

# VALUE ADDED: WHAT DOES IT MEAN FOR FORESTRY?

By Pieta Woolley

Walk down a flight of recently-built stairs anywhere in North America, and you're likely treading on Chinese-grown red oak, manufactured in China. But that's changing. At a trade show a few years back, BW Creative Rail Systems' President Rob Mitchell got to chatting with LNL Building Products Inc., a Georgia-based company that distributes value-added wood products to Home Depot. The distributor was having trouble with their stairs parts suppliers in Asia: the lead time was unpredictable and the quality was inconsistent. What could Mitchell do for them?

"This is a good news story," said Mitchell, who is also the chair of BC Wood. "We've brought business back to BC."

Thanks to his company's investment in technology and the highly skilled workers that run it, BW Creative can compete on price as well as quality internationally. Now, Home Depot's interior stair spindles, railing and newel posts are made from BC-grown Western Hemlock—manufactured in Maple Ridge. What a coup for BC.

Stories like these warm the hearts of policy makers—and they should. When anyone adds value to BC's forests, the general view is it means more dollars and jobs stay in BC and this is often, but not always, true. That's what Premier John Horgan was asking for in his July 2017 mandate-setting letter to Doug Donaldson, the new Minister of

Forests, Lands, Natural Resource Operations and Rural Development, when he specifically asked him to implement a "lasting strategy to create more jobs by processing more logs in BC."

Delve deeper into the political buzzword "value added," though, and it becomes apparent how interconnected the successful wood manufacturing industry is to a thriving primary industry. And how swiftly changing the wood manufacturing sector is in terms of technology, trade, local buy-in, and innovation. Enhancing BC's value-added sector is important—and so is respecting the supply chain that is so essential for its success.

**What's being made in BC with what you harvest? Meet four of BC Wood's board members. Each owns a company that transforms local wood into products that are significantly more valuable than commodity lumber.**

## Bill Downing

Structurlam

[www.structurlam.com](http://www.structurlam.com)

