

Guiding Principles Respecting Public and Private Seed Orchard Management in BC

Prepared for Forest Genetics Council and Seed Orchard Managers by
Jim Snetsinger, Chief Forester

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1. The production of select seed for Crown land reforestation is a cooperative partnership between the MFR and the private sector.

A cooperative, public-private sector approach to seed orchard management strengthens provincial tree improvement and reforestation programs. It also respects the shared responsibilities for forest stewardship between government, licensees and forest professionals. A dual seed production delivery system also serves to improve stability in seed supply, and supports FGC in achieving its goals and objectives for increasing the conservation, resilience and value of BC's forest genetic resources.

2. The MFR will continue to own and manage seed orchards.

The MFR has a long history of involvement in seed orchards, and is currently the largest seed producer in the province. The primary objectives for MFR's seed orchards are to:

- a) provide select seed to BC Timber Sales and others in accordance with seed needs identified in FGC Business Plans;
- b) maintain and stabilize seed orchard capacity in the province;
- c) contribute to provincial strategic planning and development of private orchards; including provision of technical, pest management and extension services; and
- d) make business and investment decisions that take into account the short- and long-term economic viability of its cost-recovery operations, while respecting these principles.

3. Private sector ownership and management of seed orchards is to be encouraged.

The private sector also has a long history of involvement in seed orchard management, and there remains strong interest for their continued participation. Private sector ownership and investment in seed orchards are indicative of this continued interest.

Private sector participation serves to reduce seed-supply uncertainty, and diversify orchard locations, management strategies, and employment opportunities. The MFR will therefore encourage private sector participation in managing seed orchards required for provincial seed needs, and deemed to have a high probability of success, by providing technical and in-kind support and resources to enhance the genetic quality and quantity of seed (e.g. Operational Tree Improvement (OTIP) subprogram funds). The ministry will also determine if any private sector orchard interest or business case exists (in consultation with the private sector, FGC and SelectSeed) prior to establishing or expanding a new seed orchard.

4. Forest Genetics Council of BC coordinates seed production in the province.

The FGC establishes goals and objectives for forest genetic resource management (GRM) in BC. It annually reviews and recommends priorities for tree breeding and seed production by seed planning unit based on seedling demand, value, and other criteria (including projected climate-change). The FCG coordinates activities among stakeholders by facilitating dialogue, and sharing technical expertise and information. It also makes recommendations to the chief forester regarding the allocation of public resources to various FGC subprograms in order to achieve its goals and objectives.

The FGC and its technical advisory committees are, therefore, the best forums to discuss and coordinate seed production activities and associated public investments in the province. They can also ascertain which party or parties are best positioned to establish, maintain or expand seed production capacity for each SPU. It is expected that both MFR and private-sector orchard managers who receive public funds will work within the cooperative FGC structure in the planning, development, and management of provincial seed orchards.

5. MFR and Private-sector to provide notice of significant orchard changes in advance.

When MFR and private orchard managers plan significant changes to their existing orchard(s), establish a new orchard, or close an orchard, notice should be provided to the FGC and/or its technical committees in advance. Notice in writing or declaration at ITAC or CTAC meetings may include the rationale, timing and sufficient information regarding the scope and nature of the proposed change or addition to allow FGC, MFR, and other stakeholders the opportunity to respond in order to protect provincial seed supply, public investments, and FGC goals and objectives.

FGC and affected stakeholders will review the proposed changes, and confirm if the changes are consistent with FGC objectives and business plans, and these principles. If the proposed changes are not consistent with these criteria, FGC will attempt to find a collaborative or compromise solution. Failing this, the FGC, and/or affected stakeholders, will notify the Provincial chief forester of the proposed change, potential implications to all parties, and identify potential options.

6. Orchard redundancies are to be avoided through FGC discussion and stakeholder cooperation.

Orchard redundancy is defined as seed production capacity held by two or more agencies that is in excess of the current or projected seed demand for a seed planning unit (SPU) as identified in the FGC's annual species plans.

Although duplication of orchards for a SPU between agencies has its merits (e.g. innovation, competitive pricing, reduced risk due to pests, tree mortality, vandalism, or closure), redundancy can lead to inefficiencies in resource allocations and undermine the business case of one or more orchards.

