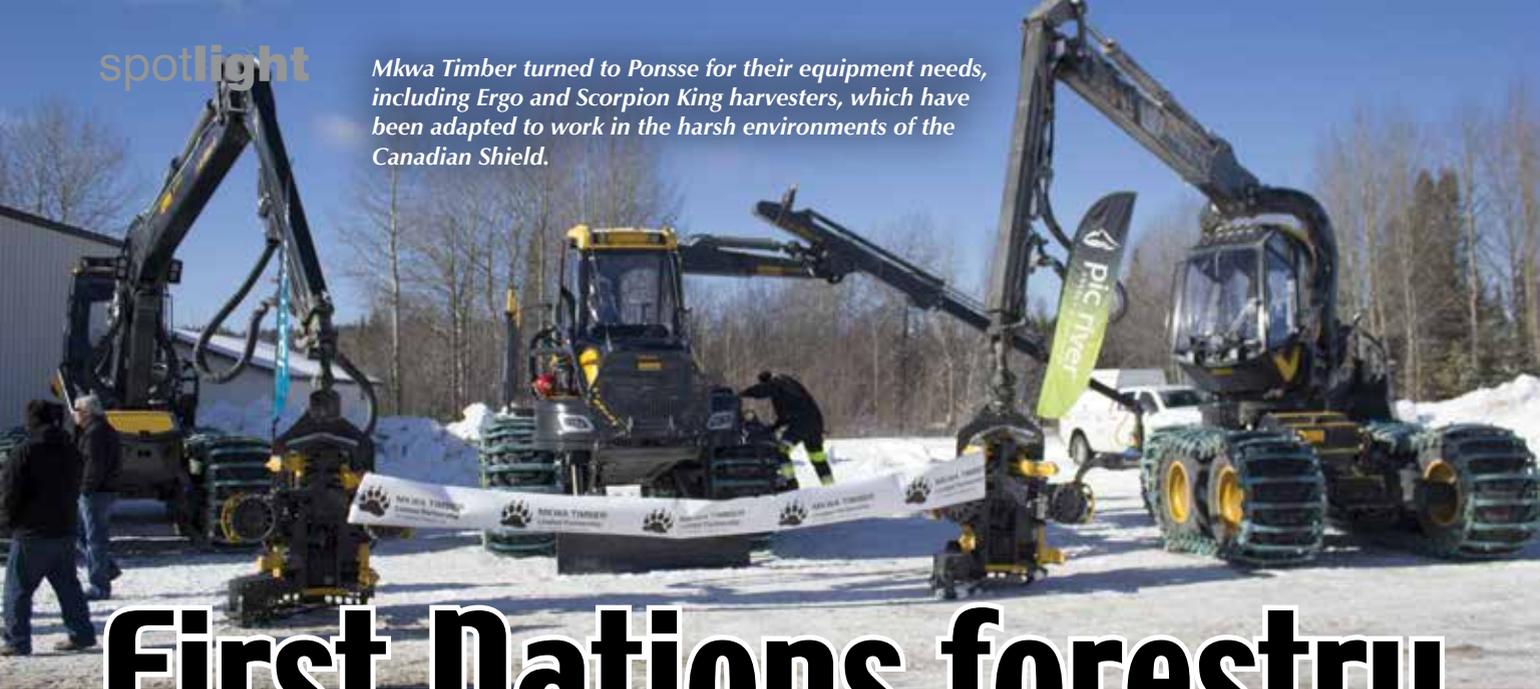


Mkwa Timber turned to Ponsse for their equipment needs, including Ergo and Scorpion King harvesters, which have been adapted to work in the harsh environments of the Canadian Shield.



# First Nations forestry in Ontario

A local forest management corporation has been launched in northwestern Ontario to help provide economic development opportunities to First Nations and it's now been followed by a new First Nations-owned logging enterprise, Mkwa Timber, that is supplying timber to local mills.



Members of the community are excited about the establishment of Mkwa Timber, the new forest enterprise created to supply timber to local mills in Terrace Bay and White River, Ontario.

