

Building a First Nation Forest Industry in Northwestern Ontario

Bert Hennessey, R.P.F.

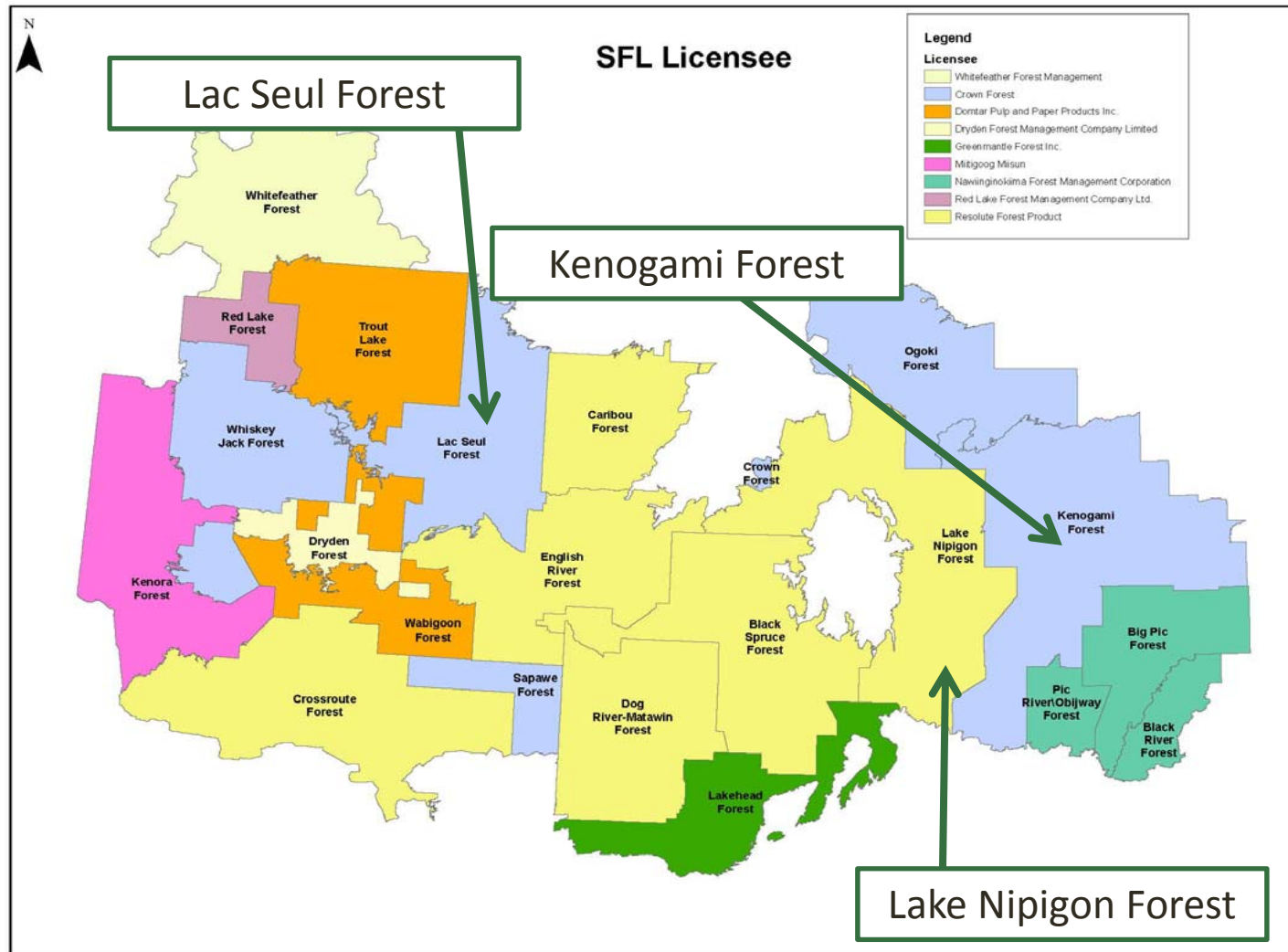
Operations Manager

hme Enterprises Ltd.



Building a First Nation Forest Industry in Northwestern Ontario

Map of Northwestern Ontario



Overview

- Current Situation
- Capacity, Funding and Training
- Strengths of First Nation Forest Management
- Weaknesses in First Nation Forest Management
- Opportunities in First Nation Forest Management
- Threats to First Nations in Forest Management

Current situation

- Downturn in the forest sector created numerous forest management opportunities captured by First Nations
 - Kenora Forest – Miitigoog
 - Sapawe Forest – Rainy Lake Tribal Resource Management
 - Lac Seul Forest – Obishikokaang Resources Corporation
 - Kenogami Forest – Ne-daa-kii-me-naan
 - Lake Nipigon Forest – Lake Nipigon Forest Management
- First Nations experienced unprecedented success in forest management and continue to expand

Ne-Daa-Kii-Me-Naan Inc.



