purposes specified by the Minister for which Trust funds are currently being used include:

1. Independent Forest Audit program (IFA)
2. Enhanced Forest Productivity Science program (EFPS)
3. Reclamation of Class Z or Category 1 lands (See page 12 for definition of Class Z Lands)

In addition, the FFTC is managing funds for three other programs:

1. Far North Forestry Development Initiative (FNFD) program. This program supports the development of community-based land use planning in the part of northern Ontario not covered by the Timber Class Environmental Assessment. Funds for this initiative came from a single deposit from the Ministry of Natural Resources (MNR) to the Forestry Futures Trust.
2. Enhanced Forest Resource Inventory (eFRI) program. This program is designed to develop a new Forest Resource Inventory, utilizing current technologies, for the portion of the province with the "Area of the Undertaking" as defined by the Timber Class Environmental Assessment. Funds for this program come from a percentage of the harvest volume charge that is paid by the Sustainable Forest Licensees on Crown timber. These funds are administered from a separate account within the Forestry Futures Trust account.
3. SFL Conversion to Co-operative Initiative (SFL Co-op). This program is based on a cooperative business model among forest companies and other persons or stakeholders who both invest in the sustainable management of forest resources and gain benefit from its use. These funds are administered from a

separate account within the Forestry Futures Trust account and draw from funds remaining from the original SFL Conversion program.

ELIGIBLE APPLICANTS

Silviculture project applications can be submitted by Sustainable Forest Licence holders who have a forest management unit account or sub-account in good standing in the Forest Renewal Trust. In the case of the forest pest management projects, the Ministry of Natural Resources may also apply. The Committee cannot consider project applications submitted by a licensee, where the Minister advises the Chair that the licensee is delinquent in paying Crown charges related to the licensing or harvesting of Crown timber.

For the Far North Forestry Development Initiative, there are 15 eligible First Nations or affiliated Tribal Council applicants in the defined Northern Boreal Initiative Area north of the Timber Class Environmental Assessment (EA) Area of the Undertaking. First Nations working with Ministry of Natural Resources will engage in work related to consultation activities, community-based land use planning and the collection of Aboriginal and forest values in order to explore the potential for/or support economic development.

The Enhanced Forest Productivity Science program, which is winding down, was open to all forest researchers (government, industry, academic and private) through a request for proposal system. EFPS applicants are required to provide matching funding from other sources. Research conducted under EFPS is intended to benefit forest sustainability on Crown lands in Ontario and all results will be available in the public domain. Information and knowledge generated from EFPS projects are required to be communicated by the investigators to the forestry community and other relevant groups using a variety of effective methods including publication, presentation, website and workshops.



October 3, 2007 IFA field visit: Crossroute Forest regenerating Jack Pine.

Although funding for the Enhanced Forest Resource Inventory program is administered by the FFTC, it is a MNR program managed by the MNR and regulated by its work standards and government wide procurement and contract management requirements. The FFTC has developed procedures to approve payments for eFRI work done for invoices authorized by the MNR project managers. Select members of the FFTC are actively engaged in the eFRI Provincial Forest Inventory Advisory Committee which provide specific advice on the eFRI program components and management.

The SFL Conversion to Co-operative Initiative applicants/shareholders will be comprised of interested parties of forest companies, sawmills, wood processing facilities, First Nations, independent loggers, communities and other forest users. Each group will assign a contact person as a representative.

COMMITTEE BUSINESS

2007/08 was a year of change for the Forestry Futures Trust Committee. The most notable change was related to the operation of the flagship Silviculture program. In this reporting period, no silviculture rounds were announced for the first time since the inception of the Forestry Futures Trust. The Trust is dependent on harvest volume charges paid by industry, and with the severe downturn in the forestry industry the deposits made to the Trust were significantly reduced. Consequently there were only sufficient funds to meet prior commitments (based on previous \$10 million/annum forecasts). As such, the FFTC was unable to make any commitments to a new round without going into a deficit position.

During times of economic challenge, greater emphasis is placed on tracking the activities of the Trust accounts. The Committee responded to this need by tightening up forecasts and expenditures as well as a more proactive pursuit of delinquent reports and overdue invoices in partnership with the FFTC Secretariat.

During this reporting period the SFL Conversion to Co-operative Initiative was added to the FFT mandate. This addition was in response to the Minister's Council on the Forest Sector Competitiveness report released in May of 2005.

In summary, the FFTC continues to function as an independent decision-making body responsive to changing priorities. "What is best for the forest" remains the basis for every decision made by the Committee.

SILVICULTURE PROGRAM – STAND MANAGEMENT, REMEDIATION AND PROTECTION

As stated previously, this was the first year in the history of the Trust that the Committee was unable to extend an invitation for a silviculture round due to the low level of income deposited into the Trust, and the need to meet previous commitments. This decision was not taken lightly as the Committee places a great deal of value in the work that results from the Silviculture program.

As there were no new rounds announced for this reporting year, the opportunity presents itself to report on the accomplishments of the Silviculture program to date. Since the funding of Silviculture projects began, the Forest Futures Trust has funded \$152,818,062 of the \$229,441,889 requested by applicants (Table 1). This equates to 66.5% approval of funding requested from the inception of the Trust. As illustrated in Figure 1, 76% of the total numbers of applications submitted to the Forestry Futures Trust Committee have received full or partial approval.

Table 1: Summary of Committed Funding for Approved Silviculture Projects (as of March 31, 2008)

Round #	Total \$ Committed	Total Spent
1	12,448,254.00	11,023,045.58
2	6,739,015.00	5,268,592.82
3	5,854,503.00	3,392,588.02
4	556,093.00	447,866.29
5	5,698,214.59	4,648,923.52
6	2,770,909.00	1,806,835.00
7	5,037,953.40	3,548,233.46
8	6,826,112.00	4,339,034.55
9	8,556,066.00	8,302,134.60
10	6,179,161.00	5,026,192.51
11	5,204,209.00	3,926,707.75
12	3,734,635.00	3,076,467.73
13	4,288,471.00	3,806,211.01
14	4,094,689.00	3,771,968.22
15	6,265,938.00	3,884,599.21
16	6,806,399.00	5,945,872.63
17	11,362,827.00	9,163,685.71
18	3,529,381.00	2,767,961.60
19	6,434,817.00	3,768,023.06
20	10,555,964.00	8,325,012.45
21	6,888,893.00	4,030,214.01
22	3,890,093.00	3,203,288.35
23	13,355,970.00	9,251,918.46
24	2,052,409.00	994,963.50
25	3,687,086.00	1,869,011.24
TOTAL	152,818,061.99	115,589,351.28

Note:

Rounds 19 – 25 have projects that are considered open and have outstanding commitments. Rounds 1 through 18 have been completed and are considered closed.

Figure 1: Approved Applications versus Not Approved and Distribution of Funding by Region

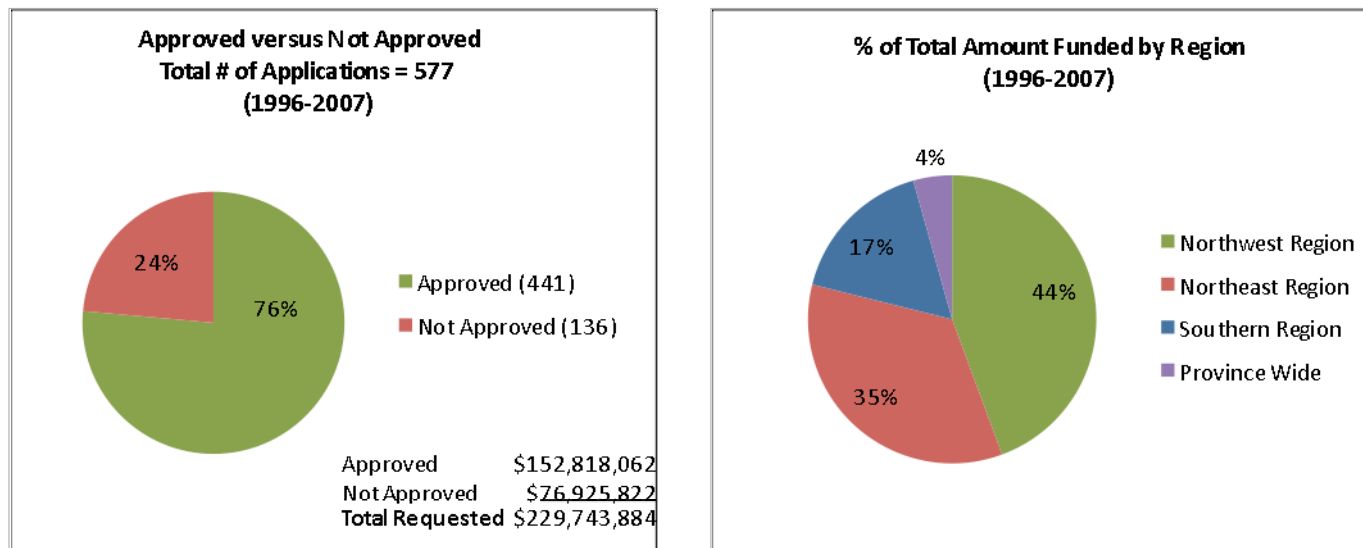


Figure 1 illustrates the percentage of projects approved and distribution of funds invested by Region since the inception of the Trust.

Figure 2 shows that percentage of amounts approved compared to that requested by Region were fairly consistent: Northwest Region 61%, Northeast Region 70%, Southern Region 76% and Province Wide 66%. The amounts requested and approved however varied. The distribution of the requests versus approved by region is also illustrated in Figure 2.

Figure 2: Amount of Funding Requested versus Approved by Region (1996-2007)

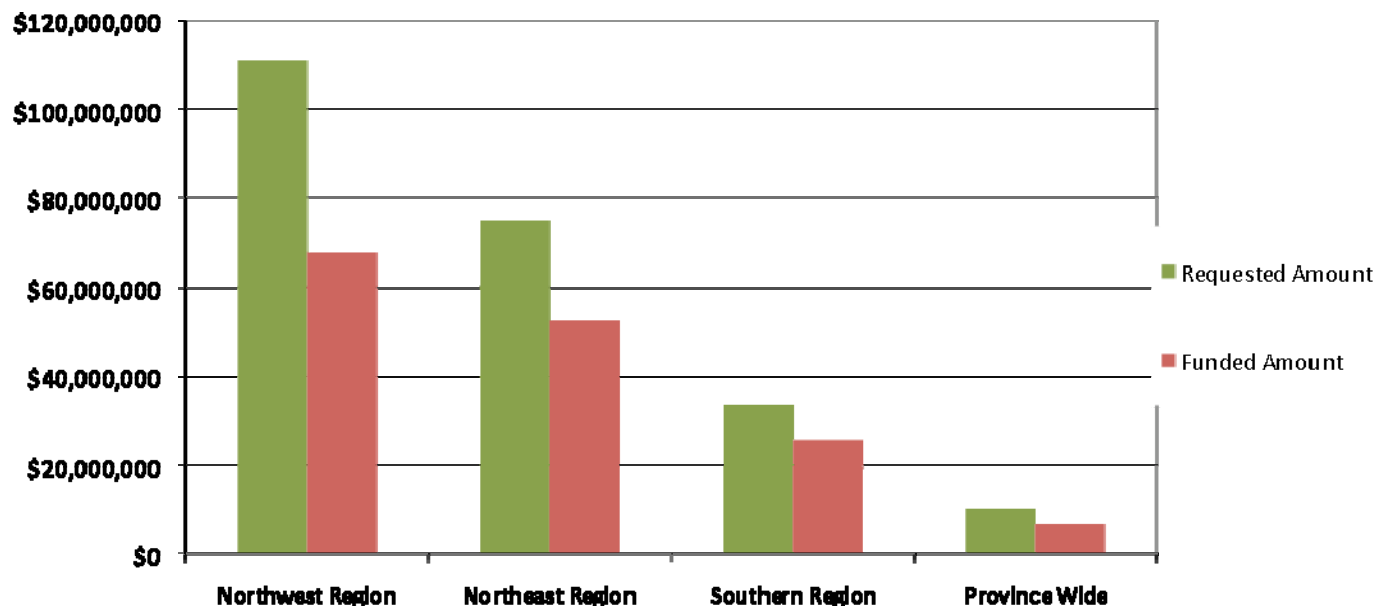
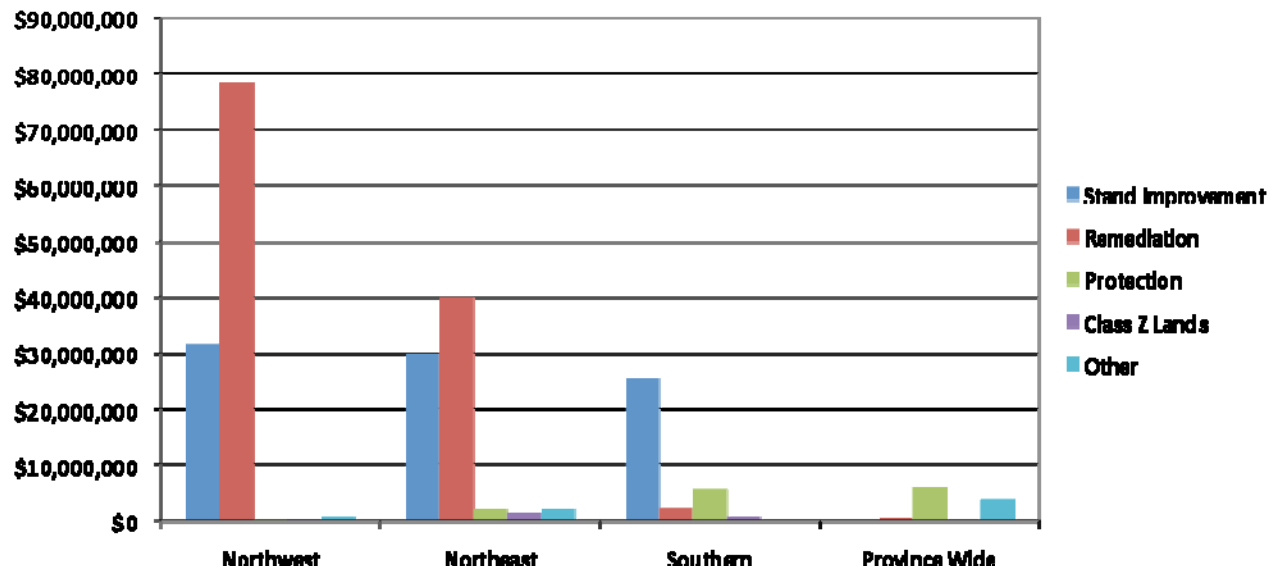


Figure 3 illustrates the different emphasis of types of investment requests made by Region. In the Northwest and Northeast Regions, Remediation of large fire disturbances is demonstrated. Stand Improvement projects are the priority across the Northwestern, Northeastern and Southern Regions.

Figure 3: Distribution of Allocated Funds by Category and Region (1996-2007)



Applications are approved based on priorities set by the FFTC at the time of review. These vary by year as illustrated in Figure 4. Since 1996, the greatest emphasis has been on Remediation (category 2). Stand Improvement (category 1) was also emphasized between 2003 and 2006. In 2003 the FFTC were concerned that Class Z lands were not being regenerated. As such this activity was added to the FFT mandate (category 5) in 2004 and projects were funded. Approval rates for this category were high in the following years (100% for 2004 and 68% in 2006). Protection projects, which are clinical in nature, also had high approval rates in all years.

Figure 4: Distribution of Funds by Category and Year

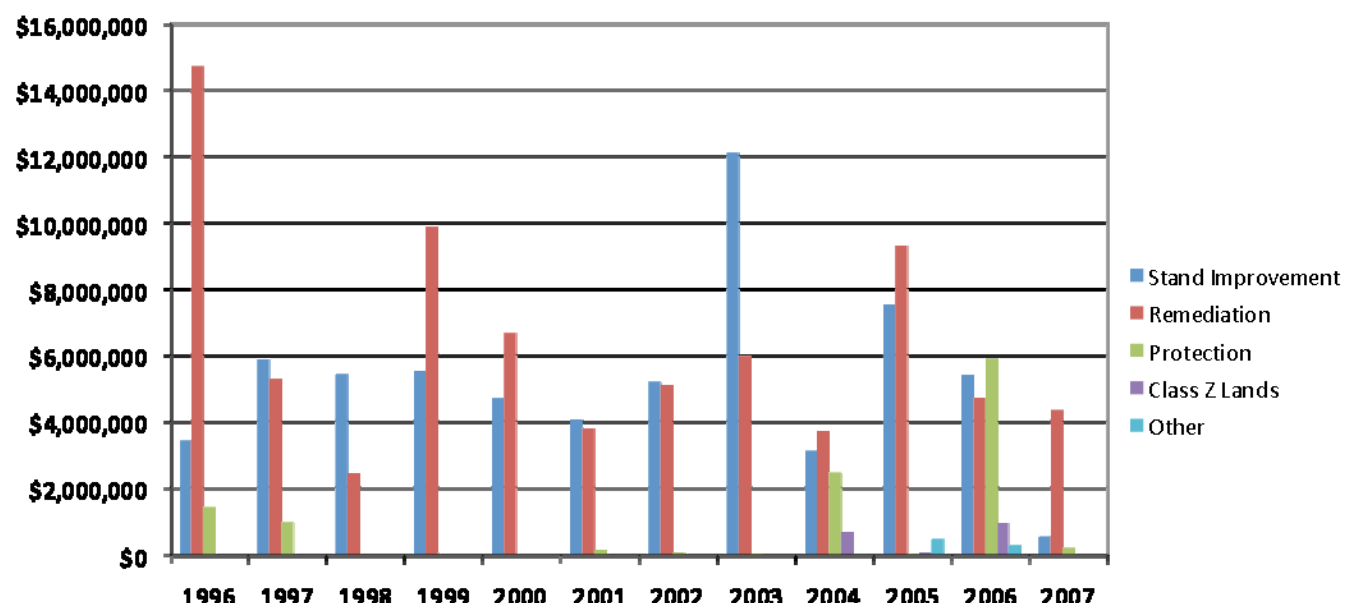


Table 2: Summary of Committed and Available Funds, 1994 - 2007 (as at fiscal year 2007-2008)*

FFT INCOME	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Starting Balance	17,210,257	16,652,069	22,634,472	23,563,076	22,680,562	17,078,230	5,853,154	4,184,906 +
Revenue	9,365,981	12,729,368	12,729,421	11,547,932	10,438,017	9,166,399	10,899,338	7,500,000 +
Carry-forward	1,643,412	2,955,664	2,449,669	2,736,861	3,135,589	3,787,547	2,569,927	74,620.00
TOTAL INCOME	28,219,650	32,337,101	37,813,561	37,847,870	36,254,168	30,032,175	19,322,420	11,759,526 +
EXPENSES								
Trustee Fees/Audit of FFTC	121,342	81,138	99,637	79,119	85,000	85,000	85,000	85,000
FFTC Expenses	114,790	312,388	316,290	341,391	526,288	748,550	292,305	300,000
SUB-TOTAL	236,132	393,526	415,927	420,510	611,288	833,550	377,305	385,000
FFT Account								
Silviculture Program/Funds Committed by Round								
	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Round 7								
Round 8	1,161,680							
Round 9	1,085,411							
Round 10	1,544,268	361,200						
Round 11	1,549,067	1,284,944						
Round 12	2,302,901	655,410	388,390					
Round 13	1,758,066	1,782,859	747,546					
Round 14	367,127	1,740,721	1,220,591	766,250				
Round 15		2,268,432	2,874,451	1,123,055				
Round 16		338,413	2,691,932	2,410,228	1,365,826			
Round 17			3,523,222	4,763,893	3,075,713			
Round 18			1,648,820	1,072,765	764,826	42,970		
Round 19				2,765,867	2,431,680	1,237,269		
Round 20					5,291,742	2,963,609	2,300,613	
Round 21					1,988,017	3,240,871	1,660,005	
Round 22					173,800	2,163,675	1,048,172	504,478
Round 23						8,797,154	3,167,586	1,391,230
Round 24						96,800	1,112,407	558,742
Round 25							1,964,977	682,665
SUB-TOTAL	9,768,520	8,431,979	13,094,952	12,902,058	15,091,604	18,542,348	11,253,760	3,137,115
Other Purposes								
Independent Forest Audit Fees	1,562,930	877,124	739,606	1,144,739	1,197,246	1,702,732	885,539	494,212
Enhanced Forest Productivity								
Round 1					1,575,800	1,687,000	1,252,925	61,275
Round 2						713,391	667,985	441,825
Memberships**				700,000	700,000	700,000	700,000	700,000
SUB-TOTAL	1,562,930	877,124	739,606	1,844,739	3,473,046	4,803,123	3,506,449	1,697,312
TOTAL EXPENSES	11,567,582	9,702,629	14,250,485	15,167,307	19,175,938	24,179,021	15,137,514	5,219,427
CURRENT YEAR BALANCE	16,652,069	22,634,472	23,563,076	22,680,562	17,078,230	5,853,154	4,184,906	6,540,099 +

* Data prior to 2001/02 can be found in previous annual reports or by contacting the FFT office

+ Represents projected numbers

** Commitments by the Minister of Natural Resources – Membership to Forintek and Forest Genetics Ontario

APPLICANTS' CONTRIBUTIONS

As stated earlier, there was no silviculture round held in the 2007/2008 reporting period. This fact creates an opportunity to summarize in-kind contributions from 1996-2007 (there was no data available for 1995/1996). Data was obtained from the Annual Reports from 1996/1997 onward. The in-kind contribution information used in the Annual Reports is from the original approved applications.

Figure 5 illustrates the average applicant contribution (%) by category. Category 6 (Other) had the highest applicant contributions; these represent standard operational treatments that are paired with two science-based projects funded through the Forestry Futures Trust Enhanced Forest Productivity projects in 2005 and 2006. All remaining four categories are close to being equally represented with respect to applicant contributions. Category 2 (Remediation) had the lowest applicant contributions at 21%. These projects were largely conducted on salvage cuts or burnt plantation where earlier FFT funds had already been invested.

