

## MINUTES

### Forest Genetics Council – Meeting March 25, 2010

#### Meeting held at the Kalamalka Forestry Centre, Vernon, BC

Attending: Brian Barber (Chair), Rob Guy, Tim Lee, Scott King, Joe Leblanc, Al McDonald, Kerry McGourlick, Barrie Phillips, Annette van Niejenhuis, Gernot Zemanek

*Regrets:* Judi Beck, Scott King, Madeline Maley, John Mitchell, Bruce MacNicol

*Others:* Darrell Wood, Jack Woods

*Guests:* Robb Bennett, Lee Charleson, Dave Kolotelo, Greg Pieper, Chris Walsh, Alvin Yanchuk

#### Action Items

Responsibility	Action
Jack	Contact interior seed-orchard owning companies regarding a new representative on Council. COFI will also be informed.
Jack and Darrell	Organize an FGC conference call when the final FIA Tree Improvement Program allocation is released.
Pli Support Committee	<b>Tim, Annette, Jack:</b> Prepare a briefing note for the September FGC meeting regarding a request for assistance for Pli orchards
University overhead committee.	University overhead rates will need to be resolved before a final budget recommendation can be brought forward. <b>Brian, Rob, Barrie, Darrell, Jill Petersen, and Jack</b> will review and resolve this issue.
Brian Barber	Distribute the final Chief Forester Principles document regarding private and public participation in seed orchards prior to the June 16, 2010 meeting

#### Summary of Motions:

1. **MOVED:** (Barber / McGourlick): Meeting agenda accepted with amendments. CARRIED.
2. **MOVED:** (McGourlick / Lee): Minutes of the meeting held December 16, 2009 are hereby approved with correction. CARRIED.
3. **MOVED:** Barber / McGourlick: The SelectSeed Business Plan for 2010/11 is hereby approved, with final budget approval pending a FIA allocation and FGC recommendations. CARRIED.

#### Meeting called to order at 9:00 A.M. by Brian Barber (MFR Co-Chair)

1. **Agenda:** Brian recommended some re-ordering of the agenda..

**MOVED** (Barber / McGourlick): Meeting agenda accepted with amendments. CARRIED.

**2. Approval of December 16, 2009 minutes:**

Noted that the December 16, 2009 meeting was held by conference call, not at the Cowichan Lake Research Station.

**MOVED** (McGourlick/ Lee): Minutes of the meeting held December 16, 2009 are hereby approved with correction. **CARRIED.**

**3. Old Business and Action Items from December 17, 2009**

**Summary of action items and progress from the December 17, 2009 FGC meeting**

Responsibility	Action requested	Action taken
Jack	Distribute document "Chief Forester's Principles for Private and Public Seed Orchard Management in BC" to FGC and TACs for comment	Done; Comments received from 2 industry foresters
Bruce, Tim, Jack	Develop background information on Pli orchard financial viability	To be discussed under agenda item 5
Lee Charleson	Complete the Genetic Resource Decision Support report and make it available to FGC members	Not complete. Deferred until next meeting
Brian and Jack	Provide an update on budget allocations for 2010/11 when available	Not yet available; to be discussed under agenda item 4

**Action items reviewed and accepted as presented.**

**4. MFR reorganization and FIA budget expectations – Brian Barber**

Brian presented an overview of ongoing MFR reorganization. Transformative changes are taking place, but the core functions of Manage/Protect/Conserve remain. The Forest Investment Council role is uncertain at this time. Substantial MFR budget reductions are forecast and there will be staff reductions of about 160 FTEs (5%). In addition, about 30% of government employees are scheduled to retire or leave within 5 years. Six FTEs have been lost in the genetics section of the Research Branch. Tree Improvement Branch and Research Branch are now in separate divisions within the MFR.

Revised MFR performance measures include timber-volume gains from silviculture of 7.1 million m<sup>3</sup> in 65 years; 50% of this will be from the use of select seed.

**5. Update on Industry orchard status – Annette van Niejenhuis, Tim Lee**

CanFor, Sechelt – on-site maintenance has ended and the site is being phased out

Western Forest Products – maintaining site with one employee

TimberWest – no changes to operations; searching for a site for a new Douglas-fir orchard

Vernon Seed Orchard Company – Operations as usual; preparing to plant new Pli orchards near Quesnel

Tolko – Operations as usual; nursery currently closed pending labour discussions

PRT – Operations as usual

Nurseries – prices below costs at this point; some operations are closing. The market will have to adjust within a few years for existing operators to survive.

**6. VSOC request regarding Pli seed orchard support**

Issues remain regarding Pli seed set (filled seeds per cone).

2009 crops had better seed set, but Pli orchards are not breaking even on costs, in general.