- Currently managing – Kenogami Forest
- Owned and operated by the 7 Kenogami First Nations:
 - Animbiigoo Zaagi'igan Anishinaabek,
 - Aroland First Nation,
 - Constance Lake First Nation,
 - Ginoogaming First Nation,
 - Long Lake #58 First Nation,
 - Pays Plat First Nation
 - Red Rock Indian Band

Management of the Kenogami Forest includes:

- Forest management related activities
- Operational components
- Job opportunities and training programs
 - Seasonal and full-time positions and hosting free information sessions concerning forestry activities, including workshops on forest management

Ne-Daa-Kii-Me-Naan Inc.



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Ne-Daa-Kii-Me-Naan Inc.



Ne-Daa-Kii-Me-Naan Inc.



Since Its First Year:

- ✓ Successfully manages the Kenogami Forest to exemplary standards
- ✓ Created a First Nations employment program
- ✓ Facilitates the open and transparent sharing of information
- ✓ Generates new employment and business opportunities on an ongoing basis
- ✓ Provides the 7 Kenogami First Nations with annual dividend payments to support important social and cultural programs in the communities
- ✓ Developed and maintains a positive and professional working relationship with MNRF

Obishikokaang Resources Corp



- Currently Managing – Lac Seul Forest
- Owned by – Lac Seul First Nation
 - Forestry Committee includes representatives from Lac Seul, First Nation, Slate Falls First Nation and an open invitation for Mishkeegogamang First Nation to join

Management of the Lac Seul Forest includes:

- Forest management related activities
- Operational components
 - Harvest schedule development and implementation, silviculture program development and implementation, road construction and maintenance activities, watershed calculations and crossing installation, map production, management of GIS information, compliance inspections and working with Overlapping Licensees
- Job opportunities and training programs
 - Junior Rangers, hosting free forestry training and information sessions and seasonal and full-time positions

Obishikokaang Resources Corp.



Obishikokaang Resources Corp



Obishikokaang Resources Corp.



Obishikokaang Resources Corp.



Since Its First Year:

- ✓ Successfully manages the Lac Seul Forest to exemplary standards
- ✓ Increased silviculture activities by 25 percent or 10,000 hectares
- ✓ Increased local and Band Member forestry workforce
- ✓ Reduced wood costs – lower management fees than previous private industry managers
- ✓ Developed and maintains positive relationships with area mills
- ✓ Post-secondary scholarship program established

Lake Nipigon Forest Management Inc.



- Currently Managing – Lake Nipigon Forest
- Owned by
 - Animbiigoo Zaagi'igan Anishinaabek (Lake Nipigon Ojibway)
 - Bingwi Neyaashi Anishinaabek (Sand Point)
 - Biinjitiwaabik Zaaging Anishinaabek (Rocky Bay)
 - Red Rock Indian Band

Management of the Lake Nipigon Forest includes:

- Forest management related activities
- Operational components
- Job opportunities and training programs
 - Seasonal and full-time positions and offering free information sessions on forestry activities, including *research and education concerning alternatives to aerial herbicide spraying*

Lake Nipigon Forest Management Inc.



Lake Nipigon Forest Management Inc.



Lake Nipigon Forest Management Inc.



Lake Nipigon Forest Management Inc.



Since Its First Year:

- ✓ Successfully assumed the management of the Lake Nipigon Forest when all bankrupt mills exited the company
- ✓ Examining alternative marketing techniques to sell the available volume on the forest
- ✓ Investigating the opportunity to establish a First Nation-owned bridge building and transportation company
- ✓ Developed and maintains positive working relationships with the MNRF

Capacity, Funding and Training

- Traditional training programs organize and deliver curriculum to a large number of individuals
 - Programs are offered and taken on the premise that a job will be waiting
- Nedaak, Obish and LNFMI utilize a unique method to workforce training to address immediate opportunities
 - Interested individuals are evaluated through a seasonal or temporary position and, if successful, they are offered a permanent position
- Training is delivered through an on-the-job training and mentoring program
 - Partnered with a skilled and experienced professional that provides instruction through an actual paid position

