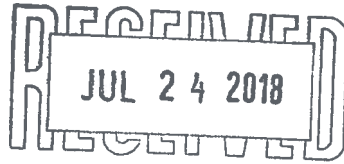


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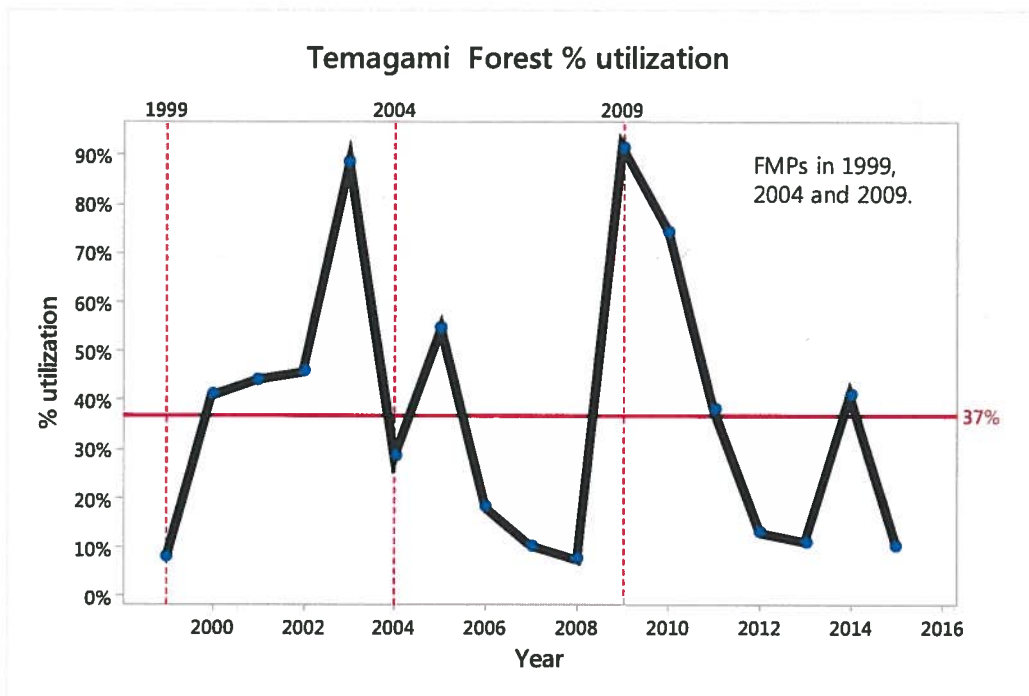
- File  Incoming  Other
- Mayor
- Council  I  A
- CAO
- Building
- Finance  S  C
- Ec Dev  S  C
- Parks & Rec  S  C
- Planning  S  C
- Public Wks  S  C
- PPP
- Social Services
- \_\_\_\_\_
- \_\_\_\_\_

To: Lorie Hunter, Mayor of Temagami  
 From: Phil Green, First Resource Management Group Inc.  
 July 10, 2018

**Timber utilization on the Temagami Forest**

“Utilization” is the percentage of wood harvested relative to the wood that is available to sustainably harvest in the Forest Management plan. Utilization on the Temagami Management Unit is one of the lowest in the province, averaging 37%. This means there is much less economic activity on the Temagami Forest compared to what the Forest Management Plan forest can sustain. The utilization is highly variable, going from 10% to 90% of the annual available harvest. The economic benefits are therefore also highly variable.

The key to increasing economic activity such as harvesting, and making the Local Forest Management Corporation economically viable, is (a) to increase utilization, and (b) to maintain it so it is more constant over time. Please see the graph below.



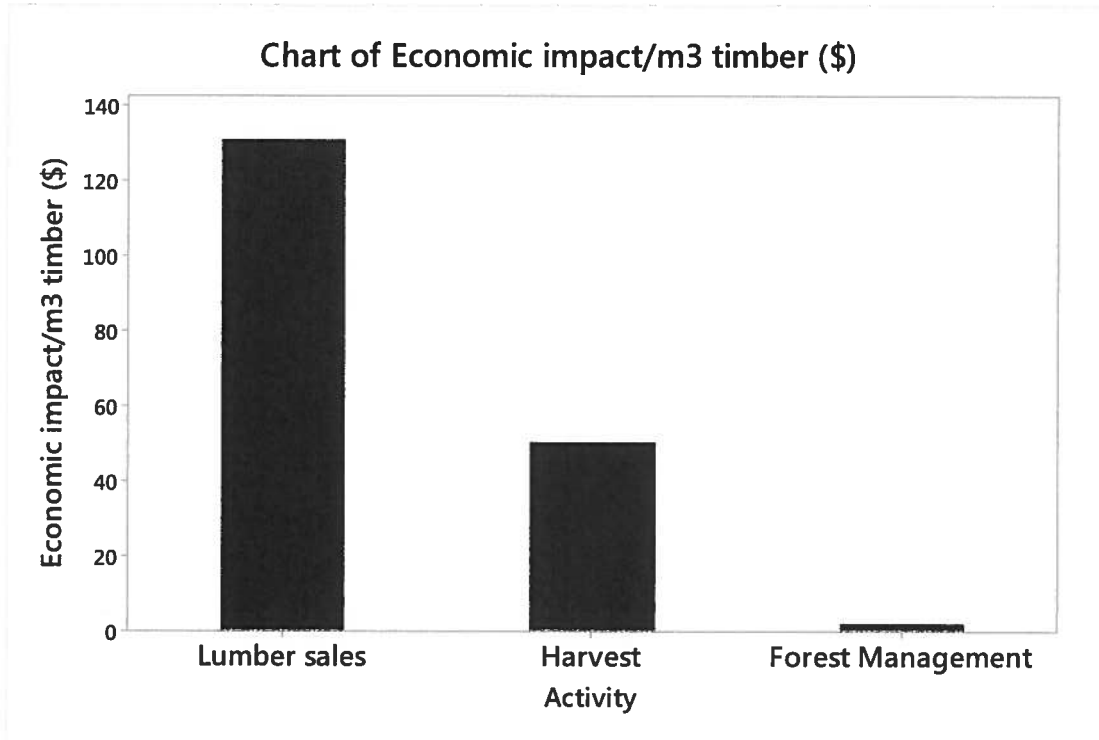
Utilization can be improved by managing, planning and using technology to carefully:

- Select timber harvest areas that are economical to harvest
- Select timber harvest areas that are on terrain that harvesting equipment can operate on.
- Select timber harvest areas to which there is good road access
- Understand the needs of every mill that consumes timber and every logger that harvests it
- Listen to the stakeholders on the forest
- Provide current, relevant and accurate forest information to all forest users

### What is the economic activity generated by forestry?

For every cubic metre of timber harvested, typical economic activity is:

- \$130 for the lumber sold
- \$50 to harvest the timber
- \$2 to do the forest management planning



An increase in 10% in utilization, or 10,000 m<sup>3</sup>/year, would generate an extra \$1,300,000 in lumber revenues and \$500,000 in harvesting activity on the Temagami Forest, but no increase in forest management activity.