Options for orchard assistance:

- increase seed price; perhaps look at price per seedling for seed. Pli much cheaper than Douglas-fir on a per-seedling basis
- Support to re-establish new orchards elsewhere where seed set is expected to be better. OTIP support already an option for this.
- Annual per ramet subsidy through FGC-directed FIA funds (with some 62,000 ramets at \$3 per ramet, this would cost roughly \$180,000 per year and reduce resources for other programs)

Concepts regarding potential support

- Avoid broadly-based subsidies, as they would need to be directed to all operators at a level that supports the operators with the least-favourable cost structure, resulting in a potential windfall for low-cost operators,
- Support FGC objectives and principles
- Confidentiality for operators where financial information is concerned.

**Action Item:** **Tim, Annette, Jack:** Prepare a briefing note for the September FGC meeting regarding a request for assistance for Pli orchards.

**7. Current status of Chief Forester Principles regarding private and public sector participation in seed orchards – Brian Barber**

Comments received on the CF Principles document from FGC members and others were incorporated, and another draft circulated. Brian will follow up any new and useful comments through email communications and provide a draft prior to the June 16th meeting.

**Action Item:** **Brian Barber** - Distribute the final Chief Forester Principles document regarding private and public participation in seed orchards prior to the June 16, 2010 meeting

**8. Subprogram budgets and business planning for 2010/11**

The overall business planning and budget process was overviewed by Jack. At this point, all Council subcommittees have completed their budget development work and are prepared to pass along recommendations to Council. A FIA Tree Improvement Program allocation has not been received at this time, so Council will not be able to finalize budgets. A subsequent meeting will be needed to approve budgets once the FIA allocation is known.

**Action item:** **Jack and Darrell** will organize an FGC conference call when the final FIA Tree Improvement Program allocation is released.

More information on subprogram budgets is provided in material distributed in advance of the meeting. Table 1 shows budget proposals by subprogram.

**FIA Forest Genetic Conservation and Management Program**

**2010/11 recommended budget by subprogram**

**DRAFT of March 15, 2010**

FIA FGCM interim allocation =

Subprogram	2009/10	Option 1 Requested	Option 2	Option 3
Genetic Conservation	\$396,000	\$245,100	\$230,100	\$220,100
Tree Breeding*	\$2,032,000	\$2,100,000	\$1,950,000	\$1,800,000
Operational Tree Imp. Prog.	\$747,000	\$683,333	\$676,195	\$640,000
SelectSeed Ltd.	\$710,000	\$586,000	\$556,000	\$530,000
Extension and Communication	\$101,000	\$105,500	\$100,000	\$100,000
Cone and Seed Pest Mgt.	\$360,000	\$329,700	\$305,700	\$305,700
Genecology and Seed Transfer	\$300,000	\$422,673	\$397,754	\$387,279
Genetic Resource Decision Sup.	\$40,000	\$0	\$0	\$0
Administration*	\$15,000	\$15,000	\$15,000	\$15,000
<b>Subtotal</b>	<b>\$4,701,000</b>	<b>\$4,487,306</b>	<b>\$4,230,749</b>	<b>\$3,998,079</b>
<b>Incremental projects</b>				
<b>Research and information in support of MPB mitigation</b>				
Cone induction/crop enhance. (von Aderkas - UVic)	\$139,000	\$0	\$0	\$0
Applied Tree Impr. and biotechnology (YE-K UBC)	\$160,000	\$180,360	\$141,480	\$141,480
<b>Subtotal</b>	<b>\$299,000</b>	<b>\$180,360</b>	<b>\$141,480</b>	<b>\$141,480</b>
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$4,667,666</b>	<b>\$4,372,229</b>	<b>\$4,139,559</b>

**Genetic Conservation:**

Process, projects, and budget proposals were presented by Dave Kolotelo, GCTAC chair. The issues of the MFR being unable to provide grants to Universities for approved projects would result in contracts and a much higher overhead (8% to 25%). This would mean a higher overall budget to meet objectives, or a reduced budget for projects.

**Tree Breeding:**

Barrie Phillips provided an overview of the Tree Breeding budget. MFR layoffs have created uncertainty and the loss of people, making budgeting difficult. Sitka spruce and white pine programs will be reduced. Contract limitations in the MFR, irregardless of budget approvals, are making it difficult for staff to get their work done. The proposed budgets have been modified from the material handed out and now range from \$2.081mm to \$1.8mm. The higher budget option shown previously is not required due to cuts to staff and the salary component. Most work that would be dropped pertains to progeny test measurements. This budget contains about \$1mm in salary.

**Cone and Seed Pest Management:**

Robb Bennett reviewed PMTAC process and recommendations. University grants versus contracts and overhead rate is an issue. Overall budget is down \$30,000 from 2009/10. Interior pest operations are reduced.