Figure 5: Percentage of Applicant Contribution by Category from 1996-2007

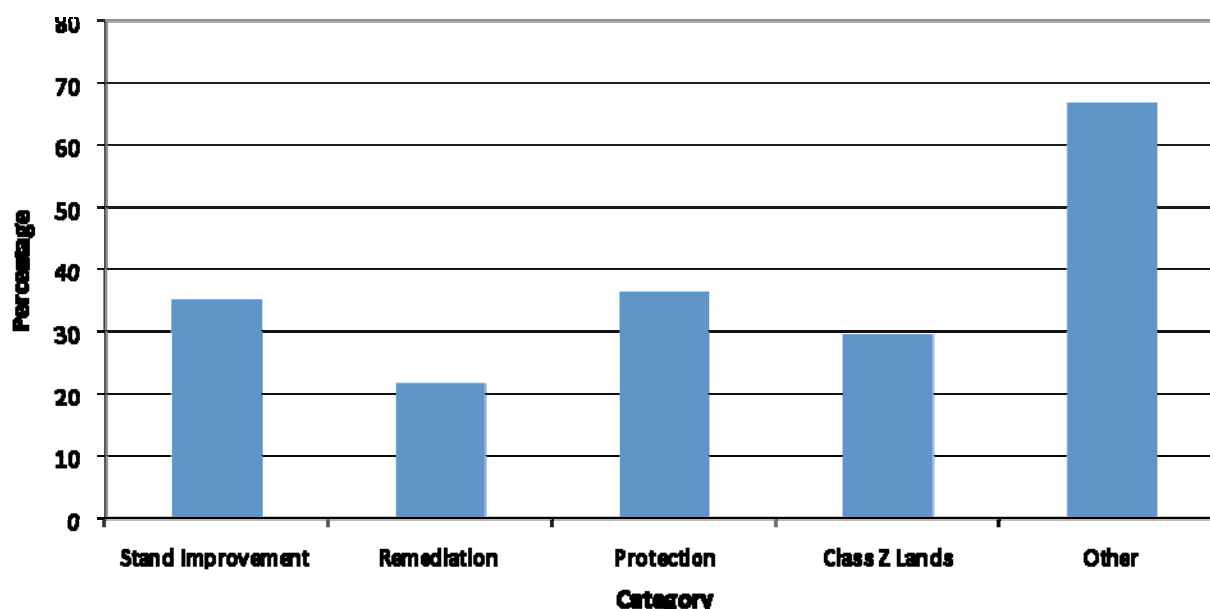
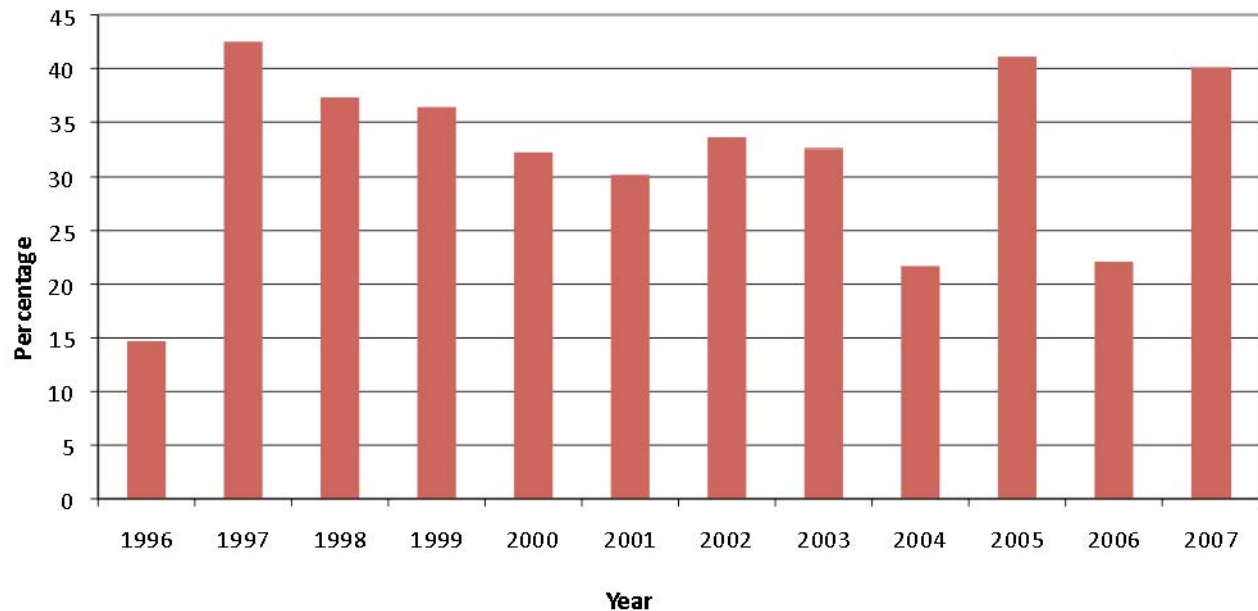


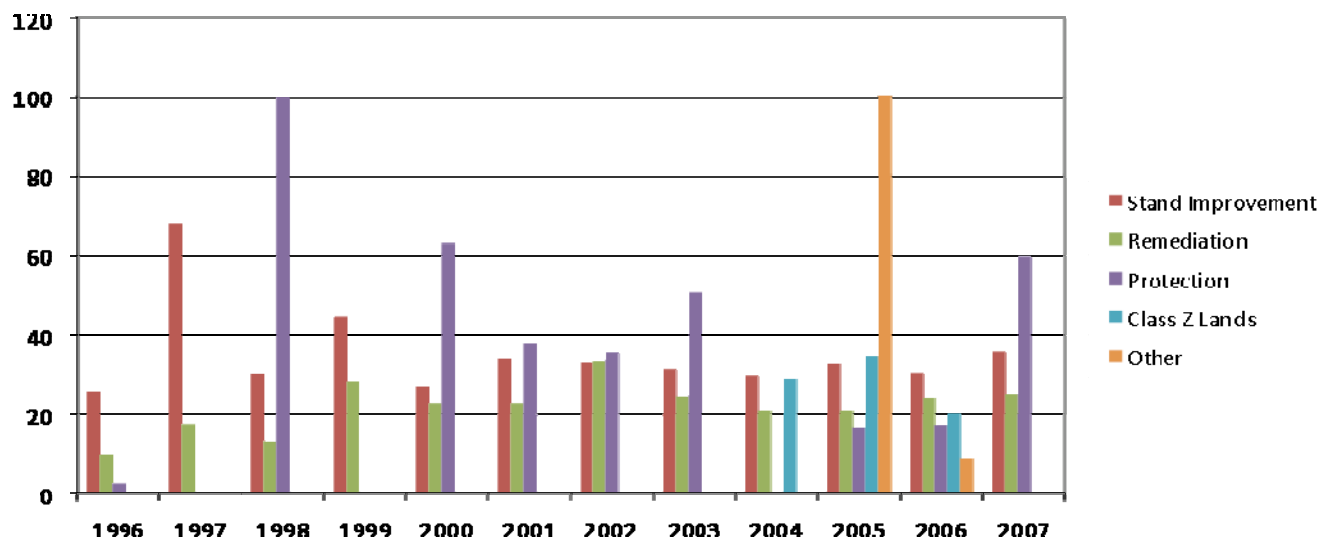
Figure 6 illustrates the annual level of applicant contributions from 1996-2007. Contributions remain fairly consistent with the exception of the first year 1996. There were two dips, in 2004 and 2006. However, even during 2007, at a time which the forest industry was beginning to exhibit challenges, the average applicant contributions remained at 40%.

Figure 6: Percentage of Applicant Contribution from 1996 – 2007



Trends in applicant contributions are broken out by category and year in Figure 7. Category 3 (Protection) had the highest applicant contributions, which represents the years that protection spray programs were conducted. In Category 1 (Stand Improvement) the applicant contributions have been fairly consistent over the years. Category 2 (Remediation) shows the greatest fluctuation due to the variation of projects; re-establishment of plantations; blowdown; and insect damaged stands; etc.

Figure 7: Applicant Contribution by Category and Year



SIGNAGE

Each year the Committee selects completed projects exemplifying effective forest operations made possible through the Forestry Futures Trust fund. Signage is prepared promoting positive stand improvement and remediation work that project staff carried out in the field throughout Ontario. These signs are then delivered to the company to be erected in an area receiving the most exposure to a wide audience.

During the spring of 2007, a total of 30 signs were produced. Of these, 15 signs were erected in the Northwest region, 10 in the Northeast region, and 5 were delivered to the Southern region.

Table 3: Summary of Forestry Futures Signs placed during 2007-2008

Region	# of Projects	# of Signs	Category				
			1	2	3	5	6
Northwest	15	15	7	8			
Northeast	10	10	8	1			1
Southern*	5	5	3	1	1		
Totals	30	30	18	10	1	0	1

* Formerly known as Central, South Central

To date, the Committee has provided 154 signs for 149 projects funded by the Forestry Futures Trust. Duplicate signs were produced for very large projects in and along high traffic areas. Signs are prepared for completed projects that occur in areas visible to the public. These signs inform the public about selected positive stand improvement and remediation work being carried out in Ontario forests.

In the Northwest, 31 signs provide information on stand improvement work where conifer stands (jack pine, red pine, spruce) werethinned or spaced to promote the growth of larger diameter crop trees for future sawlog production. There was also a mechanical thinning project that reduced natural regeneration of poplar. 33 signs provide information on regeneration projects to re-establish jack pine, white pine, black spruce, and white spruce forests following loss of productive forests to fire or major wind/ice storms. One sign was erected to provide information on a Class "Z" land project.*

In the Northeast, 27 stand improvement projects and 15 remediation projects have received signage. Stand improvement projects include those that tend conifer stands to free them from non-crop competition. One sign was erected to provide information on a Class "Z" land project. Partnerships with the First Nation members of the Anishinabek First Nation were established to carry out the work along the North Shore of Lake Huron. Work was also carried out to remove unmerchantable stems from tolerant hardwood stands in the area stretching from Sault Ste. Marie through to North Bay. These projects are designed to increase the production of quality sugar maple and yellow birch suitable for higher value sawlog and veneer markets. The remediation projects represent regeneration programs to re-establish forests in the areas burned, most recently in the Englehart area.

* Areas harvested prior to April 1, 1995 on which no Eligible Silviculture work has been initiated using funds made available to the Licence Area from either the Special Purpose Account or the Forest Renewal Trust, but on which a tending treatment may be required to bring the area to free-to-grow status. http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STEL02_167460.html (referenced Feb 5, 2009)

In the Southern region, 36 stand improvement projects and 5 remediation projects have received signage. The projects in this region consist of treatments to improve the quality of tolerant hardwood forests, to re-establish red oak, yellow birch and white pine in forests where they grew historically, and to space hardwood crop trees to increase the economic value of these crop trees in the forests. One sign was erected in the French/Severn Forest to report work that spaced red pine plantations to increase the production of pole and sawlog material.



This sign provides the public with information about a Forestry Futures Trust fund stand improvement project erected in 2008 in the Ottawa Valley Forest.

INDEPENDENT FOREST AUDIT (IFA) PROGRAM

The 2007 Independent Forest Audit program was successfully implemented and resulted in the completion of nine independent forest audits. Since 2002, the Committee has implemented the IFA Program for the Ministry of Natural Resources. Committee responsibilities include: the allocation of funds; selecting audit firms; contract management and communications with the audit firms and key audit participants; attending audit meetings and field examinations; ensuring the audit program is implemented according to the IFA process and protocol; reviewing all draft reports and ensuring final reports are of the highest quality. The Committee also provides recommendations to MNR concerning revisions to the audit program and IFA process and protocol, coordinates auditor orientation sessions with MNR, and makes recommendations to the Minister of Natural Resources as required or appropriate.

For the 2007 IFA program the Committee reviewed proposals from four audit firms to conduct Independent Forest Audits on behalf of the Ministry of Natural Resources. The Committee selected all four audit firms to undertake the IFAs, as follows:

Arborvitae Environmental Services Ltd.: Crossroute Forest, Hearst Forest, Northshore Forest

Arbex Forest Resources Consultants Ltd.: Pineland Forest and Martel Forest

BioForest Technologies Inc.: Algonquin Park Forest

KBM Forestry Consultants Inc.: Nagagami Forest, Romeo Malette Forest and Sapawe Forest

The nine IFAs were awarded at a total cost of \$885,538.75.

In all cases the auditors found well managed, sustainable forests and recommended license extension. A total of 160 recommendations were provided by the auditors to improve forest management on these nine forests. Reporting, legal/policy and planning categories were the top three areas addressed by the recommendations, and account for 25% of the total number of recommendations.

It is notable that two of the forests examined in 2007 failed their previous audit in 2002: Romeo Malette Forest and Nagagami Forest. In both cases the 2007 audit teams noted significant improvement since the last IFA and recommended license extension for both forests. The Algonquin Park Forest was also audited in 2007; the audit team found a well managed forest with technical aspects of management to be “highly satisfactory” and communications between stakeholders to be “professional, positive and progressive”.

The 2006 final audit reports were tabled in the legislature during 2007 and are publicly available. For more details regarding the 2006 IFAs, please refer to the complete audit reports which are accessible via the MNR website.

The completion and public release of the 2006 audit report marks the 11th year of the IFA program and the completion of 115 audit reports since 1996. The number of IFAs conducted has varied from year to year.

Table 4: Independent Forest Audit reports completed and tabled between 1996-2006.

Year	Number of Reports
1996	4
1997	10
1998	6
1999	11
2000	16
2001	19
2002	9
2003	6
2004	8
2005	11
2006	15
Total	115

ENHANCED FOREST PRODUCTIVITY SCIENCE (EFPS) PROGRAM

The Enhanced Forest Productivity Science (EFPS) program was established in January 2005 as a three-year initiative with an allocation of \$2.3 million per year from the Forestry Futures Trust fund. Funds from the EFPS program were available to applicants through an open application process.

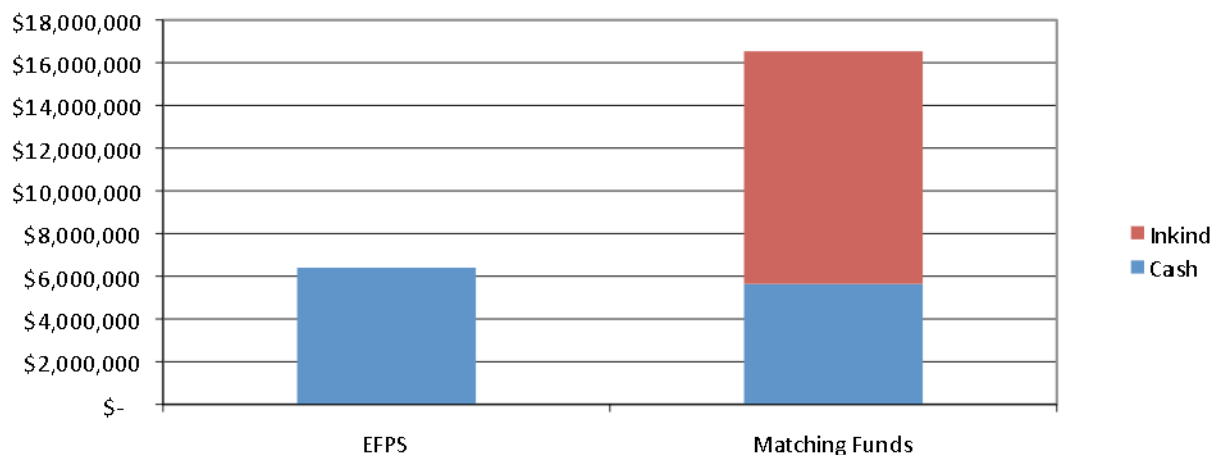
The purpose of the Enhanced Forest Productivity Science program was to support scientific initiatives that have significant potential to improve the productivity of Ontario's Crown forests within the Area of the Undertaking, consistent with the criteria and indicators of sustainable forest management. The work conducted under the EFPS program was intended to benefit forest sustainability on Crown lands in Ontario. All results are considered to be in the public domain and all information and knowledge generated from these projects are required to be communicated by the investigators to the forestry community and other relevant groups.

The Committee issued a Round 1 Request for Proposals in February 2005 and completed project selection by mid-April. Of the 71 proposals received, 28 projects were funded or partially funded for a total of \$4.6 million.

A Round 2 Request for Proposals was issued in October 2005, with final selections made by April 2006. Of the 28 proposals received, 14 projects were selected for funding, of which 11 were fully funded and 3 were partially funded for a total of \$1.8 million.

To date, the EFPS program has funded 42 projects for a total of \$6.4 million, with \$16.4 million in matching contributions. The \$16.4 million of partner funding can be further broken down as \$5.6 million in cash and \$10.8 million of in-kind contributions.

Figure 8: Round 1 and Round 2 Funding Contributions



Sources of matching funds varied among the 42 different projects. Funding partners include the forest industry; provincial and federal governments; universities; research co-operatives; and other sources such as consulting firms and NGOs. Research co-operative contributions are mostly from the Forest Ecosystem Science Co-operative (Forest Co-op) and Forest Research Partnership (FRP), but also included Forest Genetics Ontario and the Lake Abitibi Model Forest. Federal sources were primarily the Canadian Forest Service however, other agencies such as Environment Canada and Fisheries and Oceans contributed to some projects.

Figure 9: Round 1 Matching Contributions

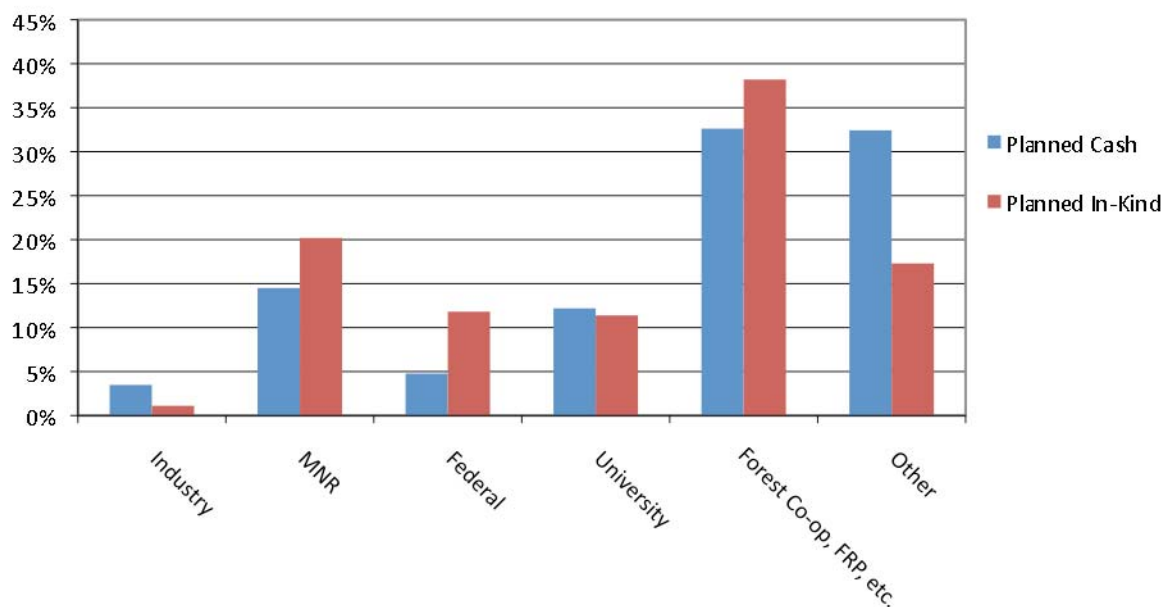
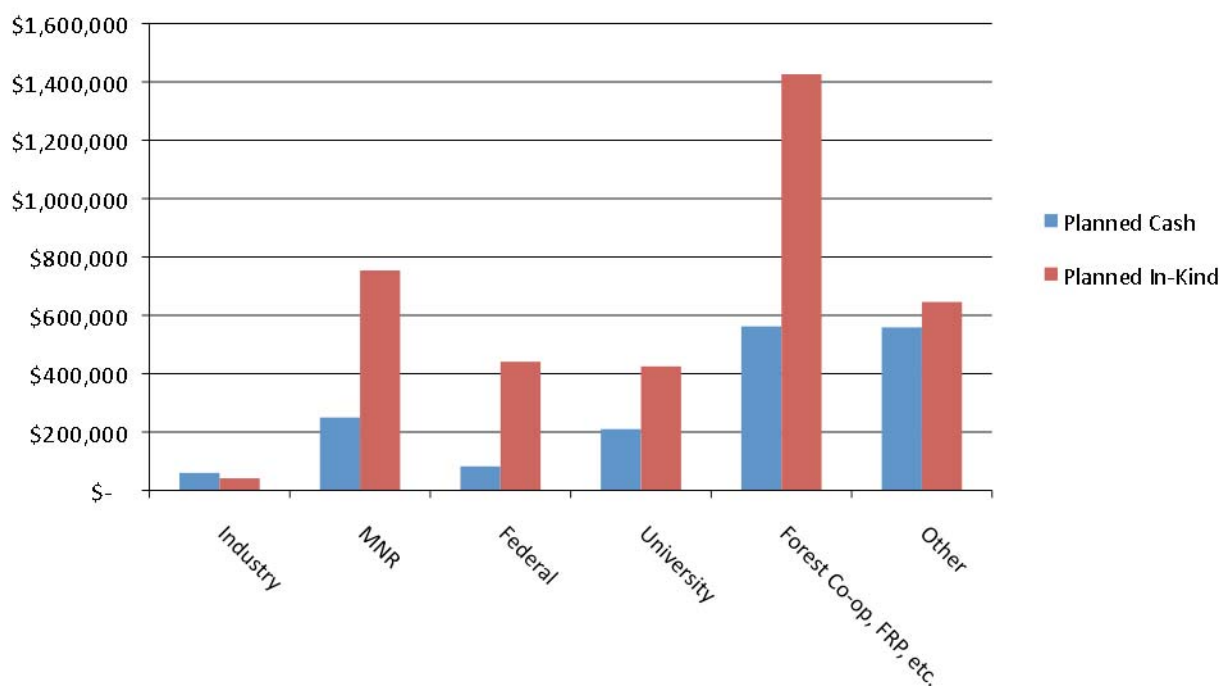
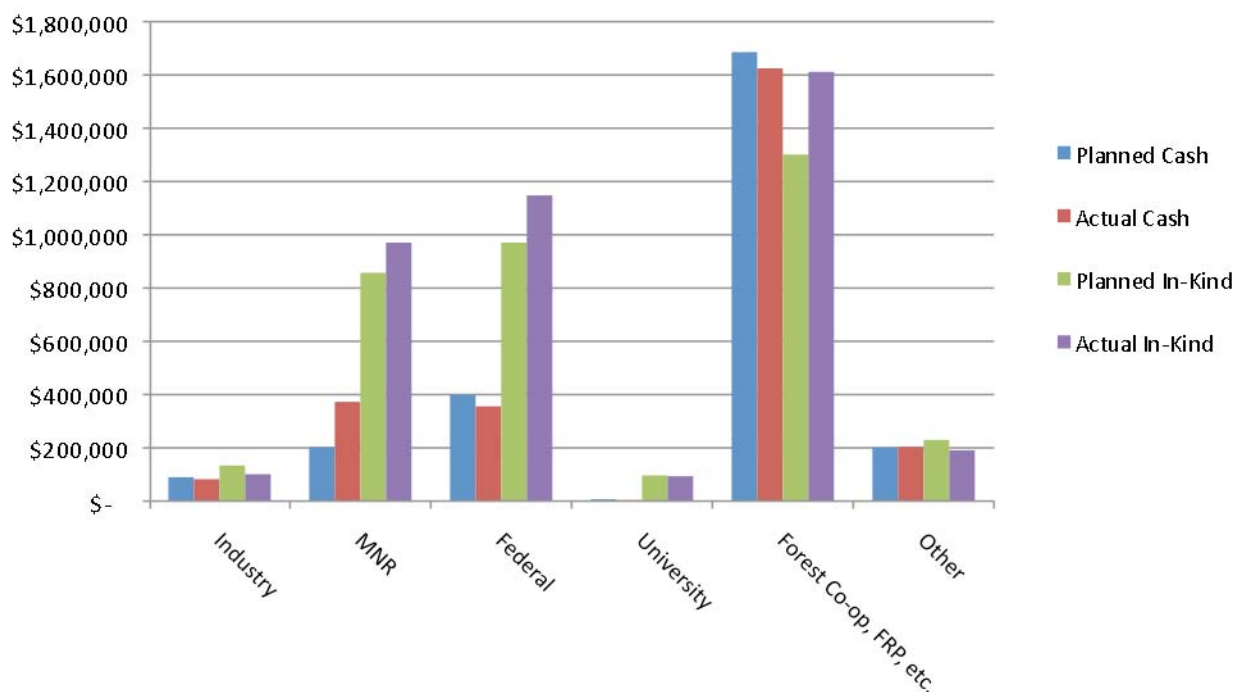


Figure 10: Round 2 Matching Contributions



By 2008, 16 of the 28 Round 1 projects have been completed. Actual in-kind contributions generally exceeded the planned level and cash contributions were in line with planned levels. One Round 2 project has been completed to date, with 100% of the planned cash contribution being achieved and 188% of planned in-kind support. Overall, the projects all achieved their proposed milestones and were completed in a timely manner.

