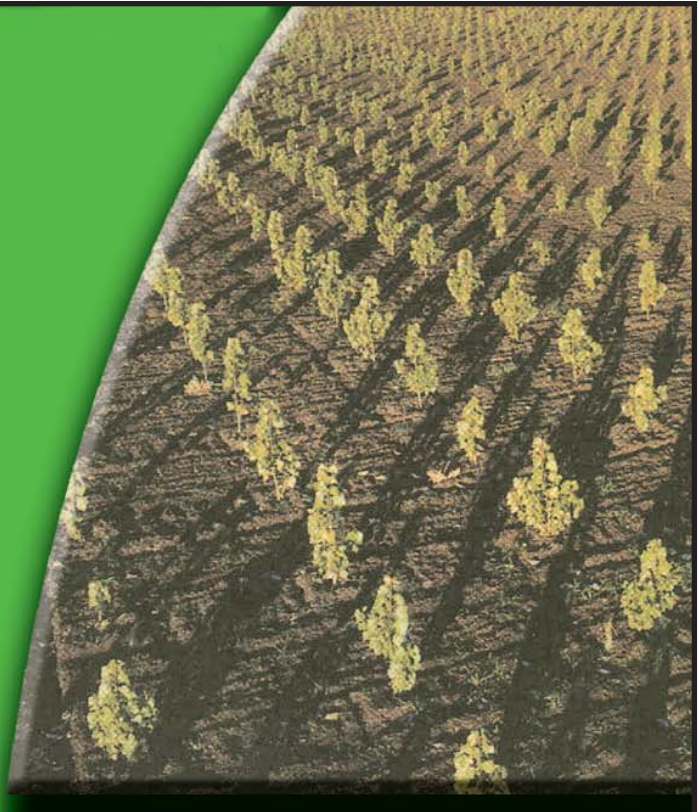


Growing Together

Through Poplar Farming



Poplar farming is part of Al-Pac's forest management approach, where we work with local landowners to supplement fibre from the forest with wood from tree plantations.

Money can grow on trees.

Al-Pac at-a Glance

Alberta-Pacific Forest Industries Inc. (Al-Pac) is one of the most modern pulp mills in North America. We use progressive and environmentally sustainable best practices in the management of our forests as well as the production of high quality kraft pulp. This ranges from bug farms to purify effluent, wood waste to generate “green” electricity and forest practices to mimic natural disturbances.

Our pulp is used to make a variety of paper products, including high-quality gloss papers, photo paper, paper towels, cardboard and product packaging.

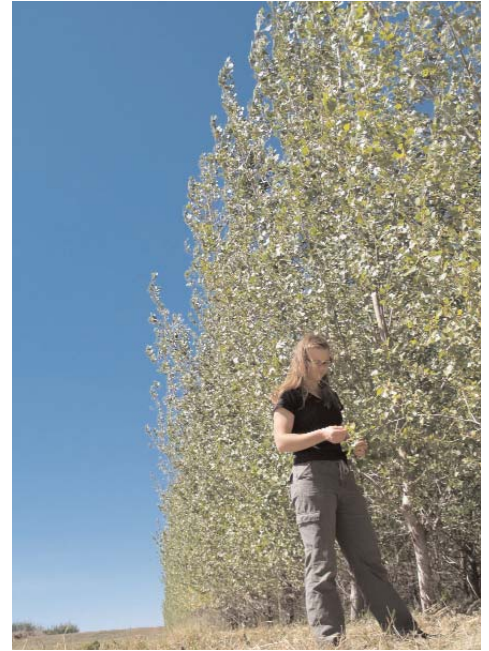
About Hybrid Poplars

Hybrid poplars are produced by the crossbreeding of different poplar species. The crossbred poplars planted in our tree farm program are similar to the hybrids that have been used as shelter-belts in the region for more than 60 years. These poplar trees can grow six-to-eight times faster than native aspen, are more resilient, and have root systems that are more easily removed than native aspen.

Growing together

Not long ago, farmers and ranchers cleared their land of what they regarded as “pesky poplars,” but today poplar trees are growing into a cash crop for area landowners who are participating in Al-Pac’s **Poplar Farming Program**.

Over the next 20 years, we are looking to partner with landowners within 200-kilometers of our millsite (refer to map), to lease and plant 1,200 ha (2,965 acres) per year of fast-growing hybrid poplar trees. Our goal is to plant a total of 25,000 ha (61,750 acres), which represents less than one per cent of the total landbase in the 200-km range. The trees will provide fibre to ensure the sustainability of our mill, while also providing a profitable long-term land rental opportunity for you.



A plantation of six-year-old poplars towers above Poplar Farm Coordinator, Joanna Ramsum.

Poplars are Profitable for Landowners

Through the poplar farming program, we rent land through a **20-year lease agreement** that pays annual rental fees (per planted acre). To ensure that you’re paid rates that are competitive now and in the long-term, the lease will be reviewed every five years (inflationary review clause) and if necessary the rates will be increased. There are no output costs for you. We take care of site preparation, planting and maintenance costs.

