

CAN BC MEET ITS TREE PLANTING TARGETS?

By Jim Girvan

In 2017, our provincial and federal governments implemented a climate change strategy relying in large part on carbon sequestration through increased reforestation in BC. With that they signed a federal/provincial forest restoration agreement as part of the federal Low Carbon Economy Fund.

This initiative suggests that the reforestation sector is now on track for tree planting numbers to rise to over 300 million seedlings by 2020 and 2021, levels not seen for decades. The increased demand for reforestation has also been pushed by two consecutive years of substantial plantation losses due to wildfires in BC.

In the Winter 2019 issue of *Truck LoggerBC (Tree Planting: An Industry at Risk?)*, John Betts, executive director of the Western Forestry Contractors Association (WFCA) detailed the potential stumbling blocks to achieve potentially record-setting seedling growth and planting numbers, which included: the increase in the provincial minimum wage; attracting an ongoing tree planting workforce; and the reality that contract

tree planting prices have not kept up with inflation. The message was clear, contract tree planting prices would have to rise in order to ensure a suitable workforce capable of planting record numbers of trees on an ongoing basis.

“For the 2019 planting season, the province has about 270 million trees in the queue,” notes Betts. However, looking forward to 2020 sowing requests suggest planting numbers will rise to about 308 million or a 15 per cent increase over this year. With nursery capacity limited, but keeping pace with sowing requests, the industry may have to be creative in order to ensure we can grow increasing numbers of seedlings to meet the climate change initiative goals.

“There was a significant amount of expansion in the nursery sector for 2019, but it has been a challenge to entice nurseries to invest in expansion given how uncertain the length of the forest carbon program will be,” notes Rob Miller of PRT, North America’s largest producer of container-grown forest seedlings. Even with expansion, nurseries report several customers could not find nursery space



this year, so demand numbers could rise even more in 2020. Like the planting sector, labour recruitment has been a challenge for nursery operators and in 2019 wage rates will need to rise in order to attract enough seasonal labour to ensure the crop is harvested successfully. Out of province and contract labour sources will also be pursued. As a result, tree prices have been rising in the face of this challenge.

So as the planting season unfolds in BC, how did the planting contractors fare with respect to rates and recruitment?

Timo Scheiber, CEO at Brinkman Reforestation Ltd. is well versed in the tree planting industry given they operate in locations across Canada. For 2018, Brinkman managed to secure a workforce sufficient to complete all contracted work but has concerns for the future. "Yes, contract tree planting rates increased for 2019 and that will help. Across the industry, someone who made \$250 a day in 2018 might make \$285 in 2019 in the same conditions, although accounting for inflation, we are still falling short of wages that were earned 20 years ago.

I remain concerned that planting 308 million trees in BC in 2020 will be a tall order even with the positive increases to planting prices projected for 2019. I am sure it will draw some (new) people, but will it draw the extra 600 planting recruits we need to meet the 308 million tree target? Improved earnings will help, but they might not be sufficient to start the social media fire the industry needs to drive recruiting for the increased 2020 planting season. I am hopeful, but other solutions like further earnings increases and extending the season are probably needed."

Crawford Young, senior operations manager of Spectrum Resource Group in Prince George concurs with Scheiber and also saw contract planting rates go up this year, which will allow them to pass along some of that as improvements to piecework rates paid to planters.

Despite the rate improvements however, hiring for the 2019 season remained tenuous and at the time of writing, Young was still looking for a few new recruits to fill their roster when they started planting in early May. "Hiring is typically done around Christmas and often times ahead of final contract negotiations for

many projects," notes Young. "As a result, it is difficult to attract new recruits without committing to final prices and what we will be paying planters."

The perception of the industry and the money that can be made is the key driver that makes people decide to plant trees in the first place, based on surveys Spectrum does of their workforce. After they decide to plant for the season, they then look for the contractor that suits them the best. "Money is important, but camp quality and location play a part in it. The bottom line is that if people don't think that they can make big bucks, they won't even start to look at planting as a summer job," notes Young. "If a planter does well in one year, they tend to be a bit more loyal, but the workforce is still mobile and competition is strong for veteran planters."

Experienced people are always being poached and some that are hired for a summer plant just don't show up as they may take a couple of offers and show up at the contractor who is offering the best rates.

"If the industry finalized planting contracts in the fall, it would give us more certainty in hiring and recruitment," says Young. Spectrum also believes that multi-year contracts would help them plan for labour and camp location. "Certainty allows us to refine our business model and allow for better planning so as to maintain our high quality of service."

"We are always training new people. There are simply not enough experienced planters to go around as tree numbers are rising every year. This reality has to be a fundamental part of any business model," adds Young.

Young also agrees that attracting recruits next year may be tough if the perception of the industry does not remain positive. "If we don't invest in the piece work prices paid to planters as an industry, it will be difficult to attract new recruits next year. Companies must follow through with wage improvements year over year or the word gets out that it is simply not worth it."

The WFCMA made a variety of recommendations to government and industry as the forecast growth in planting numbers materialized, recommendations

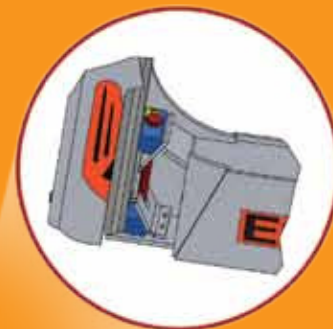
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that remain relevant if we have any chance of hitting the 2020 and beyond tree planting targets.

On the nursery side, strategies to grow more seedlings in order to address the short-term demand for trees spurred by the carbon strategy include: tendering earlier so growers can consider expansion; growing smaller cavity trees; reducing tree specifications to increase yields; and growing more open compound pine and shelter house spruce and Douglas fir. Where increased long-term capacity is needed, multi-year contracts would help support the investment in greenhouses.

On the tree planting side, the main recommendations pertain to taking the pressure off the spring planting window whenever possible. “We won’t succeed if we try to plant all our seedlings in May,” cautions Betts. “We need to start planting trees in other windows like the fall or summer. Fall planting especially may become a favourable option as a remedy to the drought losses we are seeing repeated on some sites in the Interior.” Ironically the summer

plant option creates a bottleneck at the nurseries due to the narrow window for harvest and delivery of livestock.

Other recommendations to address the potential planting bottleneck include taking a more flexible approach to getting projects done. “The typical June 21 deadline for spring planting may in some cases be an artificial, if not impractical, milestone, especially when spring gets off to a late start,” warns Betts.

“In the end, pressing contractors who may be short of labour to high rates of production may have the unintended consequence of shortening the planting season workdays for some workers. This reduces the chances of making the kind of money they need in order to participate in this kind of seasonal work,” cautions Betts.

On the worker retention front, multi-year planting contracts would give contractors more certainty about their future prospects and allow them better opportunities to recruit, train and retain competent workers for longer terms. “Everyone knows that keeping seasonal workers

coming back year after year will increase the capacity of the sector as a whole,” notes Betts.

To make this work, to ensure we grow and get the trees into the ground required to meet climate targets, improved contractor/licensee cooperation and some give and take around the execution of growing and silviculture contracts will increase the overall chances of the provincial program succeeding. This should also include better cooperation between government and the licensees to improve seedling demand forecasts and to prioritize projects to ensure carbon trees are grown and planted within the prescribed funding window. This approach could help level out peak demand over a longer period, easing workforce issues and making it more attractive to invest in new growing space. Implementation of all of these strategies could create a win/win for all stakeholders in the industry.▲