

Reflection process on the future of forests

ECONOMIC DEVELOPMENT
AND REGIONAL BENEFITS



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Theme 4. Economic Development and Regional Benefits

Sub-theme 1. Forest Contribution to Economic Development and Decarbonization

Assessment

The forest is important for the economic development of Québec and its regions, particularly due to the magnitude of the benefits it generates. The essential activities found in several communities are articulated around the forest sector. This is an economic pillar ensuring the maintenance of more than 50,000 direct jobs, including over 9,200 in forest management and nearly 40,900 in timber processing. Thus, the forest sector generates benefits in over 900 municipalities, 83% of Québec municipalities. Of these, 5.5% are considered mono-industrial, because the forest sector includes 20% or more of the total jobs. The Québec forest sector represents the biggest employer in the Canadian forest sector, accounting for about one worker out of three.

The labour needs in the forest sector are significant, both for jobs in the forest and for jobs in wood processing. Companies need to use ingenuity to fill vacancies in their organizations. It is essential that businesses have a skilled workforce to remain competitive. Various strategies can be considered, such as the use of underrepresented labour pools (e.g. immigrant or Indigenous labour force, women, etc.), the implementation of training tailored to current needs, adapting to technological changes that are changing the world of work and enhancing the forest sector. The choices made with respect to the management, management and sharing of forest uses in Québec also have a direct impact on jobs in forests and in mills, and thus on the regional economy.

The forest sector generates a gross domestic product (GDP) of about \$6.8 billion per year in Québec, representing about 1.6% of the province's overall economic activity. On the Canadian scale, the Québec forest sector represents over one quarter of the value of the GDP and reported exports, and generates one third of manufacturing deliveries.

It is also a leader on the Canadian scale in manufacturing of high value-added products, because it includes many secondary and tertiary processing companies in this area of activities.

The forest sector also contributes to decarbonization of the Québec economy. This is an essential sector in the fight against climate change, thanks to targeted actions in the forest and greater use of forest products that sequester carbon, while substituting for products that result in greater greenhouse gas emissions in their production. It has the potential to reduce planetary GHG emission by 2030 to 6.7 megatonnes of CO₂ annually, thanks to targeted actions in the forests and greater use of forest products.

The use of wood in construction creates a fast-growing market for Québec forest products. Its contribution to the fight against climate change is recognized in its substitution for materials with a larger carbon footprint. The Gouvernement du Québec announced in February 2022 that it will allocate \$54.6 million to the 2021-2026 Implementation Plan of the Policy for the Use of Wood in Construction.

The forest also generates major economic benefits via other activities, particularly maple production, hunting and fishing (e.g. outfitters, ZECs, wildlife sanctuary), outdoor tourism and commercialization of other forest products. In 2022, the total expenditures resulting from hunting, fishing, trapping and wildlife observation activities in Québec amount to nearly \$4.7 billion, and these activities favour creation or maintenance of nearly 28,000 jobs. Concerning the maple sector, during the launch of the MRNF Master Plan for Development of Maple Production in Public Forests in 2023, there were 1,164 sugar bushes in public forests, representing over 9 million taps over nearly 40,000 hectares.

Since 2014, Québec has been active on the carbon market, trading offset credits. The *Regulation respecting afforestation and reforestation projects eligible for the issuance of offset credits on privately-owned land* allows forest owners to derive additional revenue. Other initiatives supported by various bodies generate carbon credits on the voluntary market through forest management projects in private forests and public forests, and thereby contribute to producing forest economic benefits.