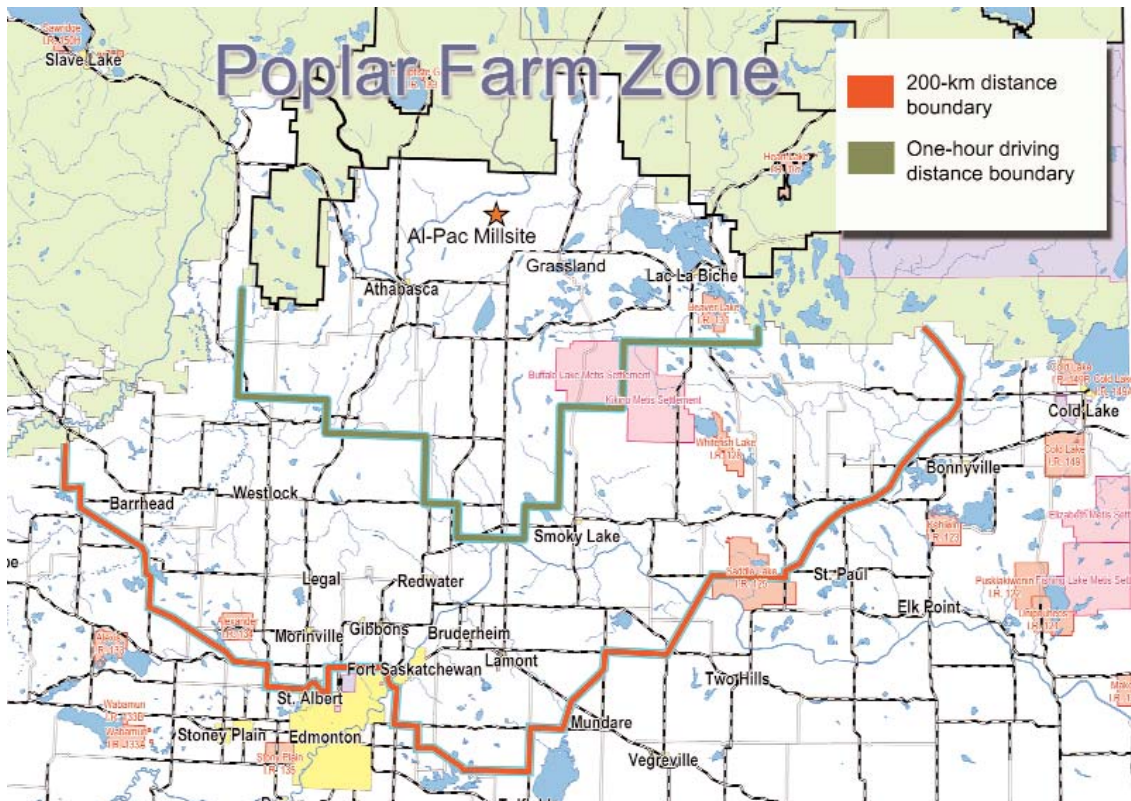
About the Lease Agreement

- | 20-year lease (includes an inflationary clause)
- | \$30/planted acre (within one-hour driving distance indicated on map)
- | \$25/planted acre (within 200-km zone indicated on map)

Land Requirements

While poplar trees grow well in most soils, we prefer to lease **marginal farmland** (Class 3 and four luvisol soils) that was probably covered with aspen in the past. We prefer cultivated fields, pasture or hayland and want to avoid soil that is sandy, rocky, or that has a deep peat layer (more than 12 inches).

Are you in the zone?



Plantation costs (maintenance and transportation) increase with the distance from the mill. With this in mind, we have established two planting zones with corresponding rates.

About Plantations

Plantations are a major source of fibre in many countries due to increasing global demand for wood products. Although plantations have been in Canada for decades, Al-Pac is recognized as being a Canadian leader in developing poplar farms on the prairies.

Al-Pac's poplar farms are plantations of fast-growing poplar trees managed like traditional agricultural crops, but with an 18-20 year rotation. Soil is prepared by discing, cultivating, spraying and adding nutrients, before planting "cuttings" (pencil-sized poplars).



Do the Maintenance and Earn More

Landowners (in the program) can also earn income by maintaining their poplar farm. Maintenance is intensive in the first four to five years only and includes cultivating and discing (spraying is contracted separately). The equipment required is smaller than traditional machinery, as it must fit between three-metre wide rows.

Research

Al-Pac has and continues to invest in research to better understand hybrid poplar growth in our region. We continue to work on research with the Prairie Farm Rehabilitation Administration (PFRA), government, universities and tree improvement cooperatives.



On average, hybrid poplars grow more than one meter each year, as is evident with the field of yearling poplars shown above.

Tree Geneticist, Barb Thomas (left), coordinates the poplar farm research program for Al-Pac.

“Poplarity” is Growing



AI-Pac’s Conn Brown (left) discusses poplar farming with landowner Nick Michalczuk. Conn works with landowners to answer their questions about the program and how they can get involved.



Poplar Farm Coordinator, Al Bertschi (above), speaks to guests during one of the many visits to our poplar farms.

The poplar farming program, started in 2002, has 52 landowners and is growing. Here’s what some of our partners have to say about the program.

“ Times change, rent goes up and land prices go up. Farming isn’t great now, but maybe in 20 years things will change and the land will be here for my grandkids and they can decide what they want to do. ”

Nick Michalczuk, Rochester

“ We used to have a cow-calf operation but we didn’t like the way things were headed, especially with BSE. With poplar farming there’s no guess work and no worrying. You know what you’re going to get. ”

Ed Petrie , Rich Valley

If you have any questions about poplar farming, please contact:

Conn Brown, Land Lease Coordinator
(780) 525-8042 or 1-800-661-5210 ext. 8042

Al Bertschi, Poplar Farm Coordinator
Site Preparation and Maintenance
(780) 525-8119 or 1-800-661-5210 ext. 8119