### Extension

Diane Douglas reviewed Extension TAC budget process and recommendations. Projects are listed in meeting materials provided. The overall operating budget is minimal, with options of \$20,000 and \$15,000.

### Genecology and Seed Transfer

Lee Charleson presented the process and budget for the Genecology and Seed Transfer Subprogram, on behalf of the Seed Transfer TAC. Committee process, proposals and review proceeded as planned. Again, the issue of university grants vs. contracts and overhead rates is a problem. Uncertainty in the Forest Sciences Program resulted in one proposal for the Assisted Migration and Adaptation Trial (AMAT) trial that is tentative, based on the outcome of the FSP. The budget options presented would involve the removal of one project from the list recommended by the STTAC (Option 2), plus, for Option 3, the 50% reduction of one project.

**Action Item:** University overhead rates will need to be resolved. Before a final budget recommendation can be brought forward. **Brian Barber, Rob Guy, Barrie Phillips, Darrell Wood, Jill Petersen, and Jack Woods** will review and resolve this issue.

### Orchard Expansion subprogram (SelectSeed Ltd.)

Jack presented a business plan for SelectSeed Ltd that was approved by the SelectSeed Board of Directors on March 2, 2010. SelectSeed is on track with long term expectations. The overall budget request in the approved 2010/11 Business Plan is \$556,400 (shown as option 2). An option 1 includes an additional \$30,000 contingency fund to support unforeseen FGC needs through the year. A third option of \$530,000 removes the contingency fund and increases carry-over from cash reserves.

**MOVED:** Brian / Kerry: The SelectSeed Business Plan for 2010/11 is hereby approved, with final budget approval pending a FIA allocation and FGC recommendations. CARRIED.

### Genetic Resource Decision Support subprogram (Brian Barber)

No projects or budget proposed for 2010/11.

### Operational Tree Improvement Program (Darrell Wood)

Darrell provided an overview of the OTIP business planning process and the outcomes of coast and interior proposal submissions and reviews. The total for recommended projects is \$119,684 for the coast and \$563,649 for the interior, totaling \$683,333 provincially for option 1. Reduced budgets would remove the 3 lowest-ranked projects (Option 2), and, in addition, scale orchard-maintenance projects.

Discussion ensued regarding the role of OTIP within the FGC program. Jack pointed out that OTIP supports gains in genetic worth and seed production for Crown lands. This is directly in support of FGC objectives. In some situations, however, OTIP increases the reliance of orchard operations on FGC support rather than encouraging financial independence through seed sales. This can work in opposition to the previously endorsed FGC principle that orchard production should be self-supporting through seed sales.

Seed buyers on Council did not have any concerns with their ability to purchase seed under the current system and don't feel that OTIP project support is having a negative impact from their perspective.

**Applied Tree Improvement and Biotechnology project at UBC – Yousry El-Kassaby (presented by Jack Woods)**

The Steering committee for this project approved a budget for projects totaling \$180,360. A reduced option for \$141,480 was also discussed. This project continues to focus on parental contributions to seedlots and on co-ancestry issues with yellowcedar. Due to constraints, Yousry has been advised to not start any new graduate students. The issue of contracts vs. grants and of overhead levels will also apply to this project.

**9. Genecology and seed transfer of western larch (Barry Jaquish)**

Barry presented the analysis he and Jerry Rehfeldt (US Forest Service) conducted on western larch seed transfer under climate-change expectations. There is substantial evidence that the current range of Lw can be expanded in BC. This information is being reviewed by FGC technical committees and by others, and will form the scientific basis for changes to the Chief Forester Standards for Lw seed transfer in BC.

Barry was thanked for an excellent analysis and presentation.

**10. MFR seed prices and Seed Centre Fees (Brian Barber)**

The MFR Tree Improvement Branch is currently reviewing all fees for seed purchase and for services provided by the Provincial Tree Seed Centre. The broad expectation is that these fees should cover the costs of service. The process to change fees for service within the provincial government requires approval at the Deputy Minister level, and then approval by Treasury Board. It is hoped that the new fees will be in place by August 1, 2010.

**11. Recognition award to Bruce MacNicol and replacement FGC member**

Bruce MacNicol will be retiring from West Fraser Timber at the end of April, 2010 and is resigning from the FGC. Bruce was not in attendance at the meeting, but Bruce will be formally thanked and presented with an FGC cone award during a Vernon Seed Orchard Co. board meeting in April, by Jack Woods.

A replacement member for Bruce is needed. Jack will work with interior industry on this matter

**Action item:** Jack will contact interior seed-orchard owning companies regarding a new representative on Council. COFI will also be informed.

Meeting adjourned at 3:45 PM.

**Next meeting: June 16<sup>th</sup>, 2010 (to be held by conference call)**

Minutes prepared by Jack Woods and Darrell Wood