Figure 11: Round 1 Actual Matching Contributions Closed Projects



The Forestry Futures Trust Committee believes that the EFPS program is a worthwhile and effective program supported by the Ontario forest research community. Actual contribution levels and achievement of milestones to date indicate the program has been a success. The ongoing forestry economic crisis and its impact on the Trust however mean that no additional calls for applications are expected in the foreseeable future. The Committee will continue to work with the existing projects to ensure their completion.

FAR NORTH FORESTRY DEVELOPMENT INITIATIVE (FNFD) PROGRAM

In June 2005, the Ministry of Natural Resources announced that the Ontario government was providing a \$2.0-million fund to be used by First Nation communities for projects related to land use planning and collection of background information which is necessary to evaluate the feasibility of commercial forestry in Ontario's far north. The funds were allocated to the Forestry Futures Trust for disbursement.

The Forestry Futures Trust Committee established the following purpose for the Far North Forestry Development (FNFD) initiative: *"To provide funds to First Nations working with MNR's Northern Boreal Initiative to engage in work related to consultation activities, community-based land use planning, and the collection of Aboriginal and forest values in support of forest-based economic development in the forest, including commercial forestry."*

Eligible activities for funding under this initiative include:

1. community-based land use planning
2. community consultation
3. collection, analysis and documentation of bio-physical data
4. collection, mapping and written documentation of indigenous values and traditional knowledge
5. feasibility and business planning studies

Fifteen First Nations are eligible to apply to the Forestry Futures Trust for these funds; they include the following communities:

- Aroland
- Cat Lake
- Constance Lake
- Deer Lake
- Eabametoong
- North Spirit Lake
- Marten Falls
- McDowell
- Mishkeegogamang
- Moose Cree
- Pikangikum
- Poplar Hill
- Slate Falls
- Little Grand Rapids (Manitoba)
- Pauingassi (Manitoba)

Three requests for applications have been released in 2005, 2006 and 2008 by the Forestry Futures Trust Committee. The Committee awarded \$833,725 in Round 1, \$404,000 in Round 2 and \$793,000 in Round 3 for a total of \$2,030,725. The additional funds are the result of interest accrued on the Trust account.

Whitefeather Forest Management (Pikangikum First Nation) completed their land use strategy for the Whitefeather Forest planning area with funding in Round 1. This funding was used to support activities not covered by the numerous other partners involved with this project. To further support Whitefeather value-added goals, a Round 3 application was approved to undertake a study to understand the unique fibre qualities of the trees in the Whitefeather Forest. The results of his study will be used to refine the Whitefeather business plan.

Slate Falls and Cat Lake First Nations are working together and have successfully completed Round 1 and Round 2 projects. Significant progress was made in Round 1 with regard to community involvement and communication, which included the development of a Strategic Action Plan. By the end of Round 1 the communities reported that the planning team was ready to post notice of the project on the Environmental Bill of Rights Registry (EBR) which began the formal (public) planning process. The approved application for Round 2 included new funding partnerships and provided additional FNFD funds to continue with this land use planning process. In Round 3 the two communities changed support organizations however funding will still be used to support the land use planning process for the next three years.

Constance Lake First Nation completed its Round 1 project which resulted in the hiring of a coordinator and establishment of a working group for the project; development of background documentation and a draft work plan; and establishment of contacts with adjacent First Nations regarding far north land use planning. Constance Lake garnered additional support from the local forest industry which is reflected in their successful Round 2 application. In Round 3, Constance Lake will bring together all the components from the first two rounds to complete Phase 3, development of a land use plan.

In Round 2 of the program the Ministry of Natural Resources requested that two additional First Nations be allowed to apply for funding. Little Grand Rapids and Pauingassi First Nations are located in Manitoba but have significant portions of their traditional territories located in Ontario, which abut the west side of the Whitefeather Forest planning area. These two First Nations and Whitefeather are proponents for a Canadian nomination of a World Heritage Site for this area on the Ontario/Manitoba border. The Committee saw merit in including them in the call for applications and did provide partial funding in Round 2 for their land use planning initiative.

The Committee will continue to work with applicants in all three rounds to ensure successful completion of these projects. All of the initial funds provided by the Ontario government have been allocated. The

Committee is aware the Ministry has embarked on a new Far North Initiative which will include the area and communities covered by this program.

ENHANCED FOREST RESOURCE INVENTORY (eFRI) PROGRAM

Table 5: Summary of eFRI Funds Available and Funds Allocated 2007-2008

eFRI Program	2006-07	2007-08	2008-09
Balance Available	3,647,948	4,547,042	1,720,674
Expected Revenue		10,000,000	10,000,000
Total Available	3,647,948	14,547,042	11,720,674
Allocated	3,598,729	9,085,121	4,628,509

The eFRI program was announced by the Minister of Natural Resources, David Ramsay in September 2005 in response to the recommendations from the Minister's Council Report on Forest Competitiveness. This committed the MNR to undertake the production of the Provincial Forest Resource Inventory. It was directed by the Minister that this program would also be a new purpose of the Forestry Futures Trust. Discussions between the MNR and the FFTC regarding the expansion of the Committee's mandate resulted in the following mandate statement:

"The FFTC will take an active role, working in partnership with the MNR, to administer the eFRI program. The MNR has assumed the full responsibility for the forest resource inventory program focusing on accuracy, completeness and currency. The MNR and FFTC will share a lead role in administering the program. The MNR retains the overall stewardship role, policy responsibility, scheduling and priority setting, standard setting, and quality control. Regular communication between the MNR and the FFTC will be critical to the development and delivery of this program."

This program includes all lands identified as the Area of the Undertaking (AOU) (455,000 km²) and all lands within the area designated as the Northern Boreal Initiative (100,000 km²). Included in this inventory program are all licenced areas and non-licenced areas within Designated Forest Management Units; provincial parks, federal parks, protected areas and private lands.

2007/08 was the second full year of the new eFRI program. Accomplishments for the program during this reporting period included the following:*

- Completion of the FRI production of the Kenogami Forest (19,677 sq. km.).
- Re-imbursement of costs to Tembec for the FRI production for the Romeo Malette Forest (6,266 sq. km.).
- Acquisition of digital imagery covering 101,936 sq. km.
- Interpretation of 214 permanent forest inventory photo plots.
- Photography acquired for 97 permanent forest inventory photo plots.
- FRI Production for the Bancroft-Minden Forest – 1895 calibration plots installed and measured.
- FRI Production for the Hearst Forest – 2684 calibration plots installed and measured.
- FRI Production for Quetico Provincial Park - 585 calibration plots installed and measured.
- 21 permanent forest inventory ground plots installed and measured.

Targets for the 2008/09 program include:

Continuing Projects from 2006/07 and 2007/08:

- Kenogami Forest FRI Production
- Permanent Forest Inventory Photo Plot Image Acquisition
- Imagery Acquisition for the 2006 & 2007 blocks
- FRI Production for the Bancroft-Minden Forest
- FRI Production for the Hearst Forest
- FRI Production for Quetico Provincial Park

New Projects:

- 2008/09 Program Administration
- 2008/09 Forestry Futures Trust Committee Administration
- Imagery Acquisition for the 2008 block
- FRI Production for the Constance Lake NBI Area - (Over two years)
- FRI Production for the Gordon Cosens Forest - (Over two years)
- FRI Production for the Marathon Block - (Over two years)
- Permanent Forest Inventory Photo Plot Interpretation
- Permanent Forest Inventory Ground Plot Measurement
- Applied Research and Development Program/training workshops

* *Excerpts from "Ontario's enhanced Forest Resources Inventory Program - Proposed 10-year Work Plan 2008/09 – 2017/18"*

For financial information regarding this program, please see Table 5 that combines both financial information for the eFRI program and the SFL Conversion to Co-operative Initiative program together as they exist in 2007/08 in one account.

SFL CONVERSION TO CO-OPERATIVE INITIATIVE (SFL CO-OP)

Table 6: Summary of SFL Conversion to Co-operative Funds Available and Allocated 2007–2008

SFL Program	2007-08	2008-09	2009-10
Balance Available	3,157,999	3,243,992	3,001,801
Allocated	484,292	604,200	52,320

In response to Recommendation #13 in the Minister’s Council Report on Forest Competitiveness, the SFL Conversion to Co-operative Initiative was added to the FFT Terms of Reference. This recommendation states that “MNR create a process to convert single entity SFLs to shareholder SFLs where the following benefits can be reliably anticipated: more efficient management of disputes, increased wood availability, reduced delivered wood costs, equitable sharing of costs amongst shareholders, increased wood supply and reduced management costs with management unit amalgamations”. The Forestry Futures Trust Committee (FFTC) is to oversee the allocation of the funds remaining from the original SFL Conversion program (\$3.2 million) for the new program.

During the first year of operation, the FFTC received and approved 5 applications for funding to assist in the formation of Cooperative SFLs from single-entity SFLs:

- 1) Hearst Forest Management Inc. (expansion of existing SFL Cooperative)
- 2) Thunder Bay Woodshed Inc.
- 3) Pic River Cooperative Inc.
- 4) Lake Nipigon Forest Management Inc.
- 5) Cochrane Area Forest Cooperative

A total of approximately \$1.14 million was allocated to the 5 above-mentioned projects during the 2007/08 fiscal year. There was 1 one-year project, 3 two-year projects and 1 three-year project. Of the \$484,292 that was allocated for distribution in 2007/08, \$181,311.62 was spent.

This “second generation” of the SFL Co-op program will provide significant progress in providing Aboriginal communities with greater involvement in forest management. The five SFL Co-op projects initiated in 2007 cover 18 management units across the province. Some are only in preliminary discussions (Thunder Bay Woodshed Inc.), while others (Lake Nipigon and Hearst) should be completed early in the coming fiscal year. Some of the milestones that were achieved during the first year of reporting were:

- Introductory meetings held with broad stakeholder groups on all five initiatives.
- Significant First Nation capacity building and information sessions held.
- New creative company Board structures being developed to address need for additional stakeholder participation (Lake Nipigon Forest Management Inc. & Pic River Cooperative Inc.)
- Complex co-op proposals such as Thunder Bay Woodshed Inc. have completed a full scoping exercise and have identified a strategic, step-wise path forward.
- A double Board model has been developed to accommodate the needs of independent loggers and operational harvest decisions at Lake Nipigon Forest Management Inc., and is being considered at several other locations.

All of the five projects identified have greatly enhanced the participation of other stakeholders.

COMMITTEE OPERATIONS

ACTIVITIES

Throughout the year, the committee held or participated in a total of 56 meetings. Nineteen of these meetings were attended by the committee as a whole, while 17 were represented by members in part. Meetings generally were attended in person or via teleconference at the FFTC office in Thunder Bay, however, 20 meetings made it necessary for several or all members to travel to locations such as Sudbury, Sault Ste. Marie, and Toronto.

In addition to the formal meetings, exchanges took place between the Committee Chair, the General Manager and the following clients and partners: project applicants and managers, IFA auditors and MNR staff. Informal meetings and communications also occurred between the Committee Chair and Committee Members by email and/or phone to conduct Committee business, including the preparation of draft letters, recommendations, analyses and related reports. The General Manager oversaw day to day operations.

Forestry Futures Trust Committee Members



From left to right: Bob Elliott, R.P.F., Mike Barker, Maureen Kershaw R.P.F.(Chair), Ric Monzon R.P.F., David Balsillie R.P.F. (Hon)

COMMITTEE SUPPORT

Assisting the Committee in fulfilling its responsibilities is a small team reporting to the Chair, namely:

- Mrs. Mona Wiltshire, R.P.F., General Manager
- Mr. Ken VanEvery, R.P.F., IFA, EFPS and FNFD Coordinator
- Ms. Sarah Bros, R.P.F., Mr. Matt Hollands, R.P.F., IFA Analysts
- Mrs. Nicole McCourt, Mrs. Charlotte Miller, Administrative Assistance
- Ms. Claire Riddell for financial tracking

The support team operates on an as-needed contract basis.

THE MINISTRY OF NATURAL RESOURCES

Since its inception in 1995 the Forestry Futures Trust Committee has enjoyed a productive working relationship with Ministry of Natural Resources staff. As the Committee's mandate expanded over the decade, the lines of communication and the number of Ministry contacts correspondingly increased. In this regard the Ministry Secretariat functions are provided by Mr. Thom McDonough (Silviculture) and Ms. Diane Black (Financial). The FFTC Secretariat continues to fulfil its role while at the same time honouring the principle of Committee independence on all matters related to funding allocations for projects.

Other MNR staff with whom the Committee confers while carrying on its mandate includes the following:

- IFA Program - Ms. Betty vanKerkhof, R.P.F., and Mr. Bill Morrison
- FNFD Program - Mr. Roy Sidders, R.P.F., for Northwest, and Mr. Mike Cartan for the Northeast
- eFRI Program - Mr. Frank Kennedy, R.P.F., and Mr. Joe Kapron; R.P.F.

Thanks to Bill Thornton, Rich Greenwood and Mark Speers for their continued support which enables the Committee to fulfil their mandate.

COMMITTEE BUDGET

The following is a statement of the Committee's operating budget for the period April 01, 2007 to March 31, 2008.

Table 7: Forestry Futures Trust Committee Operating Budget 2007/08

Available Funds	
Received from the <i>Forestry Futures Trust Fund</i>	\$706,540.00
Prior Year unspent balance	<u>\$164,612.26</u>
TOTAL Funds Available	\$871,152.26
Expenditures	
Meetings	\$81,237.52
Per diems – Committee	\$78,710.00
Per-diems – Professional Staff	\$172,716.92
Admin Support	\$52,323.13
Supplies (Communication/consumables)	\$28,588.85
Equipment / Signage	\$20,253.40
Overhead	<u>\$51,170.85</u>
TOTAL Expenses	\$485,000.67
Funds remaining at March 31, 2008	\$386,151.59

AUDITORS' REPORT

In accordance with the terms of reference of the Forestry Futures Trust Committee, the Annual Report includes a copy of the independent audit of the Forestry Futures Trust and the Forestry Futures Trust Committee for the fiscal year 2007/08, see Appendix 1.

H. M. Kershaw, R.P.F.
Chair, FFTC

APPENDICES

APPENDIX 1

AUDITORS' REPORT

Auditors' report to the Ontario Minister of Natural Resources
and the Trustee of the Forestry Futures Trust

Forestry Futures Trust Statement of Financial Position

Forestry Futures Trust Statement of Operations

Forestry Futures Trust Statement of Changes in Net Assets Available for Project Disbursements

Forestry Futures Trust Notes to Financial Statements



Financial Statements of

FORESTRY FUTURES TRUST

Year ended March 31, 2008



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Toronto ON M5L 1B2
Canada

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AUDITORS' REPORT

To the Ontario Minister of Natural Resources
and the Trustee of Forestry Futures Trust

We have audited the statement of financial position of Forestry Futures Trust as at March 31, 2008 and the statements of operations and changes in net assets available for project disbursements for the year then ended. These financial statements are the responsibility of the Trustee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2008 and the results of its operations and the changes in its net assets available for project disbursements for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

August 14, 2008

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG Canada provides services to KPMG LLP.

FORESTRY FUTURES TRUST

Statement of Financial Position

March 31, 2008, with comparative figures for 2007

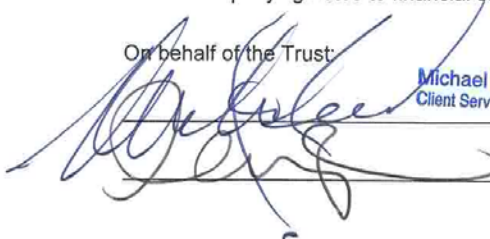
	2008	2007
Assets		
Current assets:		
Cash and short-term deposits	\$ 23,544	\$ 42,715
Accrued investment income	148,433	116,765
Due from Forest Renewal Trust	96,154	656,295
Investments (notes 2(c) and 3)	17,553,071	13,386,071
Unexpended Forestry Futures Committee advances	386,152	164,960
	<u>\$ 18,207,354</u>	<u>\$ 14,366,806</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,599	\$ 48,898
Net assets:		
Trust settlement	1	1
Net assets available for project disbursements	18,155,754	14,317,907
	<u>18,155,755</u>	<u>14,317,908</u>
Commitments (note 5)		
	<u>\$ 18,207,354</u>	<u>\$ 14,366,806</u>

See accompanying notes to financial statements.

On behalf of the Trust:

 **Michael J. Keel**
Client Service Manager
Trustee

Ontario Minister of Natural Resources

FORESTRY FUTURES TRUST

Statement of Operations

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Investment	\$ 683,603	\$ 897,945
Expenses:		
Forestry Futures Committee	248,856	630,940
Investment management and Trustee fees (note 4)	50,961	58,420
Audit fee	28,200	26,150
Ontario Ministry of Natural Resources Agency fees	4,688	4,688
Loss on sale of investments	114,172	227,911
	446,877	948,109
Net change in unrealized appreciation in fair value of investments (note 2(c))	139,030	—
Increase (decrease) in net assets resulting from operations	\$ 375,756	\$ (50,164)
Allocated as follows:		
Forestry Futures Fund	\$ 182,383	\$ (37,222)
Conversion Fund	162,680	(9,230)
First Nations Far North Fund	30,693	(3,712)
	\$ 375,756	\$ (50,164)

See accompanying notes to financial statements.

FORESTRY FUTURES TRUST

Statement of Changes in Net Assets Available for Project Disbursements

Year ended March 31, 2008, with comparative figures for 2007

				2008	2007
	Forestry Futures Fund	Conversion Fund	First Nations Far North Fund	Total	Total
Net assets available for project disbursements, beginning of year	\$ 8,029,918	\$ 4,589,684	\$ 1,698,305	\$ 14,317,907	\$ 27,218,678
Transition adjustment (note 2(c))	224,956	128,578	47,578	401,112	—
Increase (decrease) in net assets resulting from operations	182,383	162,680	30,693	375,756	(50,164)
Capital transactions:					
Capital receipts:					
Forestry futures charges	10,442,226	11,389,905	—	21,832,131	13,432,025
Capital disbursements:					
Project disbursements	10,478,734	7,122,237	344,111	17,945,082	26,211,026
Independent forest audit fees	826,070	—	—	826,070	71,606
	11,304,804	7,122,237	344,111	18,771,152	26,282,632
Increase (decrease) in net assets resulting from capital transactions	(862,578)	4,267,668	(344,111)	3,060,979	(12,850,607)
Increase (decrease) in net assets available for project disbursements	(455,239)	4,558,926	(265,840)	3,837,847	(12,900,771)
Net assets available for project disbursements, end of year	\$ 7,574,679	\$ 9,148,610	\$ 1,432,465	\$ 18,155,754	\$ 14,317,907

See accompanying notes to financial statements.

FORESTRY FUTURES TRUST

Notes to Financial Statements

Year ended March 31, 2008

1. Organization:

Forestry Futures Trust (the "Trust") was originally established by an agreement dated February 7, 1995 for the purpose of managing the funding of silviculture expenses on land where Crown timber has been killed or damaged by fire or natural causes; on land that is subject to a license if the licensee becomes insolvent; for the intensive stand management and pest control in respect of Crown timber; and for such other purposes as may be specified by the Ontario Minister of Natural Resources. The Trust settlement amount of \$1 was paid to the Trustee by the Crown on that date. The terms of the Trust agreement were amended by a First Amending Agreement signed on May 17, 1999, with an effective date of January 31, 1998, a Second Amending Agreement signed on April 25, 2000, with an effective date of April 1, 2000, a Third Amending Agreement signed on August 28, 2001, with an effective date of April 1, 2001 and a Fourth Amending Agreement signed on April 15, 2003, with an effective date of April 1, 2003. RBC Dexia Investor Services Trust is the Trustee.

Prime and third party licensees are invoiced by the Crown on a monthly basis according to the volume of wood harvested. These forestry futures charges are paid to the Trustee who, in turn, credits the payment to the appropriate sub-account of the Trust (note 2(b)). Decisions on allocations of funds from the Trust are made by the Forestry Futures Committee (the "Committee"), the members of which are appointed by the Ontario Minister of Natural Resources. The Committee provides the Trustee with payment authorization concerning the disbursement of the funds in accordance with the Committee's decisions.

Throughout the year, licensees submit invoices for reasonable estimates of eligible silviculture work completed to the dates of the invoices. At the end of the year, licensees are required to complete a final invoice seeking reimbursement of actual costs incurred during the fiscal year less all previous disbursements for that project. The Trustee has no duty or obligation to assess the eligibility of costs claimed.

