

# **.D. Irving launches suit against woodlot groups**

## **Legal action follows attempt by SNB board to assert authority over wood purchases**

Connell Smith, CBC News, February 2, 2017

The lawsuit follows an order by SNB that industry must buy its wood from the marketing board rather than from individual woodlot owners. (Jacques Boissinot - Canadian Press)

J.D. Irving Ltd. has launched a lawsuit against two groups representing private woodlot owners in southern New Brunswick.

The outcome could have far-reaching implications for the way private wood is bought and sold in New Brunswick and the price obtained by individual woodlot owners.

The lawsuit asks the Court of Queen's Bench to declare a contract between the SNB Forest Products Marketing Board and its sister group, the SNB Wood Cooperative, unlawful.

At the root of the case is a 2015 order issued by the co-operative declaring that wood from private woodlots can only be sold to the marketing board, and wood purchasers can only buy from the board.

JDI stopped buying wood from SNB in 2012 but has been making deals directly with woodlot owners within SNB's provincially designated boundaries.

In its statement of claim, JDI says the SNB marketing board has unlawfully delegated its powers to the SNB co-operative.

In issuing its order, SNB cited the province's Natural Products Act.

"JDI is directly and adversely affected by the unlawful delegation of the SNB Board's powers and function to the Co-op," the company says in its statement of claim.

## **Allegations not tested in court**

The company's allegations have not been tested in court.

Another company, AV Group, with mills in Nackawick and Atholville, has applied to be an intervener in the case, suggesting the implications could be felt provincewide.

"It's going to be a challenging few years for the industry," said Susannah Banks, manager of the New Brunswick Federation of Woodlot Owners. "There is a move toward more direct contracts with brokers as opposed to contracts with marketing boards."

Green Party Leader David Coon said woodlot owners are being hurt while the province fails to enforce its own regulations specifying that a fixed proportion of wood must be purchased from private woodlots before Crown wood can be harvested.

"It's a classic case of injustice," said Coon.

"Can you imagine if family farmers were treated this way or lobster fishermen were treated this way? There would be a revolution in parts of New Brunswick."

It's an issue New Brunswick's auditor general, Kim MacPherson, waded into in her 2015 report.

"We have concluded the Department of Natural Resources does not meet its principal responsibilities under legislation respecting timber supply from private forest lands," said the report.

"The Department's failure to comply with its own legislation and provide leadership on private wood supply issues through a well-defined role and clear objectives contributes to uncertainty for private woodlot owners and conflicts within the marketing board system."

Both SNB's general manager, Pam Folkins, and J.D. Irving's Mary Keith said they cannot comment on the lawsuit because the matter is before the courts.