By Heather Hudson

The Ojibways of the Pic River First Nation in Ontario are a hardy bunch. Like many First Nations communities, they have to be. Their remote location more than 350 kilometres northeast of Thunder Bay, means economic opportunities are few and far between. With a growing population of 500 on the 822-acre reserve, jobs are scarce. More than anything, Pic River First Nation Chief Duncan Michano wants to see economic self-sufficiency for his people.

"We face the same types of issues that all other First Nations face with regard to underfunding," Michano explains. "About 30 years ago when I started on council, we decided not to sit around and wait for the federal government to help us out. It's been a long, long journey to economic development with a lot of obstacles—but mostly because of land tenure."

Pic River's traditional territory encompasses more than two million hectares when you factor in the exclusive and shared territory on the north shore of Lake Superior, but its isolation from markets of any kind makes it especially challenging to engage in economic development. The

one thing visible as far as the eye can see is a bounty of wood. But access hasn't always been easy.

"Years ago, the forest companies owned all the wood through their directives through the Ontario Ministry of Natural Resources. Nobody could access that wood unless they were cutting it for those companies," said Michano.

Wanting to capitalize on an economic opportunity, the band bought a few skidders and employed members of the community to cut wood for the forest companies that owned the rights to the surrounding forest. "The profit margin in cutting wood was pretty narrow but at least it created jobs, plus a little bit of profit," he says.

The positive upturn was not to last.

Michano says that when the Marathon Pulp Mill declared bankruptcy in 2009, it created a dismal dip in Pic River's forestry efforts. "We went down with the ship."

When many of the sawmills surrounding northern Ontario forests closed their doors in the late 2000s, local mayors and First Nations councils got together to

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# spotlight

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discuss the increasing downturn in the economy. One of their concerns was the existing tenure model, which they believed was strangling the forestry industry. Because many of the mills closed in bankruptcy, rights to the timber were tied up in that process, which meant that no other companies could come in and set up a new forestry business in the communities.

The Ministry of Natural Resources and Forestry (MNRF) took notice of the urgent problem and formed a steering committee made up of representatives from each of the local and First Nations communities in the proposed management area, the existing SFL holders and the MNRF. The group made recommendations to the Ontario government to develop a new local forest management corporation that would re-establish governance and accountability rules and requirements. As a result, in 2011, the Forest Tenure Modernization Act was passed. By May 2012, the Ontario government launched the Nawiingnokiima Forest Management Corporation (NFC).

The local working group suggested



Nawiingnokiima, an Ojibway word meaning “working together.” It continued to provide support, working closely with an interim Board of Directors to establish financial and business arrangements. In October 2013, the Big Pic and Pic River Forests were handed over to NFC to be managed.

“What makes NFC unique is that the stumpage revenues that would normally go to southern Ontario to the general revenue fund, are retained by NFC and are used to meet the objectives of the corporation,” said NFC General Manager Carmelo Notarbartolo.

“We are taking those revenues and

investing that to provide economic development opportunities to aboriginal communities in the surrounding area.”

A Crown agency under the supervision of the MNRF, NFC is governed by regulations a private corporation wouldn't have to follow. A 12-person board of directors—which includes First Nations representatives—sets the direction and vision for the corporation. Procurement processes are similar to a government's: transparent.

“We advertise all of our tenders and procurement practices. NFC has to be an open and transparent corporation while balancing the sensitivities associated with a business,” said Notarbartolo.

As the first and only local forest management corporation, the NFC is still regarded as a pilot project. Notarbartolo says its main objective is to provide economic development opportunities to aboriginals in the management and surrounding management area—while still being fiscally responsible.

As such, when they tender contracts, their scoring system allows extra points to companies located within the management area. Ultimately, the province would like this business model to get to the point where its wood is sold on an open market. Today, customers are companies like AV Terrace Bay, Lecours Lumber Ltd. and White River Forest Products.

“Most of the stakeholders have Crown commitments off our forest. We either give them access to the management area directly and they bring in their own loggers or we have loggers that work directly for NFC and deliver it to the mill,” said Notarbartolo.

Which brings us back to Chief Michano and the Pic River First Nation.