The Trust was established by the Ontario Ministry of Natural Resources (the "Ministry") under the authority of the Crown Forest Sustainability Act to provide a funding mechanism independent of the provincial treasury to fund silviculture activities in Crown forests.

FORESTRY FUTURES TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Significant accounting policies:

(a) Basis of accounting:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). These financial statements record the operations of the Trust using an accrual basis of accounting and recognize revenue as it becomes realized and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. Capital transactions are recorded once incurred, which is the date of approval by the Ministry. Capital transactions include receipts of forestry futures and conversion charges, as well as disbursements for projects, forest resources inventory payments and independent forest audits. Trust operations encompass the investment and administrative activities of the Trust.

(b) Forestry Futures, First Nations Far North and Conversion funds:

In addition to regular forestry futures charges, the Trust received conversion charges from licensees in prior years. The purpose of these charges was to fund the sustainable forest license conversion process. In order to track these funds separately, as required by the Trust agreement, the Trust is organized into separate funds; the Forestry Futures Fund, First Nations Far North ("FNFN") Fund and the Conversion Fund. All charges received and disbursements made are applied to the applicable fund. Each account balance is expressed in terms of units of the main Trust for the purpose of tracking its share of Trust assets. These units are of equal value and without priority or preference.

Amounts received are held in each fund until the Trust valuation date, which is the last business day of the month. At that time, the amounts are transferred into the Trust in exchange for units. Disbursements made from each fund are funded through the redemption of units of the main Trust using the most recent determined valuation.

The value of each unit of the Trust is determined on a monthly basis based upon the net assets of the Trust. The value of a unit is determined by dividing the aggregate value of net assets of the main Trust by the total number of units outstanding prior to the issuance and redemption of units.

FORESTRY FUTURES TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Significant accounting policies (continued):

(c) Adoption of new accounting standards:

Effective April 1, 2007, the Trust adopted new accounting standards issued by The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855"), Section 3861, Financial Instruments - Disclosure and Presentation ("Section 3861"), and Section 1530, Comprehensive Income.

Section 3855 requires that certain financial assets and liabilities be measured and accounted for in the financial statements at fair value with the remainder at amortized cost. In accordance with the transitional provisions of this section, it has been prospectively adopted, and therefore, the 2007 figures have not been restated.

The Trust has designated investments as held-for-trading, and these are recorded at fair value for the current year. In prior years, investments were recorded at the lower of cost and market value on an overall portfolio basis.

As a result of adopting these new standards, a transition adjustment to recognize unrealized gains of \$401,112 was recorded in the opening net assets available for project disbursement. Unrealized gains of \$139,030 were recorded as an adjustment to the statement of operations for the year.

Since there are no items of other comprehensive income, a statement of accumulated other comprehensive income is not presented.

(d) Investments:

Investments are designated as held-for-trading and are recorded at fair value using closing price. Canadian GAAP requires investments to be valued at bid price. Management has evaluated that the impact of using closing price instead of bid price has no material effect on these financial statements. Unrealized gains or losses from the change in fair value are recorded as an adjustment to the statement of operations. In prior years, the investments were recorded at the lower of cost and market value on an overall portfolio basis.

The income reported on these investments included realized gains and losses on securities transactions, market value write-downs and interest income. Interest income is recorded on the accrual basis.

FORESTRY FUTURES TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Significant accounting policies (continued):

(e) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. Investments:

The investment carrying values are as follows:

	2008	2007
Canada treasury bills	\$ 5,700,989	\$ 940,460
Bank notes and deposits	325,000	100,000
Canada bonds and guarantees	4,613,860	3,065,370
Provincial bonds	2,065,760	3,018,761
Corporate bonds and notes over one year	4,847,462	5,123,095
Pooled money market funds	—	1,539,498
	17,553,071	13,787,184
Allowance for market value write-downs	—	401,113
	\$ 17,553,071	\$ 13,386,071
Fair value	\$ 17,553,071	\$ 13,659,190

As disclosed in note 2(d) at March 31, 2008, investments are reported at fair value. In the prior year, investments were reported at lower of cost and market value.

The following table summarizes the fair value of investments at March 31, 2008 by maturity:

	Less than one year	1 - 3 years	3 - 10 years	Greater than 10 years	Total
Short-term securities	\$ 6,025,989	\$ —	\$ —	\$ —	\$ 6,025,989
Bonds	65,020	1,628,546	7,429,156	2,404,360	11,527,082
	\$ 6,091,009	\$ 1,628,546	\$ 7,429,156	\$ 2,404,360	\$ 17,553,071

FORESTRY FUTURES TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2008

3. Investments (continued):

The above investments have varying effective yields of 3.1% to 9.7% (2007 - 3.15% to 11.40%). Interest earned is accrued on a daily basis.

The investments are actively managed according to the statement of investment policy for the Trust dated April 1, 2003, which includes guidelines with respect to return expectations, asset mix, approved securities, constraints and investment strategies.

4. Investment management and Trustee fees:

Trustee fees are assessed on the combined average book value of the Forestry Futures and Forest Renewal Trusts with the resultant charge apportioned to each Trust on the basis of its average book value. On the first \$50 million in average book value, the Trustee fee is 0.05%, on the next \$50 million in average book value, the Trustee fee is 0.03%, and on the average book value in excess of \$100 million, the Trustee fee is 0.015%. The fee schedule also includes a \$2,400 (2007 - \$2,400) charge per account in the Trust. Additional fees include fund administration and reporting for the investment funds and master trust fund, transaction charges and other charges.

5. Commitments:

The Trust is committed to fund projects that have been approved by the Committee. At the year-end date, these projects may not yet be complete or the final invoice reporting actual expenditures may not have been submitted by the project applicant for final payment. As a result, the potential liability has not been recorded in these financial statements. Projects totalling \$152,818,062 (2007 - \$152,200,983) have been approved to March 31, 2008, of which \$115,589,351 (2007 - \$106,625,484) has been disbursed. Included in total projects are multi-year projects in the amount of \$11,253,760 for 2008, \$3,137,115 for 2009 and \$941,825 for 2010 that have been approved by the Committee for funding, subject to an annual review process.

In addition, the Trust is committed to fund conversion and Forest Resource Inventory Projects that have been approved by the Committee. Projects totalling approximately \$4,628,509 (2007 - \$1,547,388) have been approved for March 31, 2008.

FORESTRY FUTURES TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2008

6. Income taxes and goods and services tax:

The Trust is considered to be an asset of the Crown and, as such, the Trustee, under the advisement of the Ministry, has taken the position that the income earned within the Trust is not subject to income taxation.

In addition, the position has been taken that the activities of the Trust are exempt from the goods and services tax ("GST"). Hence, GST is not collected on forestry futures charges invoiced to licensees, nor is it paid on project disbursements out of the Trust.

7. Financial instruments:

The fair values of the investments are as disclosed in note 3. The fair values of other financial instruments of the Trust, which consist of cash and short-term deposits, accrued investment income, due from Forest Renewal Trust, unexpended Forestry Futures Committee advances and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these financial instruments.

APPENDIX 2

SILVICULTURE PROGRAM: STAND MANAGEMENT, REMEDIATION AND PROTECTION

ON-GOING PROJECTS

ROUND FIFTEEN PROJECTS

PROJECT NUMBER: 431-2-R15

APPLICANT: Weyerhaeuser Company Ltd.
TYPE: Silvicultural remediation of areas depleted by spruce budworm.
FUNDING: Approved \$146,470 (\$29,900 in 2002-03; \$116,570 in 2003/04).
DESCRIPTION: This project consists of full tree chipping 160 ha of low volume budworm killed balsam fir and black spruce stands, mechanical and/or chemical site preparing the area and planting black spruce, white spruce and red pine. The area is located in the southern portion of the Wabigoon Forest, 15 km south of Dryden. Wabigoon Forest SFL.

ROUND SEVENTEEN PROJECTS

PROJECT NUMBER: 471-2-R17

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$532,305 (\$180,984 in 2003/04; \$351,321 in 2004/05).
DESCRIPTION: This project will establish conifer plantations damaged in the 1999 Nipigon 12 wildfire. This project will provide employment to the local silvicultural contractors in Beardmore and the Lake Nipigon Ojibway First Nation. The plantations will increase the local conifer sawlog supply. Lake Nipigon Forest.

PROJECT NUMBER: 522-2-R19

APPLICANT: Kimberly-Clark Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically spruce budworm.
FUNDING: Approved \$283,846 (\$86,750 in 2004/05; \$197,096 in 2005/06).
DESCRIPTION: The Skerrett Lake Salvage – Prescribed Burn and Tree Plant Project will carry out a prescribed burn in 2004 on 825 ha of forests salvage logged after damage from spruce budworm, and re-establish black and white spruce plantations in 2005. The site is 37 km SSW of Geraldton and 59 km SW of Longlac. The plantations will increase the local conifer sawlog supply and provide employment for local contractors. Kenogami Forest.

PROJECT NUMBER: 531-3-R19

APPLICANT: Ontario Ministry of Natural Resources
TYPE: Eradication and control of insect threats to the productive forests.
FUNDING: Approved \$1,150,000 (\$350,000 in 2004/05; \$400,000 in each of 2005/06 and 2006/07).
DESCRIPTION: This project consists of the detection and destruction of the Asian Longhorn Beetle and Emerald Ash Borer. Southern Ontario.

ROUND TWENTY PROJECTS

PROJECT NUMBER: 536-1-R20

APPLICANT: Bowater Canadian Forest Products
TYPE: Intensive stand management to release jack pine and black spruce plantations to increase timber production where critical shortages occur.
FUNDING: Approved \$560,000 over three years (\$200,000 in 2005/06; \$160,000 in 2006/07; \$200,000 in 2007/08).
DESCRIPTION: The Late Juvenile Spacing Project will space (using brush saws) approximately 1,400 ha of over-stocked 7 to 10 year-old jack pine stands from densities of 3,000 to 5,500 trees per ha to densities of 1,200 to 1,800 stems per ha to accelerate growth of crop trees. This will increase future conifer sawlog supplies and provide immediate opportunities for local silvicultural contractors. Black Sturgeon Forest.

PROJECT NUMBER: 545-1-R20

APPLICANT: Clergue Forest Management Inc.
TYPE: Intensive stand management to space hardwoods where critical shortages occur.
FUNDING: Approved \$866,250 over three years; (\$288,750 in 2005/06, \$288,750 in 2006/07 and \$288,750 in 2007/08).

DESCRIPTION: The Hardwood Crop Tree Release Project consists of treating 3,850 ha of low grade hardwood stands during harvesting activities so that un-merchantable low grade hardwoods are felled to release future crop trees. This will both accelerate the growth of crop trees and increase the quality of the stand. This project will contribute to the future hardwood sawlog and veneer supply. Algoma Forest.

PROJECT NUMBER: 548-1-R20

APPLICANT: North Bay District, Ontario Ministry of Natural Resources
TYPE: Intensive stand management to space conifer where critical shortages occur.
FUNDING: Approved \$800,000 (\$240,000 in 2005/06; \$280,000 in 2006/07; \$280,000 in 2007/08).
DESCRIPTION: The Manual Cleaning and Spacing Project consist of manually spacing 2,000 ha of 5 to 10 year-old jack pine down to spacing of 1,900 to 2,400 stems per ha. This Project will contribute to the future conifer supply and will provide training and 8 to 10 person-years of employment for the local First Nations silvicultural workers. Temagami Forest.

ROUND TWENTY-ONE PROJECTS

PROJECT NUMBER: 559-2-R21

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown and snow.
FUNDING: Approved \$456,976 (\$71,505 in 2005/06; \$250,971 in 2006/07; \$134,500 in 2007/08).
DESCRIPTION: The Ketchikan Lake Project, north of Lake Nipigon, consists of re-establishing conifer forests in areas damaged by wind and snow during the fall of 2001. Forests were salvage logged in 2004 and 2005. Approximately 581 ha will be site prepared (bracke or disk trencher), planted to black spruce and jack pine, and tended with glyphosate at rates of 1.7 kg ai/ha. This will contribute to sustaining local sawmills and provide 623 employment days for local silvicultural workers including First Nations. Lake Nipigon Forest.

PROJECT NUMBER: 560-2-R21

APPLICANT: Bowater Canadian Forest Products Limited
TYPE: Intensive stand management to establish black spruce pine to increase timber production where critical shortages occur.
FUNDING: Approved \$1,291,950 (\$524,950 in 2005/06; \$578,400 in 2006/07 and \$188,600 in 2007/08).
DESCRIPTION: The Current River Block Plantation Development Project consists of mechanically site preparing (trencher) areas burned in the 1940's and infested by budworm (1981 to 1993), planting 1,900 black and white spruce and jack pine per ha, and tending to control competition over 3 years. This Project will increase the wood supply and provide future thinning opportunities for silvicultural contractors. Black Sturgeon Forest.

PROJECT NUMBER: 562-2-R21

APPLICANT: Neenah Paper Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically spruce budworm.
FUNDING: Approved \$609,750 (\$187,500 in 2005/06, \$422,250 in 2006/07).
DESCRIPTION: The Kay Lake Salvage Project consists of prescribe burning and planting jack pine or black spruce on 750 ha of forests damaged by historic infestations of spruce budworm. This Project will re-establish productive forests on these sites, thereby contributing to future wood supplies for Neenah Paper. Kenogami Forest

PROJECT NUMBER: 566-2-R21

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wind.
FUNDING: Approved \$18,299 in 2005/06.
DESCRIPTION: The Crossroute 2001 Blowdown Extension Project consists of direct seeding 134 ha to re-establish forests on areas damaged by blowdown that were inaccessible to mechanical site preparation. It also includes tending 97 ha of plantations with Vision[®] to release seedlings established after the blowdown. This Project will contribute to the future conifer supply. Crossroute Forest.

PROJECT NUMBER: 573-1-R21

APPLICANT: Domtar Inc.

TYPE: Intensive stand management to space hardwoods where critical shortages occur.
FUNDING: Approved \$202,500 (\$67,500 per year over three years 2005/06 to 2007/08).
DESCRIPTION: This Project consists of spacing yellow birch and sugar maple crop trees on 2,700 ha of forests to increase future quality sawlog and veneer supplies. This Project will provide employment for local forestry workers. Northshore Forest.

PROJECT NUMBER: 576-2-R21

APPLICANT: 686860 Ontario Ltd. (Marathon Paper)
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$3,093,702 (\$472,008 in 2005/06; \$1,482,289 in 2006/07; \$1,139,405 in 2007/08).
DESCRIPTION: The Wawa Fire-Renewal Project consists of mechanically site preparing, planting and tending seedlings on 7,024 ha of forests which were burned following the June 2003 Wawa Fire #13. This Project will contribute to the future conifer supply and will provide training and employment opportunities for the local First Nations. Big Pic Forest.

PROJECT NUMBER: 577-1-R21

APPLICANT: Bancroft Minden Forest Company
TYPE: Intensive stand management to release tolerant hardwood crop trees to increase timber production where critical shortages occur.
FUNDING: Approved \$390,000 (\$130,000 over three years from 2005/06 to 2007/08).
DESCRIPTION: Low quality hardwoods will be cut to release tolerant hardwood crop trees on 3,900 ha of forest. This will increase the percentage of future quality sawlog and veneer supplies. It will also provide 600 employment days for local silvicultural contractors. Bancroft Minden Forest.

ROUND TWENTY-TWO PROJECTS

PROJECT NUMBER: 579-1-R22

APPLICANT: Bowater Canadian Forest Products Inc.
TYPE: Intensive stand management to establish well-spaced jack pine plantations to increase timber production where critical shortages occur.
FUNDING: Approved \$1,237,500 (\$731,250 in 2006/07; \$455,625 in 2007/08; \$50,625 in 2008/09).
DESCRIPTION: The identification of 1,500 hectares of highly productive sites in the Sideen Pakashkan area to convert off site poplar and low quality birch to well-spaced jack pine plantations using the most current silviculture techniques and planting stock. This will increase future conifer pulpwood and sawlog supplies. Dog River Matawin Forest

PROJECT NUMBER: 581-1-R22

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Intensive stand management to space conifer where critical shortages occur.
FUNDING: Approved \$1,073,966 over 3 years (\$340,219 in 2006/07; \$366,294 in 2007/08; 367,453 in 2008/09).
DESCRIPTION: This project involves the pre-commercial thinning of 2,580 ha of juvenile jack pine using manual spacing to reduce current densities and ultimately to promote faster growth, lower the rotation age, and create opportunities for employment. Crossroute Forest

PROJECT NUMBER: 582-2-R22

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically snow and blowdown.
FUNDING: Approved \$287,020 (\$111,254 in 2006/07; \$144,716 in 2007/08; \$31,050 in 2008/09).
DESCRIPTION: Salvage operations were planned for fall/winter 2005/06 on area damaged by snow and wind-storm that occurred in October 2001 in the area between Caribou Lake and Little Caribou Lake. This three-year project covers 371 hectares for establishment of conifer plantations. This project will address wood supply issues and provide a number of additional ecological, social, and economic benefits to the surrounding areas. Armstrong Forest.

PROJECT NUMBER: 583-2-R22

APPLICANT: Hearst Forest Management Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically ice storm.

FUNDING: Approved \$154,328 (\$58,800 in 2005/06; \$85,000 in 2006/07; and \$10,528 in 2007/08).
DESCRIPTION: An ice storm that occurred in 1994 resulted in high mortality and residual damage to trees remaining on site within the affected area. Salvage operations occurred in 2004/05. Heavy competition has invaded the site and the project is aimed at returning project area back to its original productive mixedwood site. Planting of conifer will occur on 224 hectares. Tending will follow-up the renewal activities. This project will provide future candidate pre-commercial thinning sites, address critical future wood supply issues and provide employment opportunities. Hearst Forest

PROJECT NUMBER: 588-6-R22

APPLICANT: Bowater Canadian Forest Products Inc.
TYPE: Collection of jack pine seed from Seed Production Orchard.
FUNDING: Approved \$181,250 (\$60,975 in 2005/06; \$64,925 in 2006/07; \$55,350 in 2007/08).
DESCRIPTION: Kakabeka Seed Orchard established in 1987 is scheduled to become obsolete within the next 5 to 8 years to be replaced by second generation orchards. Conversion of this orchard to a seed production facility will enable industry to collect cones for aerial seeding on short notice to renew burned jack pine sites. Dog River Matawin Forest.

ROUND TWENTY-THREE PROJECTS

PROJECT NUMBER: 594-1-R23

APPLICANT: Bowater Canadian Forest Products Limited
TYPE: Intensive stand management to establish spruce and jack pine plantations on areas that have been degraded by repeated spruce budworm infestations.
FUNDING: Approved \$695,655 (\$262,500 in 2006/07; \$284,325 in 2007/08 and \$148,830 in 2008/09).
DESCRIPTION: The Greggio-Barefoot Lakes area is located on the North Parcel of Black Sturgeon Forest. Mixedwood stands, of approximately 75 to 90 years old that have been degraded by repeated spruce budworm infestations will be surveyed to determine the most productive and acceptable sites on which spruce and jack pine plantations will be established. If left for natural regeneration stands of poorer hardwoods or mixedwood quality stands would result and add to the future wood supply shortfalls. Black Sturgeon Forest.

PROJECT NUMBER: 598-2-R23

APPLICANT: Weyerhaeuser Company Inc.
TYPE: Silviculture remediation of areas depleted by wind in the Manitoba Point and Mickle area in the Wabigoon Forest.
FUNDING: Approved \$239,641 (\$60,742 in 2006/07; \$174,458 in 2007/08 and \$4,441 in 2008/09).
DESCRIPTION: Blowdown salvage areas from windstorms in 2004 and 2005 will be renewed by various treatments. Renewed will be 857 hectares. Treatments will be determined by pre-harvests forest operation prescriptions. There will 962,000 seedlings planted, 639 hectares site prepared and potentially 639 hectares of chemical release treatment. A regeneration survey will follow 4 years after harvest. Wabigoon Forest.

PROJECT NUMBER: 599-2-R23

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Whiskey Jack Forest 2005 Blowdown Renewal – Planned.
FUNDING: Approved \$354,312 (\$22,506 in 2006/07; \$192,126 in 2007/08 and \$139,680 in 2008/09).
DESCRIPTION: Renewal efforts on 722 hectares of area affected by the July 2005 blowdown planned for in the 2004-2009 Whiskey Jack Forest Management Plan. Site preparation for encouraging natural renewal, preparing seed beds for aerial seeding and planting are activities that will be employed to achieve renewal. Whiskey Jack Forest.

PROJECT NUMBER: 600-2-R23

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Whiskey Jack Forest 2005 Blowdown Renewal – Amendment.
FUNDING: Approved \$394,530 (\$125,265 in 2006/07; \$197,265 in 2007/08 and \$72,000 in 2008/09).
DESCRIPTION: Renewal efforts on 900 hectares of area affected by the July 2005 blowdown planned for in the 2004-2009 Whiskey Jack Forest Management Plan. Site preparation for encouraging natural renewal, preparing seed beds for aerial seeding and planting are activities that will be employed to achieve renewal. Whiskey Jack Forest.

PROJECT NUMBER: 601-2-R23

APPLICANT: Domtar Inc.
TYPE: Robinson Lake Project – remediation of selected areas affected by blowdown/snow damage on northern Lake Nipigon Forest.
FUNDING: Approved \$344,575 (\$0 in 2005/06, \$149,765 in 2006/07 and \$194,810 in 2007/08).
DESCRIPTION: Blowdown salvage areas from wind and snowstorm in 2001 will be renewed. Extensive management will occur on 385 hectares. There will be 693,000 trees required to plant the area selected for extensive treatment. Other treatments will include slash piling, site preparation and cone collection. Lake Nipigon Forest.

PROJECT NUMBER: 602-5-R23

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Pre-commercial Thinning of X, Z Blocks.
FUNDING: Approved \$60,060 in 2006/07.
DESCRIPTION: Pre-commercial thinning on plantations that were surveyed and classified as X, Y and Z lands. In total 284 hectares will be manually thinned, 182 hectares of these are classified as Class Z lands. These areas were scarified with light drags to promote natural seeding regeneration in 1988-1995 by the OMNR, but require additional work to enhance future wood supply and sustainability. It is noted that Block 85-3 has been withdrawn from the project as it is not Class Z lands. Sapawe Forest.

PROJECT NUMBER: 604-6-R23

APPLICANT: Domtar Inc.
TYPE: Commercial Thinning in Limestone Lake Plantations.
FUNDING: Approved \$115,832 in 2006/07.
DESCRIPTION: This Project involves an operations trial for commercial thinning in 40 year-old intensively managed black spruce plantations located at Limestone Lake, just north of Nipigon, Ontario. Approximately 80 hectares will be thinned, using two thinning prescriptions. The project will contribute to a significant shortfall in information regarding the cost effectiveness and biological response of mid-rotation black spruce in Ontario to commercial thinning. Lake Nipigon Forest.