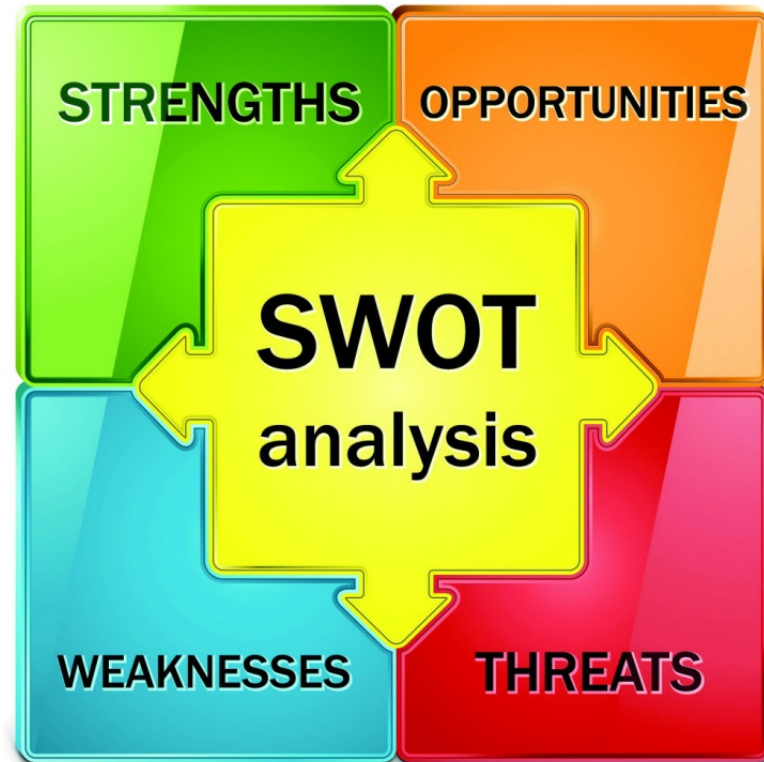
Capacity, Funding and Training

- Nedaak, Obish and LNMFI have implemented this approach on a small, local scale and achieved unprecedented success
 - Achieved amazing results with scarce and limited funds from the profits generated by the First Nations Forest Management companies
- In partnership, Nedaak and LNFMI have applied to the Aboriginal Forestry Initiative to access actual training dollars to increase the size and scope of their training and mentoring programs

SWOT

SWOT stands for...

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats



SWOT Analysis

- Identifies the strengths and weaknesses of your business and examines the opportunities and threats that may affect activities and outcomes
- Can help identify changes that can or need to be made to improve your business
- Useful in strategy development and prioritization activities
- Constructs a balanced context to understand the current status of your business



STRENGTHS:

First Nation Forest Industry

1. First Nation forestry companies are increasing in numbers
2. First Nation Boards of Directors are structured as non-political entities
3. Evolution and strengthening of Forest Industry-First Nation relationships
4. Very forgiving culture in a cruel and cut-throat business reality
5. Integrates First Nation culture into all forest management activities
6. Pride and ownership is a real value

WEAKNESSES:

First Nation Forest Industry

1. First Nation Forest Industry workforces are lacking in capacity
2. Individual First Nation Forest Industry companies are not centrally organized
3. Need to maintain an economy of scale across First Nation-managed forests
4. Government looks at and treats the First Nation Forest Industry differently than the industrial forest sector
5. Capacity is increasing slowly, whereas opportunities are increasing rapidly

OPPORTUNITIES:

First Nation Forest Industry

1. Funding is available from both Provincial and Federal agencies to analyze all activities on the forest
 - a. Create a chart for a centralized review for 'beginners', including the profit margins for each opportunity
2. Provide immediate opportunities in many areas of forest management and silviculture
3. Provide firsthand knowledge of road construction and harvesting opportunities years in advance that allow sufficient time for First Nations to plan
4. Numerous activities in the forest sector offer acceptable profit margins to address the risks involved
 - a. Trucking, road construction and maintenance, bridge construction, replacement and repair, site preparation, slash management

OPPORTUNITIES (cont'd):

First Nation Forest Industry

1. Immediately provide mid-level positions:
 - a. Compliance Inspectors, Forest Operations Technicians and Silviculture Technicians
2. Establish training partnerships with the Forest Industry to address workforce needs across numerous forests
3. Forest Industry operations have less than attractive profit margins
 - a. First Nations can undertake individual activities that offer the biggest margins
4. Organize First Nation Forest Industry companies centrally:
 - a. Maximize business strength
 - b. Provide political voice for companies that are non-political
 - c. Balance the needs and wants of the industrial forest sector
 - d. Network for solutions and sharing

THREATS:

First Nation Forest Industry

- Increasing desire for government to reduce costs through forest unit amalgamation – “Transformation”
 - Amalgamation increases competition and negotiation complexity between First Nations and the forest industry by increasing the forest area and potentially overlapping traditional use areas
- Forest industry is continually conscious and worried about increasing delivered wood costs
- Some industry does not recognize the benefit of separating the forest industry company (mills) from the forest management planning companies and activities in the forest

Closing Remarks

- First Nation Forest Industry companies are forging new ground in natural resource management
 - Forests managed in a culturally sensitive manner in keeping with the values and teachings of Elders
 - Employment available to First Nation individuals through on-the-job training and mentoring programs
- Numerous opportunities have yet to be captured and an integrated effort is required to ensure the successes of First Nations Forest Industry companies continue
- Threats to First Nation Forest Industry companies must be addressed through a centralized, political lobbying effort