Additional Discussion Documents

- Investir dans les produits forestiers. (Investing in Forest Products) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/investir-produits-forestiers].
- Rapport du groupe de travail sur les forêts et les changements climatiques. (Report of the Working Group on Forests and Climate Change) Gouvernement du Québec. [Online], [mrnf.gouv.qc.ca/nos-publications/rapport-groupe-travail-foret-changements-climatiques/].
- Statistics Canada. Gross domestic product at basic prices, Table 36-10-0402-01 (Chained (2017) dollars, November 2023).
- Politique d'intégration du bois en construction (Policy for the Use of Wood in Construction) [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/soutien-industrie-forestiere/politique-dintegration-du-bois-en-construction].
- ForêtCompétences. Diagnostic sectoriel de main-d'œuvre de l'industrie québécoise de l'aménagement forestier 2020-2021, Québec, 2022 [En ligne], [foretcompetences.ca/uploads/diagnostic-sectoriel-2020-2021.pdf].
- Plan directeur ministériel pour le développement de l'acériculture en forêt publique – Plan d'action. (MRNF Master Plan for Development of Maple Production in Public Forests - Action Plan) Gouvernement du Québec [Online], [https://cdn-contenu.quebec.ca/cdn-contenu/forets/documents/gestion/PA_Acericulture_foret_publique.pdf].
- Retombées économiques des activités de chasse, de pêche, de piégeage et d'observation de la faune au Québec en 2022. (Economic benefits of hunting, fishing, trapping and wildlife observation activities in Québec, in 2022). Gouvernement du Québec [Online], [<https://cdn-contenu.quebec.ca/cdn-contenu/faune/documents/statistiques/rapport-retombees-economique-chasse-peche-piegeage-observation-faune-Quebec-2022.pdf>].

Sub-theme 2. Forest Sector Innovation and Diversification

Assessment

Several opportunities are to be seized to innovate and diversify the forest sector. Examples are modernization of forest operations and development of the forest products industry, including the transition to a greener economy favouring use of materials with a small carbon footprint. These opportunities are leading the forest sector to diversify and ensure its sustainability, particularly thanks to innovation and research, investments, implementation of new technologies and development of new products.

Innovation remains an essential to transform the forest sector and grow its productivity. To support companies in these efforts, Québec has a major network of research and development support bodies and world-class teaching and research centres in the forest products field. Programs are deployed to accelerate innovation, including the MRNF's Wood Innovation Program, which supports innovative projects in the forest products processing industry.

Modernization of forest operations is essential to improve the efficiency of timber supply chain of processing plants. The MRNF's Programme de modernisation des opérations forestières (Forest Operations Modernization Program) offers support, particularly for purchasing and installation of high-tech equipment, harvesting and transportation until the timber enters the plant's sorting yards. The MRNF has also deployed measures favouring the forest sector's competitiveness with LIDAR data¹ by offering forest contractors working in public and private forests support to facilitate its use (training and funding).

The development of secondary and tertiary wood processing allows the forest sector to create value added and diversify its products. Currently, Québec has nearly 250 primary wood processing plants and nearly 1,500 secondary wood processing plants that are implemented in the majority of Québec regions.

Acceleration of the digital revolution and automation of companies remains priority. For example, integration of technological and robotic equipment can mitigate labour shortage problems, reduce operating and production costs, and increase their productivity rates. The future of certain plants will also depend on the conversion of their facilities to offer products with a smaller carbon footprint or that can replace other more polluting products, including those based on petroleum products.

Development and commercialization of forest bioproducts in new sectors are essential to increase the value added of the basket of forest products. Bioproducts made of constituents of wood, such as lignin, cellulose, hemicellulose or extractable substances, can replace components of existing products, improve their performance and reduce their environmental impact. For example, cellulose extracts are used in food as additives to give ice cream its smooth and creamy texture. Lignin also allows blending and ensures the fluidity of the various ingredients of shampoos. A hemicellulose extract tasting almost as sweet as sugar contributes to prevent tooth decay and is found as a substitute in sugar-free chewing gums and toothpastes.

Bioenergies also are interesting options for heating buildings, industrial processes and transportation. In addition to contributing to enhance the joint products of sawmills and

¹ The LIDAR data acquired by their airports provides the precise altitude above ground, the height of the forest cover (canopy) and the slopes.

forest biomass, their capacity to substitute for fossil fuels makes them interesting products to contribute to decarbonization of the Québec economy.

