



Canada's 2012 Budget Support of Forestry and Forest Biomass



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Forestry directly supported 233,000 jobs in 2011, accounting for 1.9 per cent of the Canadian GDP. In the recent 2012 federal budget, the government announced an intention to refocus the current programming in support of innovation and market development of the forestry sector from five to two programs. The Economic Action Plan 2012 pledges \$105 million over two years in support of “the continued transformation of the forestry sector,” compared to \$60 million in 2011 and \$100 million in 2010.

The Expanding Marketing Opportunities Program (EMOP) is meant to combine the Canada Wood Export program, focused on “expanding industry presence in international markets... increasing knowledge about wood products... and improving market access,” with the North American Wood First program, “aimed at raising awareness among designers, architects, builders, code officials and various levels of government of the opportunities to use wood in non-residential applications.”

EMOP will also be delivering on activities from the Leadership for Environmental Advantage in Forestry, which previously promoted the environmental reputation of the forestry sector in Canada to international markets.

The second initiative is the Forest Innovation Program, meant to provide support for transformative technologies previously supported by the Promoting Forest Innovation and Investment program, including the legacy contribution program to enhance economic opportunities in forest innovation through the not-for-profit research institute FPInnovations, the Canadian Wood Fibre Centre and the Transformative Technology Program.

The Forest Innovation Program will also incorporate the Value to Wood program, which sought to provide technological solutions directly to wood product manufacturers across Canada via Research-based and Technology Transfer components. The forestry sector has been gaining traction as a provider of biomass for renewable energy generation to produce sustainable bioenergy. Biomass, or biological material, is being investigated as a serious source for biomass energy through the use of lignocellulosic (plant) biomass from industrial forest process by-product, such as wood or pulp residue, to derive fuel.

Forest biomass can be used to generate solid fuels, bioethanol, biodiesel and methane, which could eventually replace fuels derived from petroleum. Intensive harvesting of biomass material could be detrimental to natural forest ecosystems, however, by removing integral natural fertilizer and thus biomass cultivation needs to be monitored and analysed to determine site-specific sensitivity.

Currently, forest biomass contributes 5-6% of Canada's energy supply, and research initiatives are developing new and sustainable technology and methods to increase biomass production and collection to ensure forestry by-product can grow as an energy alternative in Canada. In 2009, Natural Resources Canada launched a Bio-Pathways Project to assess the industry's bioenergy potential guided by the Forest Products Association of Canada (FPAC).

Project results reported estimates that clean energy from forest biotechnology could supply power for 2.5 million Canadian homes — one in five across Canada. The project also called for a diversification of low, medium and high value bio-products including biochemicals, along with integrating bio-product facilities with traditional forest manufacturing. Research and development projects in forestry, bioenergy and waste-to-energy research are eligible for government incentives including the Scientific Research and Experimental Development, or SR&ED, program — read more about SR&ED in the clean technology sector.

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