In February 2016, a new forest enterprise created to supply timber to local mills in Terrace Bay and White River, officially went into business. Mikwa Timber





***As the first and only local forest management corporation in Ontario, the Nawiinginiima Forest Management Corporation is still regarded as a pilot project. Its main objective is to provide economic development opportunities to aboriginals in the management and surrounding management area—while still being fiscally responsible.***

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is wholly owned by the Pic River First Nation.

In the short time they've been in business, Joe Moses, the CEO of Pic River Energy and Forestry, says the small company is more than just a livelihood.

"It's an extension of our community. Our employees are also our owners as First Nation community members. There's a sense of pride and collective ownership to our approach to going to work every day. Our workers know that a little part of this is theirs and their family's. It's a livelihood as well as a good step forward for our growing community."

The business employs two crews of

four operators, two road builders, two mechanics and an office staff of three. The company is expected to supply 100,000 cubic metres of fibre annually to the Terrace Bay mill.

While the PicRiver community isn't a stranger to forestry operations, in many ways, running Mkwā Timber is like starting over. "We've had to ask ourselves, do we have the right tools and resources to run a company that's profitable, efficient and meets the supply and demand the industry and our customers require?" said Moses.

The answer has been uncertain at times, but with the support of the community, partnerships with stakeholders like NFMC and even their competitors in northern Ontario, Moses says they're working together to "reinvent forestry in Ontario."

The land itself appears to be pushing back, at points. At the outset, Mkwā Timber invested in Finnish-based manufacturer Ponsse for their equipment needs, including Ergo and Scorpion King harvesters, which have been adapted to work in the harsh environments on the Canadian Shield.

"The environment is so diverse and harsh in Northern Ontario," says Moses. "We've got marshy wetlands and rocky, scaly hillsides mixed in with a bit of flat terrain. Throw in unpredictable weather patterns and you've got a real challenge."

Moses says Mkwā Timber's mechanics have made modifications to the equipment to improve performance in the rugged conditions of Northern Ontario. The latest technology has proven to be both an advantage and a challenge. "Everything is a learning curve. Our machinery is state-of-the-art, which contributes to our ability to plan." But the advanced technology means there can be more to tackle, equipment-wise. "But everybody

is curious and interested and wants to troubleshoot," says Moses.

The camaraderie in the bush and at boardroom tables is critical to help Mkwā Timber evolve. Moses credits the goodwill that Pic River First Nations has fostered with more than 40 companies in the area, along with positive working relationships with neighbouring municipalities, to ensure their social enterprise succeeds.

"We're proud to say we're at the table in a meaningful way," says Moses. "We're engaged with our partners, competitors, customers and community partners, exploring opportunities and planning the future together."

The initial success of the Mkwā Timber agreement has led to the potential for a similar partnership between NFMC and Pic Moberg First Nation in the White River Forest. The NFMC has been negotiating with White River Forest Products for the transfer of the White River Forest licence and its responsibilities to the NFMC. They hope to take over the responsibilities in early 2017 and help Pic Moberg in a harvesting operation soon after.

"It's so important that our First Nation communities are at the table as stewards of the land. For too long we've sat on sidelines and other stakeholders have reaped the benefits of natural resources in our land," said Moses.

"Being actively engaged as an operator in the industry we care about means we now have a deeper level of understanding at all levels and can make more informed, balanced decisions to collectively look toward a sustainable future and not go back to issues that led to the demise of this industry in the first place."



## CALENDAR

January 10-13

**Association of Equipment Distributors (AED) Summit, Chicago, IL**  
800-388-0650, [www.aednet.org](http://www.aednet.org)

January 18-20

**74th Annual Truck Loggers Association Convention, Vancouver, BC**  
604-684-4291, [www.tla.ca](http://www.tla.ca)

January 26-27

**Forest Products Assoc. of Nova Scotia 83rd AGM, Halifax, NS**  
902-895-1179, [www.fpans.ca](http://www.fpans.ca)

January 30-February 3

**Western Silviculture Contactors' Assoc. Conference & Trade Show, Victoria, BC**  
604-736-8660, [www.wsca.ca](http://www.wsca.ca)