Town: Penticton

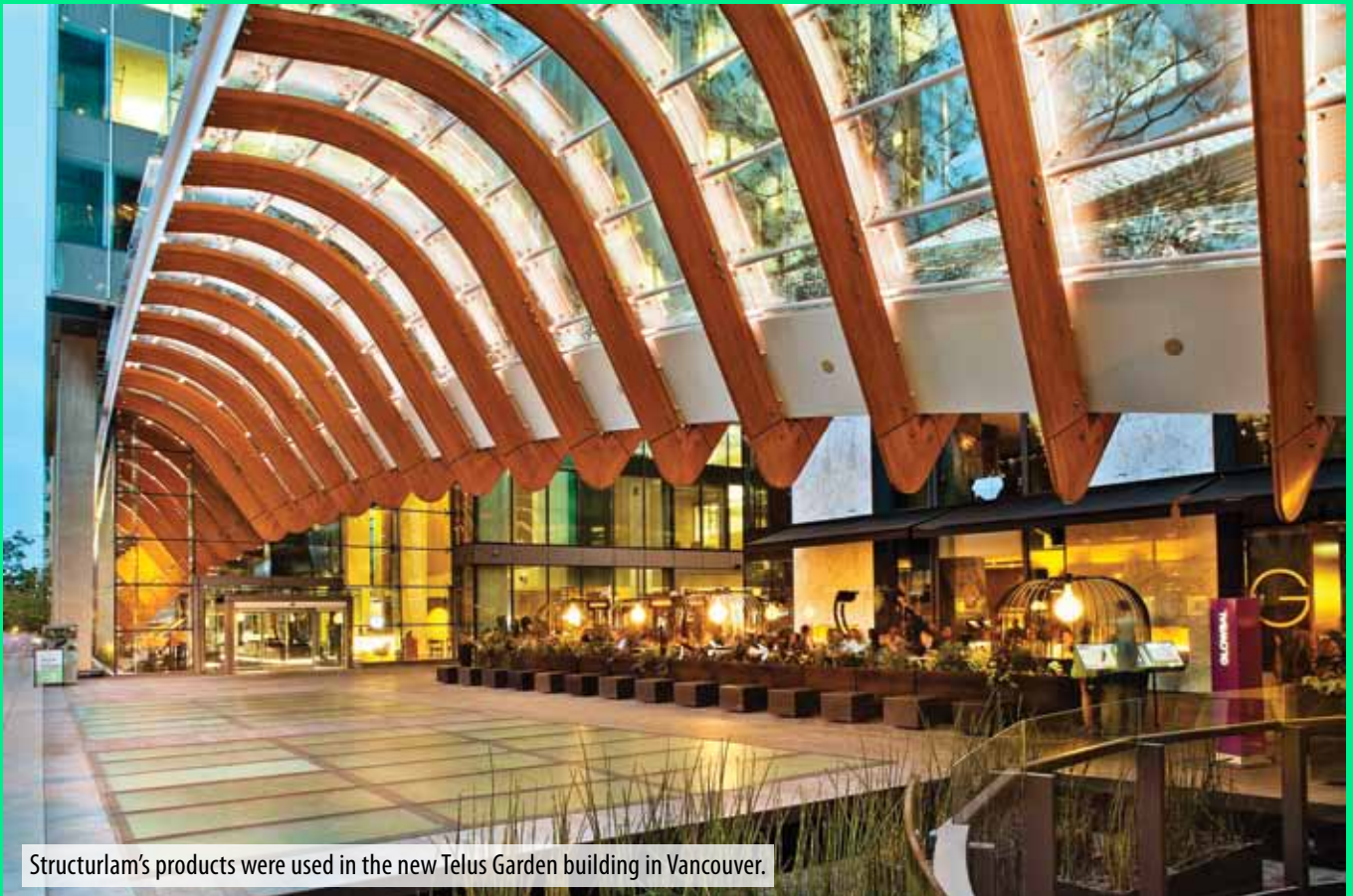
Employees: 220

What we make: Glulam beams and cross-laminated timber for construction. We deliver an entire building. The 18-story wood frame building at UBC—Brock Commons—was entirely prefab-

ricated at our factory in Okanagan Falls.

The wood we use: Our Glulam Plus beams are primarily interior Douglas fir. For our Crosslam panels we use regular SPF (spruce-fir-pine) from BC and Alberta.

Photo: Courtesy of Structurlam



Structurlam's products were used in the new Telus Garden building in Vancouver.

Who better to explain that relationship than Peter Moonen, Canada's timber representative to the United Nations, and advocate for wood use in buildings through his position at Wood WORKS! BC.

"Every value-added producer that makes something out of wood needs to have someone cut down a tree," Moonen said plainly. Internationally, he noted, BC's added value starts with forest practices; Yale University has long recognized this province's international excellence in forestry, and a large percentage of the world's certified-sustainable wood is grown in BC. So the marketing advantage—the added value—for BC wood starts before it's even milled, with foresters, fallers and yarders.

Politically, Moonen notes, the primary sector is often pitted against the value-added sector. But inside the industry,

that narrative is just wrong. The two sectors form one continuum. One feeds the other. And realistically, he said, BC's forests will always produce more timber than the manufacturing sector can absorb economically.

So what is value added?

Moonen pushes for a wide-ranging definition, from strategic log sorting to fine furniture making. He also notes that governments have a role in enhancing the value of BC's wood products: choosing to buy local whenever possible, whether that's glulam beams in an arena, or school desks. Buying local means the sector can grow.

When someone says 'value added,' what may pop into your head is a very different image than Mitchell's small, nimble and specialized factory. In BC, the once-ubiquitous 300-worker sawmill—as miniaturized in the historical

displays at the Royal BC Museum in Victoria—has been left in the sawdust of the new tech-based value-added industry. On average, BC's 600 secondary-sector wood businesses boast just 12 employees each (though of course that varies widely). About 12,500 direct employees manufacture with wood in BC and boast sales of \$3.8 billion annually.

"The term value added is a difficult one. It depends where you are on the value chain," explained Brian Hawrysh, the CEO of the value-added industry association, BC Wood. "If you're a forester, logging and log sorting is 'value added.' For BC Wood's definition, 'value added' is products manufactured beyond basic lumber products."

BC Wood represents seven value-added subsectors: millwork, cabinets, furniture, prebuilt housing, engineered wood products, log home and timberframe,

What I wish people knew about the value-added sector: I don't think people even understand what we're talking about. There's such a breadth of products within the value-added sector, from log home to furniture. And the quality. And I wish people understood that Stucturlam triples the value of the fibre.

Why I'm proud to work with wood: I've spent my entire career growing and promoting wood. I was a forester originally, and ran BC Wood before Brian (Hawrysh). I am absolutely passionate about wood—the strength, beauty, and desirability of it.

### **Brent Comber**

Brent Comber Original Designs

[www.brentcomber.com](http://www.brentcomber.com)

Town: North Vancouver

Employees: 14

What we make: Furniture and sculpture. Primarily I'm interested in conveying a story about the Pacific Northwest. For example, if we make an alder cube, it's really a story of what it feels like to be in the forest. I bundle the alder so you can peer down into the darkness and have that sense of wonderment, that feeling of being in a dark forest.

The wood we use: Mostly indigenous material. I buy off-cuts from sawmills, veneer factories and log sorts, all within 100 km of the shop. I like to create value out of undervalued material.

What I wish people knew about the value-added sector: We are really concerned about the forest and the earth. Back in the 1980s, people thought of the industry as wasteful and greedy, as wanting to exploit the resource. In my view, and the people I know who run these businesses, we don't think like that at all.

Why I'm proud to work with wood: I'm very proud of being a British Columbian. I can really convey our geography and climate through wood, and I can share with the rest of the world this wonderful place we live in.