PROJECT NUMBER: 606-1-R23

APPLICANT: Domtar Inc. (as agent for Northshore Forest)
TYPE: Yellow birch crop tree release.
FUNDING: Approved \$144,000 divided equally over three years.
DESCRIPTION: The selection and release of yellow birch crop trees will maximize the production of yellow birch sawlogs and veneer logs. This project will treat 450 hectares over a three-year period. These dense and young tolerant hardwood stands originate from strip cuts that occurred in the 1970's. Northshore Forest.

PROJECT NUMBER: 609-1-R23

APPLICANT: Timiskaming Forest Alliance Inc.
TYPE: TFAI PCT 2006.
FUNDING: Approved \$693,000 divided equally over three years.
DESCRIPTION: Pre-commercial thinning of 1,575 hectares on predominantly pine plantations using manual thinning. The plantations range in age from 10 to 20 years and will be thinned to approximately 1,750 to 2,200 stems per hectares. This will involve spacing the crop trees between 1.5 to 2.4 metres. In addition to the planned spacing additional criteria includes branch thickness, tree form and vigor. Timiskaming Forest.

PROJECT NUMBER: 610-1-R23

APPLICANT: Westwind Forest Stewardship Inc.
TYPE: Stand improvement in tolerant hardwood selection stands.
FUNDING: Approved \$638,400 divided equally over three years.
DESCRIPTION: This project involves feeling poor quality stems within a selection management stand to achieve silviculture objectives to promote improvements in growth and quality for future sawlog production. The silvicultural treatment of felling un-merchantable material would normally take place during harvest. French Severn Forest.

PROJECT NUMBER: 611-5-R23

APPLICANT: Tembec Industries Inc. – Mattagami Area
TYPE: Romeo Malette Forest NSR tending project.
FUNDING: Approved \$48,930 (\$43,995 in 2006/07 and \$4,935 in 2007/08).
DESCRIPTION: In attempt to minimize the amount of NSR area on the Romeo Malette Forest 466 hectares will be aerially tended to bring it to productive forest status. The areas to be treated are satisfactorily stocked but are not free-to-grow due to competing vegetation. This vegetation includes shrubs, grass, poplar and birch. Competition coverage ranges from 30-80 percent. Romeo Malette Forest.

PROJECT NUMBER: 618-2-R23

APPLICANT: Marathon Pulp Inc.
TYPE: Wawa Fire #13 Rehabilitation – Project 2.
FUNDING: Approved \$1,667,839 (\$852,084 in 2006/07; \$669,847 in 2007/08 and \$145,908 in 2008/09).
DESCRIPTION: Intensive treatment of 2,339.6 hectares of productive forest land in the Big Pic Forest will occur over a 3 year period. Project 2 will regenerate the southern section of the fire. It is planned that 1,050 hectares will be mechanically site prepared in the first year, 1,289.6 hectares will be tended in the second year and 1,050 hectares will be planted. The third year of the project will tend 1,050 hectares. Big Pic Forest.

PROJECT NUMBER: 622-5-R23

APPLICANT: Tembec Industries Inc.
TYPE: Smooth Rock Falls Conifer upgrade of Class Z Regeneration Areas.
FUNDING: Approved \$366,120 (\$46,340 in 2006/07; \$168,655 in 2007/08 and \$151,125 in 2008/09).
DESCRIPTION: Regeneration of majority of remaining Class Z lands on the Smooth Rock Falls Forest will be completed by aerial tending, chemical site preparation and planting of sites that were harvested during the 1994 MNR year or prior to 1994. Smooth Rock Falls Forest.

PROJECT NUMBER: 625-2-R23

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Timmins Fire 19 (2005) Rehabilitation.
FUNDING: Approved \$1,201,366 (\$272,450 in 2006/07; \$686,686 in 2007/08 and \$242,230 in 2008/09).
DESCRIPTION: Regeneration of forest areas on the Nighthawk Forest that were destroyed in July 2005 as a result of Timmins Fire 19. There were 2,939 hectares of forest burnt in the fire which represents 0.85% of the landbase for timber production. This is treatment on a plantation that was planted as renewal from Timmins Fire 312 that occurred in 1997. Nighthawk Forest.

PROJECT NUMBER: 626-1-R23

APPLICANT: Bancroft Minden Forest Company Inc.
TYPE: Mid-tolerant Hardwood and Oak Renewal.
FUNDING: Approved \$19,500 divided equally over three years.
DESCRIPTION: This project supports intensive management practices to enhance the establishment and development of regeneration of mid-tolerant hardwood species through the implementation of group selection and pre-commercial thinning and cleaning. It also supports the intensive renewal efforts in support of red oak management. This project is highly important to the local industry. The species being managed in this project are typically of higher market value. Bancroft Minden Forest.

PROJECT NUMBER: 628-1-R23

APPLICANT: Mazinaw-Lanark Forest Inc.
TYPE: Intensive White Pine and Red Pine Restoration and Maintenance.
FUNDING: Approved \$92,160 divided equally over three years.

DESCRIPTION: This project will improve the long-term supply of white pine and red pine timber of crucial significance for the local forest industry, by applying an integrated package of intensive silvicultural treatments on suitable pine sites where pine resources have been depleted in the past and require silvicultural input to be re-established or reach full productive potential. This will consist of detailed prescriptions, tree marking, mechanical site preparation, tree planting and stock production, tending, non-commercial thinning in young stands and monitoring silvicultural effectiveness. Mazinaw Lanark Forest.

PROJECT NUMBER: 629-1-R23

APPLICANT: Mazinaw-Lanark Forest Inc.
TYPE: Mazinaw-Lanark Intensive Hardwood Stand Management.
FUNDING: Approved \$117,000 (\$35,100 in 2006/07; \$39,000 in 2007/08 and \$42,900 in 2008/09).
DESCRIPTION: This project will consist of selective removal of low quality, undesirable and non-merchantable trees in hardwood stands on productive sites to improve future wood supply, growth, quality and structure of residual stands. Total estimated area of the project is 1,500 hectares over a 3 year period. Mazinaw Lanark Forest.

PROJECT NUMBER: 631-3-R23

APPLICANT: Forest Health and Silviculture Section, Forest Management Branch OMNR
TYPE: Jack pine budworm control 2006.
FUNDING: Approved \$38,562 in 2005/06.
DESCRIPTION: Aerial and ground surveys show an outbreak of jack pine budworm is beginning in Northeast and Southern Regions and is underway in Northwest Region. MNR, in collaboration with forest industry and in accordance with the Forest Management Planning Manual, has undertaken the planning process for a management program to protect and manage the pine wood supply in the face of this outbreak. This *Forestry Futures Trust* project is to conduct the operational control program resulting for the planning process.

PROJECT NUMBER: 632-5-R23

APPLICANT: Hearst Forest Management Inc.
TYPE: Regeneration of Class, X, Y and Z lands Walls and Marjorie Townships.
FUNDING: Approved \$441,710 (\$277,000 in 2006/07; \$136,234 in 2007/08 and \$28,476 in 2008/09).
DESCRIPTION: Regeneration activities to be carried out on cutover lands in Walls and Marjorie Townships. These lands were initially harvested between 1987 and 1993 and have no previous renewal work carried out on them. Hearst Forest.

ROUND TWENTY – FOUR PROJECTS

PROJECT NUMBER: 633-1R-24

APPLICANT: Great West Timber Limited
TYPE: Intensive stand management
FUNDING: Approved \$58,000.00 (\$31,900.00 in 2007 and \$26,100.00 in 2008)
DESCRIPTION: Treating slashpile areas - There are a number of areas on the Pic River Ojibway Forest that have old slash piles occupying productive land. These slash piles are from operations prior to 1998. Crop trees have not been able to re-establish themselves in these areas that are covered with slash.

PROJECT NUMBER: 635-1-R24

APPLICANT: Tembec Forest Resource Management
TYPE: Intensive stand management
FUNDING: Approved \$154,800.00 (\$48,840.00 in 2007, \$69,900.00 in 2007, \$36,060.00 in 2009)
DESCRIPTION: The purpose of this project is to increase timber production in the white pine forest units where critical short to long-term shortages occur. This project will treat 160 hectares of the PWR or PW1 forest units using artificial regeneration.

PROJECT NUMBER: 639-2-R24

APPLICANT: Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wildfire
FUNDING: Approved \$27,648.00 in 2007/08
DESCRIPTION: Aerial tending - Tending 320 hectares of regenerating conifer areas (jack pine/black spruce) originally burned by Cochrane Fire -38 (Pitt Twp) in 1995. The treatment area was identified by Tembec during aerial free-growing surveys conducted in 2005.

PROJECT NUMBER: 640-2-R24

APPLICANT: Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically forest tent caterpillar infestation
FUNDING: \$62,300.00 (\$23,400.00 in 2007, \$9,275.00 in 2008, \$21,225.00 in 2008 and \$8,400.00 in 2009)
DESCRIPTION: Renew intolerant hardwood stands - The purpose of his project is to renew 50.3 hectares of intolerant hardwood dominated stands decimated by repeated forest tent caterpillar infestation. The site is currently colonized by thick brush and is deemed to be barren and scattered.

PROJECT NUMBER: 641-5-R24

APPLICANT: Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically Class Z lands
FUNDING: \$100,080.00 in 2007
DESCRIPTION: Tending Class Z - The purpose of this project is to tend 1360 hectares of naturally regenerating conifer areas (black spruce) classified as Class Z Lands. This area was depleted prior to 1996 when Tembec assumed responsibility of silviculture on the unit.

PROJECT NUMBER: 642-2-R24

APPLICANT: Ministry of Natural Resources
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically jack pine budworm
FUNDING: \$269,000.00 (\$96,800.00 in 2006, \$118,360.00 in 2007 \$53,840.00 in 2007)
DESCRIPTION: Insect control survey - Aerial and ground surveys show an outbreak of jack pine budworm is beginning in Northeast and Southern Regions and is underway in Northwest Region. MNR in collaboration with forest industry and in accordance with the Forest Management Planning Manual is undertaking the planning process and conduct stand-specific surveys to determine where management actions need to be undertaken.

PROJECT NUMBER: 643-2-R24

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wild fires
FUNDING: \$1,321,149.00 (\$562,198.00 in 2007, \$443,271.00 in 2008 and \$315,680.00 in 2009)
DESCRIPTION: The purpose of this project is to regenerate areas consumed by wildfires in 2006. These areas included area of naturally regenerated jack pine, naturally regenerated cutover and previously burnt forest. These two year project will involve seeding of burnt areas in March 2007, the planting of burnt areas in May/June of 2007 and 2008, the site preparation of older burnt plantation in 2007 and the collection of cones in 2007 and 2008 to re-build seed inventory.

ROUND TWENTY – FIVE PROJECTS**PROJECT NUMBER: 644-2-R25**

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown
FUNDING: Approved \$229,850.00 (\$136,051.00 in 2007, \$66,904.00 in 2008 and \$26,895.00 in 2009)
DESCRIPTION: In June 2005 the Atikokan area was struck by a severe storm containing high winds and heavy rains. The forest was blown down or snapped off on 2,669 hectares. Of this naturally disturbed area 213 hectares is planned for tree planting without site preparation and aerial seeding. Chemical tending will be prescribed once the need is assessed.

PROJECT NUMBER: 645-2-R25

APPLICANT: Bowater Canadian Forest Products
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wild fires
FUNDING: Approved \$616,000.00 in 2007

DESCRIPTION: In September 2006, wildfires destroyed over 10,000 hectares of forested land on the Black Sturgeon Forest. Within the limits of this forest fire was approximately 3900 hectares of young jack pine plantations. Other renewing stands were also burned. The proposed project is to ensure that these stands are renewing to conifer by planting in the spring of 2007.

PROJECT NUMBER: 646-2-R25

APPLICANT: Bowater Canadian Forest Products
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wild fires
FUNDING: Approved \$253,000.000 (\$153,000.00 in 2007 and \$100,000.00 in 2008)
DESCRIPTION: In September 2006, wildfires destroyed over 10,000 hectares of forested land on the Black Sturgeon Forest. Within the limits of this forest fire was approximately 3900 hectares of young jack pine plantations. Other renewing stands were also burned. The proposed project is to ensure that these stands are renewing to conifer by planting in the spring of 2007.

PROJECT NUMBER: 648-2-R25

APPLICANT: Long Lake Forest Products Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wild fires
FUNDING: Approved \$256,803.00 in 2007

DESCRIPTION: The purpose of this application is to assist in the Retreatment of 494.7 hectares of previously regenerated productive forest area that was lost to Nipigon Fire Number 20 in the spring of 2005. The majority of this area was intensively treated in the years between 2002 and 2005 with mechanical site preparation and planting treatments.

PROJECT NUMBER: 651-2-R25

APPLICANT: Tembec Industries Inc., Spruce Falls Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown
FUNDING: Approved \$140,000.00 in 2007
DESCRIPTION: This project will treat a large area of blowdown that occurred in 2007 in the Gordon Cosens Forest. This project consists of mechanically site preparing and tree planting the area that has been salvaged to date.

PROJECT NUMBER: 653-2-R25

APPLICANT: Nipissing Forest Resource Management Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown
FUNDING: Approved \$416,000.00 (\$88,000.00 in 2007, \$57,000.00 in 2008 and \$271,000.00 in 2009)
DESCRIPTION: The project intends to maintain White Pine Shelterwood (PWUS forest unit) stand conditions on sites that were being managed as such prior to the July 17, 2006 windstorm. The wind event and subsequent salvage logging operations changed existing stand development stages from those of Preparatory of Seeding Cuts to Barren and Scattered conditions with little or no advanced regeneration.

PROJECT NUMBER: 659-2-R25

APPLICANT: Algonquin Forest Authority
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown
FUNDING: Approved \$27,749.00 (\$10,802.00 in 2007, \$16,947.00 in 2008)
DESCRIPTION: Mechanical site preparation and planting of nursery grown red and white pine stock on approximately 50 hectares damaged by windstorms (downbursts) that occurred in the summer of 2006.

PROJECT NUMBER: 660-2-R25

APPLICANT: Ottawa Valley Forest Inc.

TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown

FUNDING: Approved \$799,945 (\$381,660 in 2007/08, \$243,815 in 2008/09, \$174,470 in 2009/10)

DESCRIPTION: This is a combined project of 2 projects based on renewal of natural disturbances-windstorm and tornado. A windstorm on July 17, 2006 affected a widespread area of pine forest. This resulted in blown down trees in previously treated and untreated areas, located in the north end of the Ottawa Valley Forest.

PROJECT NUMBER: 665-3-R25

APPLICANT: Ministry of Natural Resources

TYPE: Silvicultural remediation of areas depleted by natural causes, specifically pine shoot beetle infestation

FUNDING: Approved \$80,000.00 in 2007

DESCRIPTION: The objective of this program is to slow the spread of pine shoot beetle by reducing or eradicating the insect at isolated sites in central Ontario. Surveys will be done to determine infested sites and estimate the population abundance. Trap logs of Scots pine will be placed at the sites during February and March, and then destroyed once they are colonized by the beetle.

PROJECT NUMBER: 667-1-R25

APPLICANT: Westwind Forest Stewardship Inc.

TYPE: Intensive stand management

FUNDING: \$240,000.00 (\$25,000.00 in 2007, \$75,000.00 in 2008, \$110,000.00 in 2009, \$30,000.00 in 2010)

DESCRIPTION: This project would allow for a payment to be made to logging contractors to fell un-merchantable stems as identified by the CFSA to achieve silvicultural objectives. The stems that would be felled in conjunction with the harvest would otherwise interfere in creating required optimum light and space conditions for the establishment and maintenance of desirable regeneration.

SILVICULTURE PROGRAM: STAND MANAGEMENT, REMEDIATION AND PROTECTION

LIST OF PROJECTS COMPLETED IN 2007/08

(Please Note: Any projects completed prior to 2007/08 have been archived and are available on the Forestry Futures Trust website at www.forestryfutures.ca under the Annual Reports tab.)

ROUND FOURTEEN PROJECTS

PROJECT NUMBER: 417-2-R14

APPLICANT: Ontario Ministry of Natural Resources/Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes.
FUNDING: Approved \$309,770 (\$109,577 in 2002-03; \$102,792 in 2002/03-04; \$97,401 in 2004/05).
DESCRIPTION: The Fraserdale Fire Renewal project consists of regenerating 380 ha of areas burned in the 1980's and 1990's by mechanical or chemical site preparing and planting with oversize black spruce and white spruce. This will renew Not-sufficiently Regenerated (NSR) lands to faster growing conifer plantations to meet future wood supply shortages. It will also provide 550 person-days of employment for silvicultural workers and additional work for the New Post First Nations. Moose River MU.

ROUND SIXTEEN PROJECTS

PROJECT NUMBER: 451-1-R16

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Intensive stand management to release black spruce, white spruce and jack pine to increase timber production where critical shortages occur.
FUNDING: Approved \$510,300 (\$180,000 in 2003/04 and 2004/05; \$150,300 in 2005/06).
DESCRIPTION: The Whiskey Jack Forest Stand Improvement project consists of manually spacing, with brush saws, 900 ha of 10 to 17 year-old seeded and planted jack pine and black spruce from densities of 3,500 to 15,000 stems per ha down to a target density of 2,100 to 2,500 stems per ha. This will provide local employment for silvicultural contractors including aboriginal workers and will contribute to future jack pine and black spruce sawlog and fiber supplies. Whiskey Jack Forest.

PROJECT NUMBER: 458-2-R16

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$238,043 in 2002-03.
DESCRIPTION: The Pudney Burn project consists of planting jack pine and black spruce in a salvage-harvested area burned by a 1998 lightning strike. A 235 ha area will be scarified prior to planting. The project will create silvicultural work for contractors in the Thunder Bay District, provide merchantable chips from the salvage operation and contribute to future conifer fibre and sawlog supply. Spruce River Forest.

PROJECT NUMBER: 463-1-R16

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Intensive stand management to manually space juvenile jack pine to increase timber production where critical shortages occur.
FUNDING: Approved \$613,980 (\$188,250 in 2003/04; \$209,100 in 2004/05 and \$216,630 in 2005/06).
DESCRIPTION: The Crossroute East Stand Enhancement project is a three project to manually space 1,492 ha of 10 to 15 year-old jack pine on the West Tesup, Manion and Greytrout road systems from 7,200 to 12,000 stems per ha to 2,200 stems per ha. This project will provide local employment for silvicultural contractors and contribute to future jack pine sawlog and fiber supplies. Crossroute Forest.

ROUND SEVENTEEN PROJECTS

PROJECT NUMBER: 472-2-R17

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wind.
FUNDING: Approved \$262,067 (\$112,689 in 2003/04; \$149,378 in 2004/05).
DESCRIPTION: Black spruce and jack pine plantations will be established on 300 ha of forests damaged in a fall 2001 wind and snowstorm. Salvaged sites will be mechanically site prepared prior to planting at densities of 1,800 trees per ha. The Frank Lake project will increase the local conifer supply and provide employment opportunities for the local silvicultural contractors and the Lake Nipigon Ojibway First Nations. Lake Nipigon Forest.

PROJECT NUMBER: 484-2-R17

APPLICANT: Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$204,668 (\$114,982 in 2003/04; \$89,686 in 2004/05).
DESCRIPTION: The Departure Lake Aspen Mortality Improvement project consists of site preparing and planting black and white spruce at densities of 1,500 to 1,800 trees per ha on 329 ha 12 km west of Smooth Rock Falls in an area that was defoliated by tent caterpillar infestations. This will provide silvicultural employment for local contractors including First Nations and contribute to future conifer wood supplies. Smooth Rock Falls Forest.

PROJECT NUMBER: 490-2-R17

APPLICANT: Mazinaw-Lanark Forest Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wind.
FUNDING: Approved \$183,890 (\$54,400 in 2003/04; \$106,450 in 2004/05; \$23,040 in 2005/06).
DESCRIPTION: The Mazinaw Wind Damage Restoration project will site prepare 166 ha and establish a white pine plantation in an area damaged by violent winds in August 2002. A small 30 ha area will be tended to release established red oak and white pine from hardwood competition. This will increase the future supply of white pine, increase our understanding of treating wind-damaged forests, and provide employment for local silvicultural contractors. Mazinaw-Lanark Forest.

PROJECT NUMBER: 493-2-R17

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wind.
FUNDING: Approved \$141,616 in 2003/04.
DESCRIPTION: The Fairlock Lake project consists of planting 212 ha with jack pine, black spruce and white spruce in an area burned by the 1999 Nipigon 12 (Beardmore) fire. This project will assist in meeting long-term conifer wood supply shortages on the Lake Nipigon Forest, contribute to the maintenance of conifer-dominated forest cover types, and provide silvicultural contract work to local firms, including First Nations. Nipigon Forest.

ROUND EIGHTEEN PROJECTS**PROJECT NUMBER: 496-2-R18**

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wind.
FUNDING: Approved \$580,468 (\$249,601 in 2004/05; \$330,867 in 2005/06).
DESCRIPTION: The Gzowski Lake Project consists of mechanical site preparing and planting jack pine or black spruce on 670 ha of forests damaged by fall 2001 windstorms and wet snow on the north end of Lake Nipigon. Follow-up treatment will include controlling competition by the aerial and ground application of glyphosate at 1.7 kg ai/ha. The project will provide employment opportunities to First Nations and other local silvicultural workers. Lake Nipigon Forest.

ROUND NINETEEN PROJECTS**PROJECT NUMBER: 511-1-R19**

APPLICANT: Bowater Canadian Forest Products Ltd.
TYPE: Intensive stand management to space black spruce, white spruce, jack pine and red pine to increase timber production where critical shortages occur
FUNDING: Approved \$175,000 (\$58,540 in 2004/05 and 2005/06 and \$57,920 in 2006/07).
DESCRIPTION: The Drift Lake White Pine Intensive Plantation Project proposed to manual thinning, with brush saws, 500 ha of conifer plantations established under an overstory of scattered white pine. This will create potential commercial thinning blocks. Dog River-Matawin Forest

PROJECT NUMBER: 512-1-R19

APPLICANT: Weyerhaeuser Company Ltd.
TYPE: Renewal and tending on Class Y lands to increase timber production where critical shortages occur.

FUNDING: Approved \$345,199 (\$222,615 in 2004/05; \$122,584 in 2005/06).
DESCRIPTION: The Jack Pine Pre-commercial Thinning Project consists of spacing 949 ha of 11 year-old dense seed-origin jack pine from densities of 16,000 to 2,500 stems per ha, to contribute to the future sawlog supply and to provide employment for the local First Nations and other local forestry workers. Wabigoon Forest.