MFR and private sector orchard owners will avoid creating redundancies when expanding existing orchards or establishing new orchards. Orchard owners may bring new information to

the FGC if they believe FGC species plans do not adequately reflect required capacity or projected seed demand.

Where orchard redundancies *currently exist*, agencies, with guidance from the FGC, should work to reduce these redundancies in a fair and reasonable manner, while respecting each agency's right to produce sufficient seed to meet its respective needs. In the case of existing MFR-private sector orchard redundancies, MFR needs are to be based on Field Operations Division (including BCTS, FFT) seed needs for the SPU.

Where orchard redundancies result from changes in seed demand, changes to SPUs, or introduction of climate-based seed transfer standards, it is expected that orchard managers, with guidance from the FGC, will work collaboratively on FGC technical committees to develop plans to eliminate such redundancies in a fair and reasonable manner.

7. Public funds used to support private orchards will be guided by FGC structure and objectives.

Where public funds are considered for the establishment, improvement or maintenance of a private orchard, the economic feasibility and the potential benefits and risks over the life-span of the orchard will be compared to similar investments made on existing MFR and private sites, where it is technically feasible to do so.

FGC business processes and structures provide an effective and transparent model through which private orchards can receive technical, logistical and financial support. These support mechanisms include annual business planning, technical advisory and species committees (coast and interior), project-based funding (e.g. OTIP), pest management, extension, and long-term agreements (e.g. SelectSeed contracts).

SelectSeed Ltd., an arms-length company established by FGC, should be employed when establishing or stabilizing private seed orchards with public funds, where it is economically feasible to do so and where the benefits and risks are deemed acceptable.

8. MFR will transfer improved materials to private sector orchards in accordance with legislation governing disposition of the Province's tree genetic resources, and its associated intellectual property, if consistent with FGC objectives and these principles.

In accordance with Section 118(2)(a) of the *Forest and Range Practices Act*, the Provincial chief forester is authorized to dispose of seed and tree gene resources owned by government, including its associated intellectual property.

Where and when new genetic material (scion or grafted parent trees) is identified and made available by the MFR for seed or cutting production purposes, and if the material is to be used in a way that is consistent with FGC objectives and these principles, this material will be transferred to private orchard managers under the terms and conditions of a Material Transfer Agreement, Interim Use Agreement, or Propagation Access Agreement.

The MFR and private companies will work cooperatively to resolve any disputes concerning ownership, custodianship and access to improved germplasm in a fair and reasonable manner.

Seed Orchard Management Principles

Persons who manage an orchard for an SPU have a right to continue to manage an orchard for that SPU, including access to new material for that SPU.

Where demand for new material exceeds available supply, and two or more agencies manage orchards, or plan to establish new orchards, in accordance with FGC objectives and approved business plans, the scions or grafts will be allocated equally among those agencies that express interest in receiving the new material, in a timely manner.

Where requests for material (new or existing) arise independently from the private-sector, the request will be evaluated by the MFR in consideration of FGC objectives, these principles, availability of material, and the potential costs and benefits to the Province.

9. Seed Prices are to be established by parties independently

Costs associated with establishing and maintaining ministry and private orchards are to be recovered primarily through seed sales. Orchard managers will price their seed independently reflecting their unique operations and circumstances. It is recognized that ministry and private orchards have different pricing models and objectives.

Ministry orchards are operated on a cost-recovery basis. MFR is also viewed as the price-leader for orchard seed, as it is the single largest supplier. MFR seed prices will therefore be reviewed at regular intervals (every 3-4 years) to reflect changes in operating costs (subject to Deputy Minister and Treasury Board approval).

MFR seed prices must be reviewed and updated in accordance with government financial policies and procedures. New fees are subject to review and approval by the Ministry of Finance and Treasury Board. The MFR will disclose appropriate information supporting new seed prices to FGC and other interested parties.

10. Seed with the highest genetic worth is made readily available.

In order to realize the short- and long-term benefits of public and private investments in tree improvement, and in consideration of seed production, diversity and costs, seed with the highest genetic worth should be made available to all persons with reforestation obligations on Crown land so that it may be deployed on the land-base as soon as possible and to realize the objectives of the FGC.



Jim Snetsinger, RPF
Chief Forester

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Date of Signature