### **Grant McKinnon**

Pacific Homes

[www.pacific-homes.com](http://www.pacific-homes.com)

Towns: Cobble Hill and Creston

Employees: 100 between the two plants

What we make: Roof trusses and pre-fabricated homes. We're like having a custom home-builder on site—except we do

as much as we can in the factory. You get better quality control and exact pricing. Everything comes to the site and you just stick it together. You'd never know it was prefab. The siding, the windows are all custom. We do a lot of remote homes in Alaska, California and Hawaii. Our biggest market right now, though, is in BC.

The wood we use: The majority is SPF (spruce-pine-fir) either from BC or Alberta. We use some Douglas fir too from BC, but sometimes we look in Washington and Oregon for certain grades or quality.

What I wish people knew about the value-added sector: That making things locally makes such a huge impact on the community.

Why I'm proud to work with wood: I'm a wood guy. I got a degree in forestry. I like woodworking. It's my hobby. Also, you get to take someone's plans they drew on a



Brent Comber designs and manufactures furniture, like this solid wood bench.

Photo: Courtesy of Brent Comber



Pacific Homes builds prefabricated homes in their factory and assembles them on site.

napkin and turn them into reality. It's emotional. We're not selling tresses. We're selling someone their home.

**Rob Mitchell**

BW Creative Wood Railings Systems  
www.bwcreativewood.com  
Town: Maple Ridge  
Employees: 80

What we make: Railings for both interiors and exteriors of single family and multifamily homes and sell them across North America and the UK.

The wood we use: Mostly Pacific



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Photo: Courtesy of BW Creative Railings Systems

This interior stair railing is made from BC hemlock.

Coast Hemlock (indoors) and Western Red Cedar (outdoors), both from BC.

What I wish people knew about the value-added sector: We not only add value to the wood, a natural and renewable resource, we add value to the hundreds of communities where we are located.

Why I'm proud to work with wood: Once you're in the wood industry, it's truly in your blood. The look of wood. The smell of wood. You're in it for life.



**NOOTKA SOUND TIMBER CO.**

**JACQUI BEBAN** VP Logging

**C** 250.951.1410 **F** 778.441.1191  
**T** 778.441.1190 **E** jacqui@beban.bc.ca

#204 - 321 Wallace Street Nanaimo, BC V9R 5B6

and reengineered wood products. The subsectors have recovered from the 2008 recession and are finding their 21st century niche in a globalized marketplace.

“Globally, the biggest competition for our finished products comes from the United States, Europe and to a lesser extent Asian suppliers,” said Hawrysh. “BC companies compete successfully on not just the product itself but the services that are bundled around the product. Our manufacturers have to be nimble, customer focused, and flexible around quantity and design. You don’t need to order a container ship of product from them!”

## Any government initiative to support the value-added sector should support the full continuum of BC’s value-added sector, including harvesting.

About as far away as you can get from the big sawmills of yore are the labs associated with FP Innovations, a research and development non-profit supported by both the major forest products producers and government. Here, scientists create Dreamworks-worthy futuristic technology, such as wood-based antimicrobial additives for food; wood-based replacements for petroleum in automotive foam; and cellulose nanocrystals. This tiny value-added wood technology can conduct electricity; carry the colour in make-up and paint; and may even replace human bones.

Fostering a forest economy worth much more in both money and jobs is clearly very appetizing to the province. Before the May 2017 provincial election, then-premier Christy Clark’s government set in motion two important supports for these businesses. The first, released in September 2016, is the *Value Added Sector Action Plan*. It’s a simple 10-page document that outlines six strategies to “rebuild and improve the value-added subsector, and position it for the future.” Eight months after releasing this report, in April 2017, the Liberal government announced the Wood Secretariat—a key to meeting the BC government’s strategic goal of “maximizing value derived from the province’s forest resources and enhancing employment.”

Both Hawrysh and Mitchell are hopeful the commitments to the *Value Added Sector Action Plan* and the Wood Secretariat will continue under Premier John Horgan’s leadership. For British Columbians who work in the value-added forest products sector, that’s good news indeed.

But as David Elstone, the Executive Director of the Truck Loggers Association asserts, the value-added sector is only as healthy as the primary sector that supports it. “I find that often the public are quick to unintentionally disassociate timber harvesting from the value-add sector, thereby calling for less

harvesting on one hand, and demanding more value-add on the other, despite the source of fibre for our domestic value add or tertiary manufacturing sector coming from sustainably managed local forests that my members harvests,” he said. “But value added is about a value chain. If you want to make value added greener, you have to make sure that all the processes you have to supply that fibre are in good shape too, or you can’t have that remanufacturing sector.”

In other words, any government initiative to support the value-added sector should support the full continuum of BC’s value-added sector, including harvesting. And from the TLA’s perspective, understanding the dynamics of how our timber supply is controlled by a few and how the industry’s supply chain is at risk due to lack of contractor sustainability are important considerations when our new provincial government is trying to figure out ways to support further manufacturing of our local timber. If you want, it is taking a holistic view of how to provide solutions.▲

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