PROJECT NUMBER: 513-2-R19

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wet snow and wind.
FUNDING: Approved \$285,953 over three years (2000/05 to 2006/07).
DESCRIPTION: The Willet Lake Project consists of mechanically site preparing 355 ha, and planting 639,000 black spruce and jack pine on harvest salvage blocks in the northern portion of the Lake Nipigon Forest. These stands were damaged by wet snow and wind in an October 2001 storm. This Project will increase the local conifer supply and provide employment for local silvicultural contractors. Lake Nipigon Forest.

PROJECT NUMBER: 529-1-R19

APPLICANT: Bancroft-Minden Forest Company
TYPE: Intensive stand management to re-establish red and white pine to increase timber production where critical shortages occur.
FUNDING: Approved \$482,000 (\$194,250 in 2004/05; \$135,750 in 2005/06 and \$152,000 in 2006/07).
DESCRIPTION: This Project consists of site preparing and planting 300,000 white and red pine seedlings on 710 ha over three years, in stands managed under the shelterwood system. Manual or ground chemical tending will be carried out as required. This Project will provide employment for local silvicultural contractors. Bancroft- Minden Forest

PROJECT NUMBER: 530-5-R19

APPLICANT: Westwind Forest Stewardship Inc.
TYPE: Silvicultural treatment of Class Z Lands to bring them back into the productive forest base.
FUNDING: Approved \$652,800 (\$178,600 in 2004/05; \$248,400 in 2005/06; \$225,800 in 2006/07).
DESCRIPTION: This Project consists of the ground application of basal bark Release herbicide and brush saw application of Vision® herbicide on 1,000 ha, and Air Blast Sprayer herbicide application on 400 ha to release white pine, red pine and white spruce crop trees from hardwood competition in pine stands managed under the uniform shelterwood system. Seeding cuts prior to 1996 have resulted in poor regeneration due to high competition from hardwoods. This treatment will contribute to future pine supplies. French/Severn Forest

PROJECT NUMBER: 534-3-R19

APPLICANT: Ontario Ministry of Natural Resources
TYPE: Restoration of productive forests damaged by non-native insects.
FUNDING: Approved \$1,300,000 (\$350,000 in 2004/05; \$600,000 in 2005/06 and \$350,000 in 2006/07).
DESCRIPTION: This Project consists of replacing trees in areas where forests were removed due to infestation of Asian Longhorn Beetle and Emerald Ash Borer. Southern Ontario.

ROUND TWENTY PROJECTS

PROJECT NUMBER: 535-1-R20

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Intensive stand management to establish black spruce and pine to increase timber production where critical shortages occur.
FUNDING: Approved \$755,000 (\$482,500 in 2005/06; \$272,500 in 2006/07).
DESCRIPTION: The Ground Recovery-Slash piling, burning and planting Project consists of piling and burning roadside slash recovered from full tree harvesting, followed by tree planting over wintered jack pine and black spruce to bring up to 500 ha back into production. This Project will increase the wood supply. Spruce River Forest.

PROJECT NUMBER: 537-1-R20

APPLICANT: Abitibi-Consolidated Company of Canada

TYPE: Intensive stand management to thin poplar stands to increase timber production where critical shortages occur.
FUNDING: Approved \$247,500 over 3 years (\$82,500 per year for 2005/06; 2006/07; 2007/08).
DESCRIPTION: This project involves the pre-commercial thinning of 450 ha of poplar to increase the quality and shorten the rotation age for poplar sawlogs and veneer. This project will provide employment for First Nation silvicultural workers. Spruce River Forest.

PROJECT NUMBER: 538-1-R20

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Intensive stand management to space hardwoods where critical shortages occur.
FUNDING: Approved \$852,689 (\$281,195 in 2005/06; \$284,051 in 2006/07; \$287,443 in 2007/08).
DESCRIPTION: This Project consists of spacing 10 to 15 year-old white and red pine, jack pine and black spruce crop trees on 2,100 ha of forests to densities of 1,500 to 1,800 trees per ha in order to increase future quality sawlog and veneer supplies. This Project will provide employment for local forestry workers. Crossroute Forest.

PROJECT NUMBER: 539-2-R20

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$546,982 (\$79,575 in 2004/05; \$171,181 in 2005/06; \$296,226 in 2006/07).
DESCRIPTION: This Project consists of re-establishing conifer on 878 ha of plantations and natural regeneration burned by Wawa 21 Forest Fire during the summer of 2003. Over 350,000 white spruce, 140,000 jack pine and 580,000 black spruce will be planted at densities of 1,333 trees per ha with a follow up tending. This will rapidly return these areas to productive conifer plantations to meet future woody supply demand. It will also provide 600 employment days for local silvicultural contractors. Nagagami Forest.

PROJECT NUMBER: 540-2-R20

APPLICANT: Domtar Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown and snow.
FUNDING: Approved \$1,618,000 (\$1,112,000 in 2005/06; \$506,000 in 2006/07).
DESCRIPTION: The Armstrong Jack Pine Retreat Project consists of re-establishing conifer forests in areas damaged by wind and snow during the fall of 2001. Brush-cutting machinery (DELTA DT0530RT with FECON Bull Hog BH350 mulching head) was used to mulch damaged seeded and planted jack pine areas damaged by the wind and snow. Approximately 1,000 ha will be mulched, planted to jack pine, and tended in Year Three as needed. This will contribute to sustaining local sawmills and provide employment for local silvicultural workers including First Nations. Armstrong Forest.

PROJECT NUMBER: 546-1-R20

APPLICANT: Clergue Forest Management Inc.
TYPE: Intensive stand management to space hardwoods where critical shortages occur.
FUNDING: Approved \$196,875 over three years; (\$65,625 per year 2005/06; 2006/07; 2007/08).
DESCRIPTION: The Hardwood Crop Tree Release Project consists of spacing 525 ha of yellow birch crop trees by felling competing low grade hardwoods to accelerate growth. This Project will contribute to the future hardwood sawlog and veneer supply. Algoma Forest.

PROJECT NUMBER: 547-1-R20

APPLICANT: Domtar Inc.
TYPE: Intensive stand management to space conifer where critical shortages occur.
FUNDING: Approved \$587,520 (\$195,840 in each of 3 years (2000/06; 2006/07; 2007/08).
DESCRIPTION: The Pre-commercial Thinning of Jack Pine on Spanish forest with Eshkawkogan Timber Co. Project consists of manually spacing 1,200 ha of 10 to 14 year-old jack pine from densities of 6,500 stems down to 1,900 stems per ha. This Project will enhance the future conifer supply and will provide training and employment opportunities for the local First Nations. Spanish Forest.

PROJECT NUMBER: 549-1-R20

APPLICANT: Tembec Industries Inc.

TYPE: Intensive stand management to space conifer where critical shortages occur.
FUNDING: Approved \$260,030 in 2005/06.
DESCRIPTION: The Manual Cleaning and Spacing Project consists of manually spacing 654 ha of 10 year-old jack pine from densities of 1,800 stems per ha down to spacing of 1,800 to 2,200 stems per ha. This Project will contribute to the future conifer supply and will provide employment for local silvicultural workers. Superior Forest.

PROJECT NUMBER: 550-2-R20

APPLICANT: Tembec Industries Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$73,913 (\$13,122 in 2004/05; \$56,862 in 2005/06; \$3,929 in 2006/07).
DESCRIPTION: The Renewal of the 2002 Audrey Lake (Wacousta Twp.) Fire Project involves planting black spruce seedlings in areas burned by the summer 2002 Audrey Lake Fire. The Project also includes the aerial application of glyphosate at a rate of 2.0 kg ai/ha to release the planted seedlings from competition. Approximately 1,243 ha will be treated. This Project will contribute to future sawlog supplies and provide employment for local forestry workers. Cochrane-Moose River Forest.

PROJECT NUMBER: 554-1-R20

APPLICANT: Westwind Forest Stewardship Inc.
TYPE: Intensive stand management to release hardwood and white pine where critical shortages occur.
FUNDING: Approved \$338,400 over 3 years (\$112,800 per year in 2004/05; 2005/06; 2006/07).
DESCRIPTION: The Felling Un-merchantable Stems in Shelterwood Stands Project consists of felling un-merchantable stems to release yellow birch, red oak, black cherry and white pine crop trees in 6,300 ha of stands managed under the shelterwood system. This project will contribute to increasing white pine sawlog supply and provide employment for local silvicultural workers. French Severn Forest.

PROJECT NUMBER: 555-6-R20

APPLICANT: Forest Genetics Ontario
TYPE: Other - Inventory.
FUNDING: Approved \$170,090 in 2004/05.
DESCRIPTION: Request for funding to support operating a provincial office to coordinate the efforts of industry and government partners in carrying out tree improvement activities. Both operational and research projects are part of the Forest Genetics Ontario program.

ROUND TWENTY-ONE PROJECTS

PROJECT NUMBER: 561-1-R21

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Intensive stand management to release jack pine plantations to increase timber production where critical shortages occur.
FUNDING: Approved \$29,640 in 2005/06.
DESCRIPTION: The Jack Pine Leader Clipping Project will space approximately 100 ha of over-stocked 7 to 10 year-old jack pine stands from densities of 8,000 to 15,000 trees per ha to densities of 2,400 stems per ha to accelerate growth of crop trees. This will increase future conifer sawlog supplies and provide immediate opportunities for local silvicultural contractors. Spruce River Forest.

ROUND TWENTY-TWO PROJECTS

PROJECT NUMBER: 580-2-R22

APPLICANT: Abitibi-Consolidated Company of Canada
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically fire.
FUNDING: Approved \$577,038 in 2006.

DESCRIPTION: This Project consists of a quick re-establishment of conifer on 818 ha of plantations and natural regeneration burned by TB - 57 Forest Fire during the summer of 2005. Planned is the planting of 1,627,100 seedlings; 603,900 jack pine and 1,023,200 black spruce. Also planned is the usage of 70,000 shelter cones. Some previously harvested but not treated areas will also be planted as the fire acted as a site preparation treatment. This will rapidly return these areas to productive conifer plantations to meet future woody supply demand. Spruce River Forest.

PROJECT NUMBER: 584-1-R22

APPLICANT: Atikokan Forest Products Inc.
TYPE: Intensive stand management to space conifers where critical shortages occur.
FUNDING: Approved \$41,400 in 2006/07.
DESCRIPTION: This project involves the pre-commercial thinning of 138 ha of 7 to 9 year-old aerial seeded jack pine and planted white plantations. These plantations, established by MNR (Class X lands equal approximately 28 hectares) and the Company need additional treatment before they can be declared Free-to-Grow. This project will address future wood supply issues and provide employment opportunities for First Nations. Sapawe Forest

PROJECT NUMBER: 585-2-R22

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown.
FUNDING: Approved \$39,361 in 2006/07.
DESCRIPTION: Project consists of site preparing 354.6 hectares of blowdown areas salvaged in 2004/05 for seeding and planting of pine and spruce. Intensive silviculture practice will help contribute to the conifer supply in accessible, non-contentious areas of this Forest. Sapawe Forest

PROJECT NUMBER: 586-2-R22

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically blowdown.
FUNDING: Approved \$1,702 in 2006/07.
DESCRIPTION: Project involves the aerial seeding of 118.2 hectares of blowdown area salvaged in 2004/05 to jack pine. The seeded blocks will help alleviate the pressure on significant age class gaps in the conifer working groups. Sapawe Forest

PROJECT NUMBER: 587-5-R22

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Silvicultural remediation of Class Z lands.
FUNDING: Approved \$6,748 in 2006/07.
DESCRIPTION: Highly productive sites on Class Z lands that were burnt in the 1996 fire were renewed to conifer. They require release from heavy competition from aggressive hardwood and herbaceous competition by aerial tending. This project will contribute to the wood supply in the next 40 years and help address critical wood supply issues. Sapawe Forest

PROJECT NUMBER: 590-1-R22

APPLICANT: Tembec Industries Inc.
TYPE: Intensive stand management to space conifer where critical shortages occur.
FUNDING: Approved \$126,380 in 2006/07).
DESCRIPTION: The project consists of pre-commercial thinning 289 hectares of 10-15 year-old jack pine with brush saws. Target to reduce 7,100 stems per hectare to 2,000 – 4,000 stems per hectare. This will result in a reduced rotational age and increase volumes where shortfall exists and will also have ecological benefit. Superior Forest.

PROJECT NUMBER: 593-3-R22

APPLICANT: Forest Health and Silviculture Section, Forest Management Branch OMNR
TYPE: Jack Pine Budworm Control Program; Surveys and Planning
FUNDING: Approved \$145,000 (\$115,000 in 2005/06 and \$30,000 in 2006/07)

DESCRIPTION: The objective of this program is to conduct the planning process and stand-specific surveys to determine where management actions need to be undertaken.

ROUND TWENTY-THREE PROJECTS

PROJECT NUMBER: 595-2-R23

APPLICANT: Abitibi-Consolidated Inc.
TYPE: Whiskey Jack Forest 2005 Blowdown Stand Enhancement Project.
FUNDING: Approved \$150,000 in 2007/08.
DESCRIPTION: An improvement area in the Whiskey Jack Forest was affected by the 1991 Pakwash Forest Blowdown. Extensive damage occurred to a 90,000 hectare tract of land. Stand improvement by manual spacing will occur on plantations stands that were regenerated between 1992-1995, post salvage harvest. Targeted will be 300 hectares of jack pine stands that are presently growing at 5000 to 15000 stems per hectare. Whiskey Jack Forest.

PROJECT NUMBER: 596-2-R23

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Mechanical site preparation and slash piling of blowdown blocks.
FUNDING: Approved \$6,303 in 2006/07.
DESCRIPTION: The Sapawe Forest was subjected severe windstorms in 2004 and 2005. Mechanical site preparation will occur on 37 hectares of salvaged area and 130 hectares will be slash piled. These areas, if not treated, would result in a loss of productive forest on the management unit. Sapawe Forest.

PROJECT NUMBER: 597-2-R23

APPLICANT: Atikokan Forest Products Ltd.
TYPE: Intensive stand management of areas of salvaged blowdown.
FUNDING: Approved \$62,503 in 2006/07.
DESCRIPTION: The Sapawe Forest was subjected severe windstorms in 2004 and 2005. Areas (193 hectares) that were salvaged will be planted with jack pine, red pine, white pine and spruce. These areas if not treated would result in a loss of productive forest on the management unit. Sapawe Forest.

PROJECT NUMBER: 616-2-R23

APPLICANT: Tembec Industries Inc.
TYPE: Renewal of 2002 poplar decline area (Colquhoun Twp.).
FUNDING: Approved \$13,839 (\$4,994 in 2006/07; \$6,225 in 2007/08 and \$2,620 in 2008/08).
DESCRIPTION: Renewal of 50.3 hectares of intolerant hardwood dominated stands decimated by repeated forest tent caterpillar infestation. This area is currently categorized as barren and scattered as it is currently occupied by thick brush. Site preparation using hydro-axe equipped prime mover and herbicide application will be the treatment used. A conifer plantation will be established by hand planting of the site-prepared area and ground based herbicide will be the follow-up treatment. White spruce will be the future forest unit. Cochrane-Moose River Forest.

PROJECT NUMBER: 620-5-R23

APPLICANT: Clerque Forest Management Inc.
TYPE: Renewal and tending on Class Y and Class Z lands to increase timber production where critical shortages occur.
FUNDING: Approved \$3,996 in 2006/07.
DESCRIPTION: Planting of jack pine will occur on 12 hectares of Class Z lands that are not yet regenerated to meet stocking targets as a result of seedling mortality. Chemical ground treatment on 79 hectare will occur on Class Y lands that were planted prior to the establishment of the SFL. Algoma Forest.

PROJECT NUMBER: 630-3-R23

APPLICANT: Forest Health and Silviculture Section, Forest Management Branch OMNR
TYPE: European Pine short beetle control program 2006/07
FUNDING: Approved \$80,000 in 2006/07

DESCRIPTION: The objective of this program is to slow the spread of pine shoot beetle by reducing or eradicating the insect at isolated sites in central Ontario. Surveys will be done to determine infested sites and estimate population abundance. Trap logs of Scots pine will be placed at the sites during February and March, and then destroyed once they are colonized by the beetle. Follow-up surveys will assess the efficacy of the program.

ROUND TWENTY – FOUR PROJECTS

PROJECT NUMBER: 636-2-R24

APPLICANT: Tembec Industries Inc., Spruce Falls Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wildfire
FUNDING: Approved \$6,472.00 in 2007
DESCRIPTION: Wildfire regeneration - The purpose of this project is to aerial seed 48.8 hectares of a conifer plantation (36.8 hectares) and 5.8 of naturally regenerating cutover burnt by Wildfire HE/09 and 6.2 hectares of naturally regenerating cutover burnt by Wildfire

PROJECT NUMBER: 637-2-R24

APPLICANT: Tembec Industries Inc., Spruce Falls Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wildfire
FUNDING: Approved \$52,960.00 in 2007
DESCRIPTION: Wildfire regeneration - The purpose of this project is to release conifer regeneration that resulted from a wild fire (#48) in 1995. Some of this area was aerially seeded in the late 1990's. The remaining area was left for natural regeneration.

ROUND TWENTY – FIVE PROJECTS

PROJECT NUMBER: 648-2-R25

APPLICANT: Long Lake Forest Products Inc.
TYPE: Silvicultural remediation of areas depleted by natural causes, specifically wild fires
FUNDING: Approved \$256,803.00 in 2007
DESCRIPTION: The purpose of this application is to assist in the Retreatment of 494.7 hectares of previously regenerated productive forest area that was lost to Nipigon Fire Number 20 in the spring of 2005. The majority of this area was intensively treated in the years between 2002 and 2005 with mechanical site preparation and planting treatments.

PROJECT NUMBER: 657-1-R25

APPLICANT: Tembec Industries Inc.
TYPE: Intensive stand management
FUNDING: \$5,660.00 in 2007
DESCRIPTION: This proposal to enhance stocking of blocks by artificial regeneration (tree planting) on the Smooth Rock Falls Forest. The block 66.3 ha was harvested and left for natural regeneration. The block was treated by planting in 2006 and failed. This is a Retreatment of that block.

APPENDIX 3

ENHANCED FOREST PRODUCTIVITY SCIENCE (EFPS) PROGRAM

ONGOING PROJECTS

PROJECT NUMBER: EFPS 002-1-R1

PROJECT TITLE: Assessment of Jack Pine Budworm Impacts in Ontario Forests for the Development and Implementation of a Decision Support System

APPLICANT: BioForest Technologies Inc.

FUNDING: \$318,000

DURATION: 3 Years

DESCRIPTION: Research has unequivocally shown that insects and diseases cause significant losses to the forest resource annually. In Ontario, losses to insects in 1998-1999 totaled some 18.5 M m3. There appears to be an opportunity to significantly enhance wood volumes available to forest industry if losses to insects and diseases can be reduced in an environmentally sensitive and economically rational manner. This project will assess jack pine budworm impacts on jack pine and develop a Jack Pine Budworm Decision Support System.

PROJECT NUMBER: EFPS 008-1-R1

PROJECT TITLE: Acquiring and testing Multiband orthophotography (and integrated LIDAR) for production of enhanced forest inventories in the Great Lakes St. Lawrence Forest

APPLICANT: Forest Research Partnership

FUNDING: \$532,000

DURATION: 3 Years

DESCRIPTION: Multi-return LiDAR (Light Detection and Ranging) offers an opportunity to capture dense point data defining the first surface (canopy) and penetration into the vegetation cover with many points also hitting the forest floor. This project will: focus on forest cover types of the Great Lakes St. Lawrence Forest Region; will attempt to develop methods of enhanced inventory estimation for individual trees characteristics (as well as stand level attributes); will explore applications of wetland mapping and stream identification

PROJECT NUMBER: EFPS 009-1-R1

PROJECT TITLE: Second-Generation Breeding and Testing for Jack Pine and Black Spruce

APPLICANT: Forest Genetics Ontario

FUNDING: \$320,000

DURATION: 3 Years

DESCRIPTION: This project seeks to complete the research component of second generation tree improvement programs in three breeding zones in northwestern and four breeding zones in northeastern Ontario. The project will complete the breeding and testing components in seven second-generation tree improvement programs.

PROJECT NUMBER: EFPS 032-2-R1

PROJECT TITLE: A large-scale experimental and longitudinal investigation of the impact of selection harvest regimes on sustainable forest management

APPLICANT: Biology Department, Trent University

FUNDING: \$113,000

DURATION: 3 Years

DESCRIPTION: This study will provide Ontario-based data to improve provincial silviculture guides and allow for adaptive fine-tuning of strategies for regenerating mid-tolerant and tolerant tree species. The results will also provide recommendations for maintaining or improving the breeding habitat of some of Canada's most sensitive forest bird species within both fragmented and continuous forest systems.

PROJECT NUMBER: EFPS 035-2-R1

PROJECT TITLE: Multi-Cohort Forest Management in North-Eastern Ontario: Cohort Classification, Associated Wildlife Communities, and Projected Stand Dynamics

APPLICANT: Faculty of Forestry, University of Toronto

FUNDING: \$305,000

DURATION: 3 Years

DESCRIPTION: Multi-cohort Forest Management (MFM) offers a strategy for balancing goals by applying silvicultural techniques that emulate natural structural variability within boreal stands, from relatively young stands consisting of a single cohort of trees to the oldest stands in which multiple cohorts of trees may be represented. Specific objectives are to develop a forest-type-specific system of cohort classification that uses plot-based measurements of stand structure; to use enhanced forest inventory information (EFI) to test the applicability of the plot-based system to the stand and management unit levels; to use plot data and EFI to examine multi-scale relationships between cohort type and wildlife communities, focusing on small mammals, birds, and selected insect taxa; and to use an individual-based model of stand dynamics to project fibre and wildlife values under different MFM silvicultural scenarios.

PROJECT NUMBER: EFPS 039-2-R1

PROJECT TITLE: Forest management in riparian areas: ensuring the protection of biodiversity, ecosystem values while maximizing timber production - Stand-level to landscape-level analysis

APPLICANT: Department of Biology, Lakehead University and Centre for Northern Forest Ecosystem Research, MNR

FUNDING: \$200,000

DURATION: 3 Years

DESCRIPTION: This research shall address four broad questions regarding riparian management: What are the physical and biological responses of small stream riparian zones to various levels of disturbance?; How do the various levels of shoreline disturbance influence the ecological characteristics of small stream systems?; What are the watershed scale impacts of natural disturbance versus the different forest management scenarios?; and, What are the economic and ecological tradeoffs under different riparian zone management scenarios?

