

MEDIA BACKGROUNDER – ASSIGNMENT OF THE PRINCE ALBERT FOREST MANAGEMENT AGREEMENT

Sakâw Askiy Management Incorporated

Sakâw Askiy Management Inc. is a unique partnership of six forest companies with Saskatchewan operations (one of which is First Nation owned) and two First Nations partners, all with allocations from the Prince Albert Forest Management Agreement (FMA) area. The entity was formed with the intention of assuming the FMA and management responsibility for the area, through an assignment agreement.

Sakâw Askiy is from the Cree, meaning ‘forest land’. Sakâw partners include:

- A.C. Forestry Ltd. (Agency Chiefs Tribal Council)
- Carrier Forest Products Ltd.
- Edgewood Forest Products Inc.
- L&M Forest Products Limited Partnership
- Meadow Lake Mechanical Pulp Inc.
- Meadow Lake OSB Limited Partnership (operated by majority partner Tolko Industries)
- Montreal Lake Business Ventures Ltd. (Montreal Lake Cree Nation)
- Norsask P.A. Forestry Inc. (NorSask Forest Products)

Sakâw brings together industrial partners with proven track records, in business and sustainable forest management, and the traditional knowledge and investment interests of area First Nations. Sakâw itself does not own any mills but several of its member companies own processing facilities in Saskatchewan, seven in all, which will use timber from the Prince Albert FMA area. These facilities include:

- a sawmill near Prince Albert (Carrier)
- a sawmill in Carrot River and a plywood mill in Hudson Bay (Edgewood)
- a sawmill and wood treatment plant in Glaslyn (L&M)
- an Oriented Strandboard mill in Meadow Lake (Meadow Lake OSB)
- a sawmill in Meadow Lake (NorSask)
- a pulp mill in Meadow Lake (Meadow Lake Mechanical Pulp)

The Sakâw partners each received a volume allocation from the Prince Albert FMA, which was announced by the government in November 2009. The partnership was born out of a desire to further solidify these allocations by assuming the FMA.

Forest Management Agreements

A forest management agreement (FMA) is an important tool for delivering sustainable forest management in Saskatchewan. In exchange for long-term secure access to Crown timber, the forest company agrees to assume forest management responsibilities for the FMA area. In this way, the company co-ordinates all forest management activities across the licence while ensuring sustainable harvest and full forest renewal.

Because each FMA is negotiated individually with the company for the particular area involved, some specific terms may vary. However, all existing FMAs make the licensee responsible for sustaining forest values predetermined in a planning process that requires extensive consultation with other forest users. FMAs run for a 20-year term, renewable every five years. In the agreements, companies assume responsibility for long-term and annual planning, maintaining a forest inventory, and renewal of all harvested areas. The FMA holder is responsible for achieving outcomes set out in regulation and the environmental code. Government ensures that it does so through compliance and audit activities.