

April 6, 2011

Robert H. Keen, RPF CEO Trees Ontario 200 Consumers Road, Suite 701 Toronto, Ontario M2J 4R4

Dear Mr. Keen:

### Re: Expansion of the 50 Million Trees Program

Conservation Ontario (CO) and many of the 36 Conservation Authorities (CAs) in the province are pleased to have been a significant partner with Trees Ontario (TO) in the planting of trees in southern Ontario since 2004 and we look forward to continuing this partnership in the future. Most notable has been our partnership with Trees Ontario, Ministry of Natural Resources and others, since 2007 to deliver the 50 Million Trees Program (MTP).

Looking forward to the 2011 spring planting season on our doorstep, we were pleased to learn that MNR was able to access funds to boost the 2011 plant from 2.5 million to close to 3 million trees and that a number of CAs will be able to assist. Recently, Conservation Ontario and Trees Ontario Planting Delivery Agents (PDAs) received a request from Al Corlett, Program Manager (TO), to consider the significant expansion of the 50 MTP over the next few years in preparation for discussions during the post-plant meetings in June.

The intent of the 50 MTP is to increase number of trees planted to 3.5 million in 2013 and to 5 million in 2014. On March 29<sup>th</sup>, staff from 18 CAs and Conservation Ontario participated in a teleconference to discuss challenges and solutions towards successfully achieving those targets. CA foresters and watershed stewardship staff have observed that the greatest challenge to tree planting in southern Ontario continues to be the interest and demand of landowners. In advance of your upcoming April 18<sup>th</sup> presentation to Conservation Ontario Council, as well as the post-plant meeting, the following recommendations are provided for consideration.

### 1. It is recommended that a review of the 50 MTP Grant Structure take place

A review of the 50 MTP Grant Structure, with the Ministry of Natural Resources and partners is recommended taking into consideration the following recommendations.

### 2. Increase the 50 MTP cap for operational costs from \$1.19 to \$1.51/tree (seedling).

Originally, the \$1.19 covered the cost for most projects. In November 2010, Eastern Ontario Region PDAs (CAs, Stewardship Councils and others) met to discuss challenges and solutions associated with the 50 MTP and have recently reported to Trees Ontario that the average cost to establish a tree is becoming \$1.51/seedling (\$0.50 – seedling, \$0.06 cold storage rental, \$0.28 – plant, \$0.25 – spray, \$0.25 2<sup>nd</sup> spray = \$1.28+HST = \$1.51). This doesn't include any site preparation, inter- row mowing, or third tendings. There is concern that the \$1.19 is quickly falling short of providing the required incentive to promote tree planting on private property. In fact now, almost all sites in eastern Ontario require more than the \$1.19. While the general intent is to charge the landowner \$0.15, most PDAs are forced to charge up to \$0.47 to recover true costs associated with the planting project. Some PDA's have financial resources from other sources to subsidize this amount but other PDA's do not. This added financial burden to landowners results in second thoughts of proceeding with the projects.

In the southwest where they plant more hardwoods, CAs are reporting that costs are even higher. Seedling costs for hardwoods are between \$0.75 to \$1.05 as opposed to \$0.50 for conifers. Currently in the Upper Thames River Watershed, landowners pay approximately \$0.50/seedling after the Trees Ontario subsidy, plus conduct all of the site pre and inter-row mowing as an in-kind contribution. The program in the Upper Thames also includes two applications of herbicide.

Also in the southwest, CA foresters are noting that when crop prices are high (as they are now) the number of trees planted is low and when crop prices drop, the number of trees planted increases. There is definitely a relationship. Not only is the number of trees being planted decreasing, we are seeing more applications for minor exceptions under County Tree By-laws to clear forested land for agriculture.

## 3. Exemption of HST for tree planting (under the 50 MTP).

The concern is about offsetting the cost for landowners. Since the HST is a federal tax, it is understood that concerns or queries must be directed to Canada Revenue Agency. It is suggested that a joint request to CRA on this matter from all PDAs and Trees Ontario be initiated. Alternatively, it is suggested that recommendation #2 to increase the program cap to \$1.51/seedling would assist in offsetting the HST cost to landowners.

# 4. Reduce the minimum area of planting from 2 hectares (ha.) to 1 ha.

It is acknowledged that 1 ha. planting sites are being allowed on a case by case basis. This could increase the number of trees being planted particularly in the southwest.

The "Alternative Approaches to Afforestation" pilot project is also being implemented under the 50 MTP in partnership with Essex Region CA and Long Point Region CA. The program criteria is much the same as the 50 MTP. But where it differs is in the alternative planting/stock variations like direct seeding, pod/hand planting and an increase in planting diversity. This program allows for more than 4 species/ ha. to be planted on these sites, which is very appropriate to those PDA's working in the Carolinian zone. The review of this pilot will assist in considering the application of this criteria to other sites in the southwest.

# 5. Focus assistance and training towards CAs that are either not actively tree planting and/or not currently a Trees Ontario Partner, and especially in the 50 MTP.

Promotion of healthy watersheds, restoration and tree planting on public and private lands has been part of CA programs and business for over 60 years. As a result, it may be argued with this history and expertise, CAs can cost effectively, efficiently and successfully promote to the public, and visit with landowners to plan projects in comparison to other PDAs like private contractors. There are CAs interested in becoming or renewing as Trees Ontario PDAs (especially under the 50 MTP) and with some resources and additional technical assistance could make a contribution to this effort. New/renewing delivery agents should be encouraged in areas where none currently exist. In areas currently serviced by a number of PDAs, efforts should be made to increase their capacity rather than signing on new agents. This will require more than just allocation of funding or trees, and may involve help from other CA's.

# 6. Review the effectiveness of communications campaigns and consider a more targeted/focused communications effort.

While a number of approaches to the promotion of tree planting have been undertaken and are needed, many CAs are not seeing measurable increases in tree planting as a result of landowner workshops, advertisements in various media, and other approaches. This is likely due to the challenges described elsewhere in this submission. While staff have been supportive of assisting in these events it is believed that resources could be devoted to other activities. Reviewing the effectiveness of current communications tactics and taking a more targeted approach is suggested (eg. assigning communications funding towards targeted notices to landowners in municipal tax mail outs).

#### 7. Allow each PDA to manage their allocation internally.

CAs have suggested that this would be helpful in making decisions like allocating resources from inexpensive sites to those with higher costs. There are a number of additional benefits. The greatest potential benefit being flexibility (within program guidelines), giving the PDA the ability to take on sites they wouldn't otherwise be able to under the current structure. Further benefits will be discussed during the post-plant meetings.

# 8. Capital expenditures that support tree planting and increase a PDA's capacity should be supported by the 50 MTP

The present funding formula does not allow for capital expenditures. This would be appreciated towards the costs of machinery and other items.

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Once again, on behalf of Conservation Ontario and the network of 36 Conservation Authorities we value the partnership with Trees Ontario in delivering tree planting programs in the province and look forward to working with you towards successfully meeting the increasing targets of the 50 Million Trees Program. Thank you for considering these comments and suggestions and we look forward to providing additional details and suggestions through discussions at Conservation Ontario Council, at the post-plant meetings in June and over the coming months. If you have any questions or comments in the meantime, please do not hesitate to contact me.

Yours truly,

Jo-Anne Rzadki, MSc.

Watershed Stewardship Coordinator

cc: Don Pearson, General Manager, CO

Dick Hibma, CO Chair

Conservation Ontario Council

CA Foresters and Watershed Stewardship Staff