PROJECT NUMBER: EFPS 048-2-R1

PROJECT TITLE: Expanding the Application of the Canadian Carbon Budget Model to Forest Management Planning in Ontario's Boreal Forest

APPLICANT: Faculty of Forestry and the Forest Environment, Lakehead University

FUNDING: \$60,000

DURATION: 3 Years

DESCRIPTION: This project will provide essential scientific information and tools that will contribute to sustainable forest management under the new operating paradigm that includes climate change, carbon (C) accounting and intensive silviculture. The research project will allow the team to strengthen the network of collaborators; link critical soil parameters to forest ecosystem characteristics and management scenarios; calibrate ecosystem and C budget models for specific stand types that will allow forest policy makers to evaluate the long-term consequences of different management activities; and, support the maintenance and training of high quality personnel through the research and graduate studies capacities of Lakehead University.

PROJECT NUMBER: EFPS 049-2-R1

PROJECT TITLE: Ivy: a Robust and Versatile Stand Dynamics Model

APPLICANT: Great Lakes Forestry Centre, Canadian Forest Service

FUNDING: \$94,000

DURATION: 3 Years

DESCRIPTION: This project uses a light-capture based modeling approach to provide more robust, long-term forecasts of stand structure, composition, growth and yield. A light-capture based modeling approach is more straightforward and is more closely related to tree growth processes than empirical models. The goal of this project is to complete a light-capture based stand dynamics model, IVY, and to implement a practical software interface for this model. The name IVY is derived from the abbreviation of volume increment, iv, and emphasizes that the model estimates the volume increment of individual trees.

PROJECT NUMBER: EFPS 054-2-R1

PROJECT TITLE: Adjustments to Seed Source Selections and Breeding Zones to Compensate for Predicted Climate Change in Ontario

APPLICANT: Faculty of Forestry and the Forest Environment, Lakehead University

FUNDING: \$61,000

DURATION: 2 Years

DESCRIPTION: The goals of this study are to develop the first decision support model capable of providing decision makers with a mixture of seed sources that minimizes risk of maladaptation at a given site under all probable climate change scenarios; and, to apply this model to evaluating the advisability of including some elite trees taken from outside current breeding zone boundaries into 2nd and 3rd generation breeding programs based on predicted climate change considerations.

PROJECT NUMBER: EFPS 055-2-R1

PROJECT TITLE: Ace Effects of Vegetation Management Alternatives
APPLICANT: Faculty of Forestry and the Forest Environment, Lakehead University
FUNDING: \$159,000
DURATION: 3 Years
DESCRIPTION: The goal of this project is to synthesize data and results from existing studies and monitoring efforts. The specific objectives of this project are five-fold: Develop a first generation competition index model for jack pine, black spruce, white spruce and white pine using available data; Contrast conifer gains against hardwood losses for multiple vegetation management treatments; Provide a scientifically defensible comparison of the effectiveness of multiple vegetation management treatments relative to aerially applied herbicides based on 10th-year post-treatment data; Determine longer-term (> 10 year) impacts of forest vegetation management practices on biodiversity; Synthesize results of the studies and transfer to practitioners.

PROJECT NUMBER: EFPS 056-2-R1

PROJECT TITLE: Evaluation and improvement of free-to-grow assessment methods and standards through operational integration of field and remotely sensed procedures
APPLICANT: KBM Forestry Consultants Inc.
FUNDING: \$86,000
DURATION: 2 Years
DESCRIPTION: The project will focus on the development of more cost-effective, quantifiable, and re-measurable free-to-grow (FTG) inventory methodologies coupled with an effective implementation strategy at both the policy level and utilization by both OMNR and industry forest management teams. The project will evaluate the accuracy, results and cost effectiveness of large-scale photography for FTG assessments by comparing results to various ground survey methods.

PROJECT NUMBER: EFPS 074-2-R2

PROJECT TITLE: Modeling Diameter Distribution and Stand Value for Three Types of Jack Pine Stands in Ontario
APPLICANT: Forintek Canada Corp.
FUNDING: \$218,000
DURATION: 3 Years
DESCRIPTION: This project will not only provide the missing growth and yield information on jack pine stands, but also establish a direct link between FRIs and product recovery. The ability to predict stand-level product recovery from the FRIs and as a result of stand management will lead to better estimates of wood supply, and better-informed silvicultural, harvesting and end-use decisions.

PROJECT NUMBER: EFPS 075-2-R2

PROJECT TITLE: Silvicultural and Ecological Productivity of Black Spruce / Jack Pine Mixedwoods
APPLICANT: Centre for Northern Forest Ecosystem Research, MNR
FUNDING: \$74,000
DURATION: 3 Years
DESCRIPTION: This project will review existing literature on conifer mixedwood productivity, test the hypothesis that mixedwoods are more productive than single species stands in the context of black spruce (Sb) and jack pine (Pj), and develop at least one crop plan designed to manage for both species on the same site. Mixed and single species stands that are currently at the self-thinning phase of stand development will be examined to assess their potential for increased productivity through mixedwood management.

PROJECT NUMBER: EFPS 076-2-R2

PROJECT TITLE: Striking A Balance: Enhancing Forest Productivity to Meet Future Wood Supply and Bioenergy Objectives While Sustaining Ontario's Boreal Forest Ecosystems

APPLICANT: Forest Ecosystem Science Co-operative Inc.

FUNDING: \$211,400

DURATION: 3 Years

DESCRIPTION: Striking a balance for sustainable forest management builds on the best available science from forestry and forest ecology disciplines to enhance forest productivity and conserve forest ecosystem structure and function. Natural origin stands approaching the onset of old growth are being compared with new stands established through extensive, basic, intensive and elite levels of silviculture for response to two questions 1) "How much fibre can be gained through integration of silvicultural treatments? 2) Will floral species be lost despite our best efforts to retain tree species and structural diversity?"

PROJECT NUMBER: EFPS 077-2-R2

PROJECT TITLE: Regeneration of paludified forests after different forest harvest and site preparation techniques

APPLICANT: Chaire industrielle CRSNG-UQAT-UQAM en aménagement forestier durable, Université du Québec en Abitibi-Témiscamingue

FUNDING: \$16,611 (Year 1 funding), \$110,250 (Years 2 and 3)

DURATION: 3 Years

DESCRIPTION: This study proposes to look at the consequences of these harvesting techniques by comparing them to old harvest sites that were harvested by clear cuts (where the soil organic layer was greatly disturbed) and prescribed burns (that are closer to the natural disturbance pattern) that were carried out in the 1970s and 1980s. Measures of tree stocking, growth and foliar nutrition, along with site condition variables will determine whether stands that are created by current techniques, result in inferior, similar or superior tree establishment and growth when compared to previous techniques that disturbed more severely the surface soil.

PROJECT NUMBER: EFPS 078-2-R2

PROJECT TITLE: Characterizing marten natal den sites in managed forests.

APPLICANT: Northeast Science & Information Section, MNR

FUNDING: \$25,000

DURATION: 1 Year

DESCRIPTION: Martens preferentially use older forest stands with significant conifer composition, large trees and complex structural conditions near the ground. These stands are also important to the industrial wood supply. The study will investigate whether there are more suitable marten den sites in older forests or forests that have the structural characteristics of older forests, than in forest stands without these characteristics. This study will attempt to determine the critical structural characteristics of marten natal and maternal den sites and the stands within which they are located.

PROJECT NUMBER: EFPS 080-2-R2

PROJECT TITLE: Maximizing the Value of Black Spruce Resource through Development of an Integrated IFM Strategy

APPLICANT: Forintek Canada Corp.

FUNDING: \$164,000

DURATION: 3 Years

DESCRIPTION: Each cubic meter of wood is not created equally in terms of product recovery (yield, quality, mix, value). Therefore, forest managers should not simply strive to maximize wood fiber production which could be at the expense of the quality and value of the end-products. The three-year project to be completed in 3 phases and will evaluate the impact of three major IFM practices (pre-commercial thinning, commercial thinning and stand age-class or harvest age) on the entire wood value chain in black spruce.

PROJECT NUMBER: EFPS 081-2-R2

PROJECT TITLE: Implementation of Enhanced Forest Productivity: A Pilot Project on the Romeo Malette Forest

APPLICANT: Forestry Research Partnership

FUNDING: \$157,150

DURATION: 3 Years
DESCRIPTION: The Forestry Research Partnership (FRP) has been involved with more than 120 research projects aimed at enhanced forest productivity and sustainability. As a means of operationally validating these new FRP products and catalyzing wider application of enhanced forest productivity, the FRP proposes to establish a series of demonstration areas encompassing approximately 1000 ha on the Romeo Malette Forest. On these areas, state-of-the-art knowledge and tools will be integrated as harvest-to-harvest sequences of silvicultural best-practices, aimed at maximizing forest productivity.

PROJECT NUMBER: EFPS 082-2-R2

PROJECT TITLE: Commercial Thinning in Black Spruce Plantations
APPLICANT: Centre for Northern Forest Ecosystem Research, MNR
FUNDING: \$198,290
DURATION: 3 Years
DESCRIPTION: The objective of this project is to provide an integrated quantitative analysis of the silvicultural, ecological and economic effects of several CT regimes in boreal black spruce plantations. This project will examine responses in terms of resource supply (light, nutrients, moisture), tree growth and stand productivity (physiological response and growth allocation), understory plant dynamics (composition, structure and diversity), operational costs, and wood quality and value. The treatments established through this project will provide a valuable research tool for the examination of stand level responses for the next 20+ years.

PROJECT NUMBER: EFPS 083-2-R2

PROJECT TITLE: 15-Year Growth and Yield from Ontario Critical Period of Vegetative Competition Study
APPLICANT: Forestry Research Partnership
FUNDING: \$29,500
DURATION: 2 Years
DESCRIPTION: A critical period (CP) study was established outside Sault Ste. Marie, Ontario in 1992 to define the optimum timing and duration of vegetation control for jack pine, red pine, white pine, and black spruce plantations. As the study will be completing its 15th year in 2006, it is vital that tree growth and survival be measured to provide data for improving growth and yield models, the interaction of vegetation management and soil productivity, and to determine whether the CP determined during the early years of stand development is maintained over time. This project will measure, analyze, and report the 15th-year results from the Ontario CP study.

PROJECT NUMBER: EFPS 084-2-R2

PROJECT TITLE: Enhanced Forest Management of Red Oak and White Pine in Shelterwood Silvicultural
APPLICANT: Department of Biology, Nipissing University
FUNDING: \$120,000
DURATION: 3 Years
DESCRIPTION: The objective of this project is to examine the application of intensive forest management practices for red oak, and explore how similarities in the ecology and management of red oak and white pine can be incorporated into strategies for enhancing the productivity of stands that contain both of these species. The study will also contribute to data collection for studies that have been initiated and require long-term monitoring approaches.

PROJECT NUMBER: EFPS 085-2-R2

PROJECT TITLE: Reducing Uncertainty of Wood Supply through Better Understanding of Recreation Use: An Application of the Spatial Recreation Planning Framework
APPLICANT: Centre for Parks, Recreation and Tourism Research, Lakehead University
FUNDING: \$177,000
DURATION: 3 Years
DESCRIPTION: The proposed research project will explore the integration of recreation, tourism, and commercial forest operations in order to reduce conflict, costs of operations, and provide enhanced certainty in wood supply. The objectives of the study include: To test the transferability of the Spatial Recreation Planning Framework into a new geography that contains general use (including tourism and recreation) and enhanced management areas; To explore the potential of the Spatial Recreation Plan to act as a forecasting tool to identify special recreation places; To gain a better understanding of key criteria that exist within already identified special recreation places; and, to identify the seasonal importance of special recreation places.

PROJECT NUMBER: EFPS 086-2-R2

PROJECT TITLE: Development and Implementation of Succession Model (Modeling Ontario's Stand Succession and Yield (MOSSY)) in Ontario

APPLICANT: Forest Ecosystem Science Co-operative Inc.

FUNDING: \$60,000

DURATION: 3 Years

DESCRIPTION: MOSSY is a user-friendly empirical model (decision support tool) that provides forest managers with defensible estimates of forest succession and yield, while also providing a software shell for the new and provincially approved benchmark yield curves. The goal of MOSSY is to provide yield and estimates of natural succession based on the re-measured Provincial growth and yield permanent sample plot dataset, and compatible with current forest management planning procedures and tools.

PROJECT NUMBER: EFPS 087-2-R2

PROJECT TITLE: The Use of LSP with Satellite or Aerial Super High Resolution Imagery to Project and Track Stand Development

APPLICANT: Forest Ecosystem Science Co-operative Inc.

FUNDING: \$112,000

DURATION: 2 Years

DESCRIPTION: This project will test the utility of using Large Scale Photography (LSP), with high resolution imagery & ITC techniques to determine future yields based on values derived from the analysis of managed forest stands and density management diagrams. The LSP & ITC techniques should also identify the species composition of the block to aid in planning competition control.

ENHANCED FOREST PRODUCTIVITY SCIENCE PROGRAM

LIST OF PROJECTS COMPLETED IN 2007/08

PROJECT NUMBER: EFPS 003-1-R1

PROJECT TITLE: Forest Co-op Growth & Yield Permanent Growth plot program
APPLICANT: Forest Ecosystem Science Co-operative Inc.
FUNDING: \$576,000
DURATION: 3 Years
DESCRIPTION: This project will provide the quality of information required to accurately predict wood supply projections within forest management planning. The project is to provide improved estimates of tree and stand growth for both natural and artificially regenerated forest types over a wide range of site conditions under a variety of management intensities. The estimates will be used in forest management planning to determine wood supply. The data will be used to develop additional tools to aid in forest resource management.

PROJECT NUMBER: EFPS 010-2-R1

PROJECT TITLE: Environmental Impacts of Partial Harvesting in Riparian Reserves of Ontario's Mixedwood Forests: Post-Logging Assessment Phase
APPLICANT: Great Lakes Forestry Centre, Canadian Forest Service
FUNDING: \$206,000
DURATION: 3 Years
DESCRIPTION: The overall goal of the project is to determine whether partial harvesting can be conducted within riparian AOCs of boreal forest streams in a way that is compatible with the environmental protection objectives of provincial guidelines. The project plan included the establishment of six research sites in low-order watersheds, collection of baseline data to characterize the sites, habitat and biotic communities, conventional clear-cutting in upland areas and partial harvesting in riparian reserves of three of the sites (the other three serve as reference sites), and post-logging assessment of response variables.

PROJECT NUMBER: EFPS 012-2-R1

PROJECT TITLE: Extension Project - Forestry Research Partnership
APPLICANT: Forest Research Partnership
FUNDING: \$196,000
DURATION: 3 Years
DESCRIPTION: The Partnership's Extension Program is the critical component for the delivery of relevant forest science to all levels within various organizations, from the boardroom to field/operational level. The project both leads and supports initiatives to transfer new and existing knowledge relating to Enhanced Forest Productivity to forest management practitioners and policy makers, and to actively involve them in its implementation.

PROJECT NUMBER: EFPS 014-2-R1

PROJECT TITLE: Logging Damage Impacts
APPLICANT: Forest Research Partnership
FUNDING: \$96,000
DURATION: 3 Years
DESCRIPTION: Recent second entries into tolerant hardwood stands have identified that expected basal area growth rates were less than was expected or modeled in our strategic wood supply models ensuring our levels of sustainability. The reduction in growth rate has been attributed to many potential factors including logging and site damage. The project will examine the issue of skid trail impacts on the growth of the residual hardwood and pine forest and will provide new science that will be used to adjust silvicultural practices

PROJECT NUMBER: EFPS 016-2-R1

PROJECT TITLE: Regenerating Boreal Mixedwoods: Effects of Herbaceous Vegetation Control and Aspen Stem Density on Stand Development
APPLICANT: Forest Research Partnership
FUNDING: \$96,000
DURATION: 3 Years

DESCRIPTION: A lack of mixedwood regeneration strategies, coupled with impending wood supply shortfalls for both aspen and spruce identified in Ontario's Provincial Wood Supply Strategy has sparked serious land-use conflicts in the northeast and northwest regions of Ontario and elsewhere. The project's focus is on obtaining better information on the regeneration, management, tending, and protection of boreal mixedwoods.

PROJECT NUMBER: EFPS 017-2-R1

PROJECT TITLE: Parkside Gully Tolerant Hardwood Selection Harvesting and Product Recovery Study

APPLICANT: Forest Research Partnership

FUNDING: \$20,000

DURATION: 3 Years

DESCRIPTION: The Parkside Gully Tolerant Hardwood Selection Harvesting and Product Recovery Study is one of the longest running and largest size controlled harvest hardwood studies known in Ontario. This project will re-measure all permanent sample plots (treated and control) associated with this study, carry out the next scheduled operational harvest of the study stands, and complete a full product recovery study to relate the final wood products (boards, veneer, pulp, bolts) and their values in relation to the different preharvest log grades present on the sites.

PROJECT NUMBER: EFPS 018-2-R1

PROJECT TITLE: Spatial Planning for Sustainable Forest Management

APPLICANT: Forest Research Partnership

FUNDING: \$157,000

DURATION: 3 Years

DESCRIPTION: The main objective of the project is to improve sustainable forest management modeling and decision support capabilities using Patchworks and other related models. A second objective is to develop linkages between Patchworks and other models that are capable of modeling risk and uncertainty. This will provide forest managers with a spatially explicit decision support system that enables them to incorporate risk into their planning process.

PROJECT NUMBER: EFPS 020-2-R1

PROJECT TITLE: Effects of Early Herbaceous and Woody Vegetation control on Eastern White Pine Regeneration

APPLICANT: Forest Research Partnership

FUNDING: \$50,000

DURATION: 3 Years

DESCRIPTION: This study's aim is to identify the vegetation components that most compete with white pine and the time during seedling development when competition is greatest, so that foresters may better target and time vegetation management efforts for the greatest success. Project outcomes will also address and provide further information on the potential for efficient herbicide use and lower risk integrated pest management strategies, where competition control to improve early establishment of this species is critical.

PROJECT NUMBER: EFPS 021-2-R1

PROJECT TITLE: Yield Curve Refinement - Northeastern and Southern Ontario

APPLICANT: Forest Research Partnership

FUNDING: \$42,000

DURATION: 3 Years

DESCRIPTION: This project uses the full sample plot network to develop yield curves that reflect different levels of management intensities. The validation of the curves against an independent data set is an important part of model development and refinement. The objective of this project is to validate the yield curves against independent data and publish the results.

PROJECT NUMBER: EFPS 028-2-R1

PROJECT TITLE: Developing and Evaluating Stem Profile Models for Plantation Grown Jack Pine and Black Spruce Trees at Varying Stand Density

APPLICANT: Ontario Forest Research Institute, MNR

FUNDING: \$244,000

DURATION: 3 Years

DESCRIPTION: Development of taper equations is a basic prerequisite to estimating individual tree volumes and product yields. The objectives of this study are to develop new and more appropriate taper functions for these species; evaluate the long-term density effects on tree form which arise from different planting density (or by mortality) and by thinning, and determine the most appropriate sampling design in terms of the sample size and selection procedures which minimize prediction error when building taper equations.

PROJECT NUMBER: EFPS 029-2-R1

PROJECT TITLE: Development of Habitat Element Curves using Processed-Based Modeling
APPLICANT: Centre for Northern Forest Ecosystem Research, MNR
FUNDING: \$42,000
DURATION: 2 Years
DESCRIPTION: Using a process-based stand development model this project will develop “yield” curves for critical stand-level habitat elements. Using habitat occupancy models already developed the project will demonstrate application of the habitat element curves by predicting future probabilities of habitat occupancy for selected species in the Nipigon and Gordon Cosens Forest Management Units.

PROJECT NUMBER: EFPS 044-2-R1

PROJECT TITLE: Completion of the Northern Ontario Plant Database
APPLICANT: Upper Lakes Environmental Research Network
FUNDING: \$83,000
DURATION: 2 Years
DESCRIPTION: This project is to complete the data entry phase of the Northern Ontario Plant Database (NOPD) and to accomplish additional goals aimed at improving the usefulness of the NOPD to the forestry community.

PROJECT NUMBER: EFPS 053-2-R1

PROJECT TITLE: Aboriginal expectations of sustainable forest management and the perceived effectiveness of Ontario forest practices and forest certification
APPLICANT: National Aboriginal Forestry Association
FUNDING: \$136,000
DURATION: 2 Years
DESCRIPTION: The purpose of this project is to explore the extent to which forest management practices in Ontario meet the expectations that Aboriginal peoples have of the way Crown forest lands within their traditional territories should be managed. The main outcome of the project will be an increased capacity to address Aboriginal dimensions of sustainable forest management.

PROJECT NUMBER: EFPS 057-2-R1

PROJECT TITLE: Effect of Partial Harvesting and a Forest Tent Caterpillar Outbreak on Stand Development of a Boreal Mixedwood Stand
APPLICANT: Northeast Science and Information Section, MNR
FUNDING: \$32,000
DURATION: 1 Year
DESCRIPTION: A partial harvest trial of a boreal mixedwood stand was initiated in 1995 on the Lake Abitibi Model Forest. A subsequent tent caterpillar outbreak accelerated the natural mortality of a large portion of the overstory trembling aspen. This combination of events presented a unique opportunity to quantify and compare the effects of partial harvested and unharvested stands when a natural disturbance (insect defoliation) is superimposed on the treatments tested, accelerating natural stand break-up.

PROJECT NUMBER: EFPS 060-2-R1

PROJECT TITLE: Evaluating the Effects of Post-Harvest Silvicultural and Intensive Forest Management Practices on Boreal Landbirds
APPLICANT: Bird Studies Canada
FUNDING: \$104,000
DURATION: 2 Years

DESCRIPTION: This research will evaluate how closely post-harvest silvicultural practices, including intensive forest management practices, emulate natural disturbance processes, such as fire, from the perspective of boreal landbirds. The research will provide a framework for ongoing future habitat and monitoring by developing remote-sensing protocols (validated by field data).

PROJECT NUMBER: EFPS 067-2-R1

PROJECT TITLE: Developing Sustainable Boreal Mixedwood Practices in a Stand Level Adaptive Management (SLAM) Framework

APPLICANT: Ontario Forest Research Institute, MNR

FUNDING: \$209,000

DURATION: 3 Years

DESCRIPTION: The project's goal is to advance knowledge on mixedwood management by testing innovative techniques for achieving productive mixtures of conifers and hardwoods at operational scales, and monitoring associated changes in ecological indicators. An active adaptive management framework is being used in the project to speed learning and ensure incorporation of results into practice

PROJECT NUMBER: EFPS 079-2-R2

PROJECT TITLE: Impact of Prescribed Burning on Growth and Dynamics of Forest stands

APPLICANT: Forest Ecosystem Science Co-operative Inc.