Additional Discussion Documents

- Aide financière aux entreprises forestières. (Financial Assistance to Forest Companies) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/aide-financiere].
- Soutien à l'industrie des produits forestiers. (Support to the Forest Products Industry) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/soutien-industrie-forestiere].
- Programme Innovation Bois. (Wood Innovation Program) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/programme-innovation-bois].
- Plan de mise en œuvre. (Implementation Plan) Gouvernement du Québec [Online], [quebec.ca/gouvernement/politiques-orientations/plan-economie-verte/plan-mise-en-oeuvre].
- Stratégie de développement de l'industrie des produits forestiers 2018-2023. (2018–2023 Development Strategy for Québec's Forest Products Industry) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/soutien-industrie-forestiere/strategie-developpement-industrie].
- Programme de modernisation des opérations forestières. (Forest Operations Modernization Program) Gouvernement du Québec [Online], [quebec.ca/agriculture-environnement-et-ressources-naturelles/forets/entreprises-industrie/aide-financiere/modernisation-operations-forestieres].
- Opération lidar (Operation LIDAR) [Online], [operationlidar.ca].

Sub-theme 3. Regionalization of Management

Assessment

The Sustainable Forest Development Act (SFDA) established a forest regime with the purpose of ensuring integrated and regionalized management of land and resources. Different participation mechanisms have been deployed by the government to ensure consideration of the values and needs of these users in forest management and development, particularly the Local Land and Resources Management Panels (see Theme 3. *Conciliation of Land Uses*).

The MRNF has also deployed various mechanisms to allow local communities and Indigenous communities to participate in management and development of the forest environment. One of these mechanisms entrusts management of certain portions of public land to municipalities, Indigenous communities or bodies.

Three forest management delegation models are in force:

- the management delegation agreements applicable to residual forest territories;
- the Territorial Management Agreements;
- the management delegation agreements applicable to local forests.

For these three models, the delegates are entrusted with planning of forest management, performance and monitoring of forest operations, and scaling and marketing of harvested timber volumes. The Territorial Management Agreement also adds powers and responsibilities in matters of land use planning, regulation and land management.

On January 1, 2024, 32 management delegation agreements applicable to residual forest territories, reached with regional county municipalities (RCM), local municipalities, Indigenous communities and bodies, are in force and 6 others are in the process of renewal; 26 regional county municipalities are signatories of a Territorial Management agreement and one delegation agreement applicable to a local forest is in force, which was established under a pilot project conducted between 2018 and 2022. The MRC d'Abitibi-Ouest regional county municipality is the only delegatee of a local forest. The net allowable cuts of these territories are a little over one million cubic metres (m³), including 626,000 m³ of softwood.

The delegates have variable activity levels. While some accomplish all the work projected in their forest management strategy, others are very inactive. For example, during the 2018-2023 period, 28 of the 63 delegates harvested over 80% of the allowable cuts determined for the territory under their management, 12 harvested between 61% and 80%, 4 harvested between 41% and 60%, and 19 harvested under 40%, including 10 that did not conduct any harvesting.

Since the SFDA came into effect, many municipalities and Indigenous communities have notified the MRNF of their interest in being entrusted with management of a local forest.

Additional Discussion Documents

- Sustainable Forest Development Act Gouvernement du Québec [Online], [legisquebec.gouv.qc.ca/en/document/lc/A-18.1/20120530].
- Droits forestiers consentis. (Granted Forest Rights) Gouvernement du Québec. [Online], [[quebec.ca/agriculture-environnement-et-ressources-](https://quebec.ca/agriculture-environnement-et-ressources)

[naturelles/forets/gestion-forets-publiques/territoires-droits-forestiers/droits-consentis-delegation-gestion](#)].

- Tableau synthèse des possibilités forestières marchandes nettes des territoires forestiers résiduels (TFR), convention de gestion territoriale (CGT), entente de délégation (ED) et forêt de proximité. (Summary table of net merchantable allowable cuts of Residual Forest Territories (RFT), Territorial Management Agreement (TMA), Delegation Agreement (DA) and local forest) Gouvernement du Québec. [Online], [[diffusion.mern.gouv.qc.ca/public/DGAB/Registre_public/07_Donnees_forestieres/2023-2028/02_Territoires_forestiers_residuels/](#)].



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