

FACING CHALLENGES, FINDING SOLUTIONS: LOGGING IN THE NORTHWEST



Our efforts to revitalize the North West Loggers Association have had some success over the summer. We are back in contractors' consciousness and a topic of discussion. Summer is a difficult time to get things rolling with sun and holidays top of mind for many. Now that fall is here, I hope the work we've done so far will snowball so to speak. We held a meeting in June which resulted in picking out some key issues to focus on in the coming months. I will outline some of these topics below.

Five years ago, government was putting a lot of energy into helping find solutions to the problems the forest industry faces in the northwest. Our fibre basket is heavy with low-grade sawlogs and "fibre-quality" logs—what used to be called pulp logs. However, we don't have pulp mills in our region anymore. We find ourselves in the position of not being able to sell the low grades unless there is a shortage on the coast. This reality leads to an on-again off-again market.

With the start-up of hydro line clearing and LNG pipeline clearing, the focus of government and contractors shifted to this wealth of demand for equipment and manpower. That demand has disappeared with the delay of LNG and completion of hydro line development. We intend to restart the conversation with government and contractors on this issue. There are opportunities for bio-energy, pellets and other wood waste products in BC's northwest. However, these opportunities come with a challenge.

The challenge is the high percentage of fibre quality logs in our forests. For every sawlog we harvest, we must also harvest a "fibre" log. This is a problem because there isn't a market for fibre logs. Even if we had a pellet or bio-energy plant in the area, the prices we have

seen paid for a fibre log is nowhere near what it actually costs to harvest one in the northwest. This means that the price we get for sawlogs needs to subsidize the cost of harvesting the fibre logs.

Rick Brouwer, a professional forester and the Executive Director of the Skeena-Nass Centre for Innovation in Resource Economics (SNCIRE) notes if we can find a solution where the price paid for fibre logs covers the cost of harvesting and delivering them, the benefits will be much more than the jobs from logging the fibre. It will create opportunities for additional logging

in the northwest to purchase cedar lumber. Some of the sawmillers have switched to other products but those markets are much smaller. The small scale milling industry provides stable, local jobs and draws money into the area with their sales. We need to support these operations and encourage the diversity they provide.

Skeena Sawmills, the only large scale sawmill in the northwest has received a significant cash injection from industry investors. These investors must feel there is a future in the area. The membership of the NWLA hopes this is the

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and manufacturing of sawlogs as well, and will encourage increased and better utilization of our forests. It will also reduce the amount of "waste" that gets left in the woods or burned. SNCIRE's calculations show these additional benefits would be hugely beneficial to the region and also to government due to the increase in taxes, fees, royalties and stumpage paid to the Crown—so it's in government's interest to work with us towards finding these solutions.

As discussed in "Fibre, Fibre Everywhere, But Not A Log To Mill" on page 24 of this magazine, small mills across BC are struggling to access fibre. Small sawmills in the Northwest are no different. Due to the current high market for cedar, it is almost impossible for a sawmiller to purchase cedar round log. Log brokers have bigger BC customers to satisfy and have difficulty redirecting to local mills when their major customers are demanding supply. (This isn't a log export issue as the law doesn't allow red cedar to be exported as logs.) As a result it is also difficult for peo-

ple in the northwest to purchase cedar lumber. It has been a long time since the northwest forest industry received this kind of investment and we hope it results in some stability.

I am looking forward to the TLA convention this January. It has been a number of years since I have been able to attend. It has always been a good opportunity to discuss the issues of the day and have some fun at the same time. I hope to see you there.▲