FUNDING: \$150,000

DURATION: 2 Years

DESCRIPTION: This project will investigate the effects of prescribed burns and basic silviculture (site prep, plant, tend) on forest growth and yield, stand dynamics and early stand floristics as compared to natural fire. A series of 'matched' plots will be established in 14 to 35 year old plantations and natural sites with 3 broadly contrasting disturbance histories: wildfire, prescribed burn, and mechanical site preparation.

APPENDIX 4

FAR NORTH FOREST DEVELOPMENT (FNFD) INITIATIVE

ROUND 3 APPROVED PROJECTS

PROJECT NUMBER: FNFD 010-R3

PROJECT Northern Boreal Initiative – Community based Land Use Planning

TITLE:

APPLICANT: Lars Ohman, on behalf of Cat Lake & Slate Falls First Nations

FUNDING: \$265,000

DURATION: 3 Years

DESCRIPTION: Cat Lake First Nation and Slate Falls Nation want to maintain ancestral stewardship responsibilities for the land while pursuing new resource based economic opportunities in commercial forestry. Cat Lake First Nation and the Slate Falls First Nation are working in partnership with the Ontario Ministry of Natural Resources and with the Northern Boreal Initiative Planning Team to prepare a community based land use strategy for that portion of our traditional territory that lies north of the area of the undertaking (AOU) and north of the area addressed by Ontario's Living Legacy existing planning direction. The endorsed Strategic Land Use Plan will act as a mechanism that sets out clear direction for land use and will enable Cat Lake and Slate Falls to assess the feasibility of commercial forestry within our traditional territory. A final endorsement of the strategies will be required from Cat Lake First Nation and Slate Falls Nation and the OMNR under the authority of the Minister of Natural Resources administering the Public Lands Act.

PROJECT NUMBER: FNFD 011-R3

PROJECT Taa Shi Key Win – Eabametoong & Mishkeegogamang Community Based Land Use Planning Project.

TITLE:

APPLICANT: Ron Hammerstedt & Associates, on behalf of Eabametoong First Nation and Mishkeegogamang First Nation

FUNDING: \$259,000

DURATION: 2 Years

DESCRIPTION: Taa Shi Key Win (pronounced "ta she kay' win") is Ojibway and translated literally means "where we live". Figuratively, it means "our environment". The Taa Shi Key Win Community Based Land Use Planning Initiative is the result of a process that was begun via the Northern Boreal Initiative nearly five years ago and now fits within the Far North Planning Initiative. The two First Nations, Eabametoong and Mishkeegogamang, have embarked on this initiative together and have remained together for the past five years while developing the large inventory required to carry out detailed land use planning. Project partners include the OMNR and MNDM. Approximately 75% of the inventory work (a greatly enhanced FRI with cultural inventory) has been completed. With the pending completion of the inventory these two communities are currently embarking on the Planning Phase. The results of this project include the development of a draft terms of reference for the planning process. The Terms of Reference will be the launching point of the planning process.

PROJECT NUMBER: FNFD 012-R3

PROJECT Community-Based Land and Resource Management Planning: Integrating Community Knowledge, Land Use, and Values

TITLE:

APPLICANT: Constance Lake First Nation

FUNDING: \$169,000

DURATION: 2 Year

DESCRIPTION: In Phase 3 Constance Lake First Nation (CLFN) will develop, with full participation of the community, management strategies for community based land and resource planning centered on community values and knowledge of the NBI area. Furthermore, the community will utilize the data developed in previous phases to assess potential economic opportunities based on social, cultural and ecological values. CLFN's land use plan strategy will also consist of adapting to new objectives and a mandate for land use planning, as the Ministry of Natural Resources evolves from a policy based (mostly on development of traditional forestry in the NBI) to a much wider approach. CLFN will adopt a more holistic approach, incorporating planning for habitat, conservation, carbon credits, Bio-mass, mines, tourism development etc. as well as forestry. CLFN wants to complete the production of a movie based on the film footage acquired in Phase 2. Phase 3 will be the part one of a three year project that will lead CLFN from its acquired TEK information and community understanding to a full land use plan and a forest management plan.

PROJECT NUMBER: FNFD 013-R3

PROJECT Whitefeather Forest Initiative Feasibility Project – 2008/09: Fibre Quality Research Component
TITLE:
APPLICANT: Whitefeather Forest Management Corporation
FUNDING: \$100,000
DURATION: 1 Year
DESCRIPTION: Pikangikum will undertake a research project to determine the quality of the fibre in the Whitefeather Forest. The overall objectives is to identify and evaluate highest value and best end use commercial value-added potential in the Whitefeather Forest based on the special attributes of the “slow growth” boreal fibre profile of the Whitefeather Forest

FAR NORTH FOREST DEVELOP INITIATIVE

ONGOING PROJECTS

PROJECT NUMBER: FNFD 003-R1

PROJECT TITLE: Moose Cree Forest

APPLICANT: Moose Cree First Nation

FUNDING: \$219,165

DURATION: 4 Years

DESCRIPTION: The Moose Cree are preparing to enter into the formal land use planning process with the Ministry of Natural Resources and need the resources to participate in the process. The applicants made it clear that the Moose Cree First Nation have not assumed that they will start commercial forestry in their traditional territory. The Chief and Council have agreed to enter into the land use planning process by direction from the Moose Cree membership. The Moose Cree First Nation is requested funding for two specific activities related to Community Land Use Planning. Specifically, a) Preparation and completion of the terms of reference for posting on the EBR by June 2006, and b) Ongoing work with the MNR, MOE and stakeholders during the public land use planning process from June 2006 to December 2007.

PROJECT NUMBER: FNFD 007-R2

PROJECT TITLE: Building Knowledge – Research in Support of Community-Based Land Use Planning

APPLICANT: Little Grand Rapids First Nation

FUNDING: \$88,000

DURATION: 1 Year

DESCRIPTION: Little Grand Rapids First Nation's long term vision is to complete a community-based land use plan for their traditional lands (located in Ontario and Manitoba). This project pertains to trapline areas in Ontario and early stages of research and knowledge-gathering to build an information base from which to develop a land use plan. The purpose of the project is to undertake a variety of activities that will increase their knowledge about the history, environmental characteristics and economic potential of trapline areas in Ontario. Land use planning is also a requirement for achieving inscription on the list of World Heritage Sites. Little Grand Rapids is working on this project in conjunction with Pauingassi First Nations FNFD Project #008-R2.

PROJECT NUMBER: FNFD 008-R2

PROJECT TITLE: Building Knowledge – Research in Support of Community-Based Land Use Planning

APPLICANT: Pauingassi First Nation

FUNDING: \$88,000

DURATION: 1 Year

DESCRIPTION: Pauingassi First Nation's long term vision is to complete a community-based land use plan for their traditional lands (located in Ontario and Manitoba). This project pertains to trapline areas in Ontario and early stages of research and knowledge-gathering to build an information base from which to develop a land use plan. The purpose of the project is to undertake a variety of activities that will increase their knowledge about the history, environmental characteristics and economic potential of trapline areas in Ontario. Land use planning is also a requirement for achieving inscription on the list of World Heritage Sites. Little Grand Rapids is working on this project in conjunction with Little Grand Rapids First Nations FNFD Project #007-R2.

PROJECT NUMBER: FNFD 009-R2

PROJECT TITLE: Community-Based Land and Resource Management Planning: Integrating Community Knowledge, Land Use, and Values

APPLICANT: Constance Lake First Nation

FUNDING: \$110,000

DURATION: 1 Year

DESCRIPTION: This project will document and integrate Constance Lake First Nation's (CLFN) Traditional Knowledge base, land use values and occupancy, both historical and current. A self-made map of Traditional Knowledge in an interactive, as well as audio/video GIS program form will consist of values maps, traditional knowledge information, and culturally-significant sites. Each value, plant, animal or significant site on the interactive map will have attached to it a story (both audio and video) told by Constance Lake Elders, trappers and other membership that will contribute to building a Traditional knowledge information base. The project will provide the opportunity for increase training and capacity building for Youth and Elders through participation in Field Inventories, Permanent Sample Plots and values collection and mapping. The community will utilize the data to ensure that values are understood, acknowledged and managed for during resource management planning. CLFN will develop management strategies for community-based land and resource planning centered on community values and knowledge for the area. Furthermore, the community will utilize the data to assess potential economic opportunities based on social, cultural and ecological values.

FAR NORTH FOREST DEVELOP INITIATIVE

LIST OF COMPLETED PROJECTS

PROJECT NUMBER: FNFD 001-R1

PROJECT TITLE: Whitefeather Forest Initiative: Development Planning Activities Project – 2005/06
APPLICANT: Whitefeather Forest Management Corporation
FUNDING: \$250,000
DURATION: 1 Year
DESCRIPTION: This project supports activities in the final year of a five year process to complete a Land Use Strategy for the Whitefeather Forest Planning Area including completion of the Land Use Strategy document, completion of related dialogue with interested parties and presentation to the public for comment at the third and final Open House. Additional activities included dialogue and development of an Options paper related to cooperative management and stewardship arrangements between Pikangikum and OMNR for the Whitefeather Forest Planning Area; and development of business arrangements in relation to a proposed value-added enterprise development in partnership with Wabigoon Lake Ojibway Nation and an industry partner. A number of partnership arrangements regarding financial support for this project were established. The Forestry Futures Trust provided support in areas where funding was not available.

PROJECT NUMBER: FNFD 002-R1

PROJECT TITLE: Community-Based Land Use Planning
APPLICANT: Windigo First Nations Council, on behalf of Slate Falls First Nation and Cat Lake First Nation
FUNDING: \$208,560
DURATION: 2 Years
DESCRIPTION: The Windigo First Nations Council communities of Slate Falls First Nation and Cat Lake First Nation wish to continue the community based land use planning and resource documentation that was started in 2000. The primary interest of Slate Falls and Cat Lake is to pursue new resource-based economic development through forestry by acquiring commercial forest tenure and associated forestry opportunities as well as protected areas opportunities within their traditional territories. These community-based land use plans will prepare Slate Falls and Cat Lake to lead economic development initiatives that will result in new jobs and a leadership role in sustainable forest management. One of the products of the community-based land use planning exercise will be the preparation of a Strategic Action Plan which will outline the steps required to reach the goals of a Sustainable Forest License.

PROJECT NUMBER: FNFD 004-R1

PROJECT TITLE: Northeastern NBI Forestry Opportunity Study
APPLICANT: Constance Lake First Nation
FUNDING: \$66,000
DURATION: 2 Years
DESCRIPTION: Constance Lake First Nation was provided funding to hire a Coordinator to assist Constance Lake First Nation with its Community Based Land Use Plan for the area of interest contained in the Northern Boreal Initiative area. Some specific deliverables the Committee would like to see from the allocation of these funds include: 1.) Coordinator/consultant hired within three months; 2.) Development of a background document outlining previous work related to the Northern Boreal Initiative; 3.) Development of a work plan that will build on previous work and outline a community based land use planning process; 4.) Exploration of partnerships with the other First Nations and coming to some resolution; and 5) Submission of a full proposal in the next round of applications outlining Constance Lake's proposed approach to community based land use planning and requesting the necessary funds to complete the work.

PROJECT NUMBER: FNFD 005-R1

PROJECT TITLE: Community-Based Land Use Planning Project (CBLUPP)
APPLICANT: Eabametoong First Nation/Mishkeegogamang First Nation
FUNDING: \$90,000
DURATION: 3 Years

DESCRIPTION: Eabametoong First Nation and Mishkeegogamang First Nation wish to start the learning process for community based planning and plan to develop a terms of reference for the actual planning process. To support this learning process the communities believe that communications must begin in earnest between and among the partners in this project including: Community of Eabametoong FN, Community of Mishkeegogamang FN, MNR, MNDR, and Community of Pickle Lake. Forestry Futures funds are provided to support travel and meeting expenses associated with communication between the various partners.

PROJECT NUMBER: FNFD 006-R2

PROJECT TITLE: Northern Boreal Initiative - Community-Based Land Use Planning

APPLICANT: Windigo First Nations Council, on behalf of Slate Falls First Nation and Cat Lake First Nation

FUNDING: \$118,000

DURATION: 1 Year

DESCRIPTION: The land is an integral part of the cultural, economic and spiritual existence of the Cat Lake and Slate Falls First Nations. Cat Lake First Nation and Slate Falls Nation are working in partnership with the Ontario Ministry of Natural Resources and with the Northern Boreal Initiative Planning Team to prepare a community-based land use strategy for that portion of their traditional territory that lies north of the area of the undertaking (AOU) and north of the area addressed by Ontario's Living Legacy existing planning direction. The endorsed Strategic Land Use Plan will act as a mechanism that sets out clear direction for land use and will enable Cat Lake and Slate Falls to assess the feasibility of commercial forestry within their traditional territory. A final endorsement of strategies will be required from Cat Lake and Slate Falls and from the OMNR under the authority of the Minister of Natural Resources administering the Public lands Act. Once the strategic land use planning document is complete it will provide direction to government, resource based industry and other land use regulatory agencies in their assessment of development projects.

APPENDIX 5

ENHANCED FOREST RESOURCE INVENTORY (EFRI) PROGRAM

ONGOING PROJECTS

2006_2b	Region: NW
CONTRACTOR:	Terrace Bay Pulp Inc.
TYPE:	Forest Resources Inventory
FUNDING:	\$1,684,744.92
DESCRIPTION:	Preparation of a Forest Resources Inventory for the Kenogami Forest per the Services Contract between Neenah Paper Company of Canada and Timberline Forest Inventory Consultants, Ltd. Dated June 20, 2005
2006_3	Region: NW, NE, C
CONTRACTOR:	Champlain Air Surveys.
TYPE:	Permanent Forest Inventory Photo Plots
FUNDING:	\$310,503.30
DESCRIPTION:	Acquisition of aerial photography for 885 permanent forest inventory photo plots as per the agreement for Aerial Photography Services between the Ontario Ministry of Natural Resources and Champlain Air Surveys Ltd. Dated June 27, 2006 (RFP No.: OSS-072271)
2007_2	Region: NW,NE,C
CONTRACTOR:	North West Geomatics Ltd.
TYPE:	Acquisition of an Aerial Photography/Imagery Base for the eFRI Program
FUNDING:	\$7,604,210
DESCRIPTION:	Acquisition of Imagery (20 cm Panchromatic, 40 cm True Colour (RGB), and 40 cm Colour Infrared (IR) digital orthoimagery) and the delivery of associated products (Stereo Panchromatic data, Stereo True Colour data, Stereo Colour IR data, Digital Photography Derived Surface Model (Raster), and 5 m Classified Digital Surface Model 0 for approximately 194,426 sq. km.
2007_7	Region: C
CONTRACTOR:	Tescult Inc.
TYPE:	FRI Production for the Bancroft-Minden Forest
FUNDING:	\$1,116,870.00
DESCRIPTION:	FRI Production for the Bancroft-Minden Forest. Field sampling will be completed according to the Ontario Forest Resources Inventory Calibration plot Specifications (1,980 plots) and imagery classification will be completed according to the Ontario Forest Resources Inventory Photo Interpretation Specifications (9,896 sq. km). RFT. No. OSS-074667
2007_8	Region: NW
CONTRACTOR:	Terrace Bay Pulp Inc.
TYPE:	FRI Production for the Hearst Forest
FUNDING:	\$1,575,380.31
DESCRIPTION:	FRI Production for the Hearst Forest. Field sampling will be completed according to the Ontario Forest Resources Inventory Calibration plot Specifications (3,020 plots) and imagery classification will be completed according to the Ontario Forest Resources Inventory Photo Interpretation Specifications (915,109 sq. km). RFT. No. OSS-074667
2007_9	Region: NW
CONTRACTOR:	R&B Cormier Inc.
TYPE:	FRI Production for the Quetico Provincial Park
FUNDING:	\$462,903.04
DESCRIPTION:	FRI Production for the Quetico Provincial Park. Field sampling will be completed according to the Ontario Forest Resources Inventory Calibration plot Specifications (585 plots) and imagery classification will be completed according to the Ontario Forest Resources Inventory Photo Interpretation Specifications (4,696 sq. km). RFT. No. OSS-074667
2007_11	Region: NW, NE, C
CONTRACTOR:	SUMAC Forest Information Services Ltd.

TYPE: Permanent Forest Inventory Ground Plot Installation and Measurement
FUNDING: \$270,000
DESCRIPTION: Permanent Forest Inventory ground plot installation and measurement services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's forests by installing ground plots and measuring a variety of forest and non-forest features. This project will install and measure 54 Ground Plots through the services of RFT No. OSS-072295

ENHANCED FOREST RESOURCE INVENTORY (EFRI) PROGRAM

LIST OF PROJECTS COMPLETED IN 2007/08

2007_1	Region: N/A
CONTRACTOR:	Ontario Ministry of Natural Resources
TYPE:	MNR Administration Fees
FUNDING:	\$450,000
DESCRIPTION:	Administration of the enhanced Forest Resources Inventory Program
2007_3	Region: NE
CONTRACTOR:	Tembec Enterprises Inc.
R:	
TYPE:	Romeo Malette Forest FRI
FUNDING:	\$1,130,497.78
DESCRIPTION:	Preparation of a Forest Resources Inventory for the Romeo Malette Forest
2007_4	Region: NE,C
CONTRACTOR:	Tescult Inc.
TYPE:	Permanent Forest Inventory Photo Plot Interpretation
FUNDING:	\$19,276.00
DESCRIPTION:	Permanent Forest Inventory Photo Plot (PFIPP) interpretation services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's by identifying, photo interpreting and mapping a variety of forest and non-forest features. This project is for the interpretation of 158 PFIPPs. RFT No. OSS-74724
2007_5	Region: C
CONTRACTOR:	William Seymour Forestry Services Inc.
TYPE:	Permanent Forest Inventory Photo Plot Interpretation
FUNDING:	\$20,400.00
DESCRIPTION:	Permanent Forest Inventory Photo Plot (PFIPP) interpretation services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's by identifying, photo interpreting and mapping a variety of forest and non-forest features. This project is for the interpretation of 48 PFIPPs. RFT No. OSS-74724
2007_6	Region: NW, NE
CONTRACTOR:	William Seymour Forestry Services Inc.
TYPE:	Permanent Forest Inventory Photo Plot Interpretation
FUNDING:	\$3,000.00
DESCRIPTION:	Permanent Forest Inventory Photo Plot (PFIPP) interpretation services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's by identifying, photo interpreting and mapping a variety of forest and non-forest features. This project is for the interpretation of 8 PFIPPs. RFT No. OSS-74724
2007_6	Region: NW, NE
CONTRACTOR:	William Seymour Forestry Services Inc.
TYPE:	Permanent Forest Inventory Photo Plot Interpretation
FUNDING:	\$3,000.00
DESCRIPTION:	Permanent Forest Inventory Photo Plot (PFIPP) interpretation services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's by identifying, photo interpreting and mapping a variety of forest and non-forest features. This project is for the interpretation of 8 PFIPPs. RFT No. OSS-74724
2007_10	Region: C

CONTRACTOR: William Seymour Forestry Services Inc.
TYPE: Permanent Forest Inventory Photo Plot Interpretation
FUNDING: \$5,525.00
DESCRIPTION: Permanent Forest Inventory Photo Plot (PFIPP) interpretation services are required by the Inventory, Monitoring and Assessment Section of the Ontario Ministry of Natural Resources for the purpose of contributing to the Provincial goal of assessing and monitoring the extent, state and sustainability of Ontario's by identifying, photo interpreting and mapping a variety of forest and non-forest features. This project is for the interpretation of 13 PFIPPs. RFT No. OSS-74724

APPENDIX 6

CONVERSION OF SFL TO COOPERATIVE (SFL CO-OP) PROGRAM

ONGOING PROJECTS

PROJECT NUMBER:CC-1

PROPOSED SFL COOP NAME: Hearst Forest Management Inc.
LEAD CONTACT: Denys Cheff (Hearst Forest Management Inc.)
FOREST(S) Hearst Forest
FUNDING: \$80,000
DURATION: 1 Year
DESCRIPTION: Existing SFL Cooperative to seeking direct participation from hardwood consumers and harvesters while extending the opportunity to reduce costs while maintaining a high standard of forest management. This will provide security of supply through improved utilization.

PROJECT NUMBER:CC-2

PROPOSED SFL COOP NAME: Thunder Bay Forest Cooperative Inc. (subject to change)
LEAD CONTACT: Rick Groves (AbitibiBowater Inc. originally Bowater Canadian Forest Products Inc.)
FOREST(S) Black Sturgeon, Dog River Matawin, Lakehead, Spruce River, English River
FUNDING: \$349,550
DURATION: 3 Years
DESCRIPTION: Existing SFL holders on the proposed area, developing a working relationship with potential participants to develop an amalgamated cooperative SFL for five proposed SFLs: Black Sturgeon Forest, Dog River Matawin Forest, Lakehead Forest, Spruce River forest, and English River Forest.

PROJECT NUMBER:CC-3

PROPOSED SFL COOP NAME: Pic River Cooperative Inc.
LEAD CONTACT: Bert Hennesey (Buchanan Forest Products)
FOREST(S) Pic River Ojibway, Big Pic, Black River
FUNDING: \$237,313
DURATION: 2 Years
DESCRIPTION: Present shareholder on each of the three forests is seeking direct participation from other beneficiaries of the forest to negotiate a business arrangement with the intent of managing the three forests on behalf of all the mutual shareholders. The goal is to simplify forest management planning and reduce costs of forest management planning and operations.

PROJECT NUMBER:CC-4

PROPOSED SFL COOP NAME: Lake Nipigon Forest Management Inc...
LEAD CONTACT: Rob Booth (Domtar Inc.)
FOREST(S) Lake Nipigon
FUNDING: \$176,074
DURATION: 2 Years
DESCRIPTION: Proposed Cooperative SFL will be formed in a two stage approach: first will establish Coop SFL with Lake Nipigon forest participants and second stage will involve including the Armstrong Forest players. Will take a double board model.

PROJECT NUMBER:CC-5

PROPOSED SFL COOP NAME: Cochrane Cooperative Inc.
LEAD CONTACT: Rob Tomchik (AbitibiBowater Inc.)
FOREST(S) Iroquois Falls, Nighthawk, Smooth Rock Falls, Cochrane-Moose Management Unit
FUNDING: \$297,875
DURATION: 2 Years
DESCRIPTION: Present shareholder on each of the three forests is seeking direct participation from other beneficiaries of the forest to negotiate a business arrangement with the intent of managing the three forests on behalf of all the mutual shareholders. One of the forests (Cochrane-Moose) is presently a Crown Management Unit and forests that have different planning horizons that also adds to the complexity to the amalgamation.