

A REAL SOLUTION FOR NORTHWEST BC



The forestry sector in Northwest BC currently operates at a fraction of its potential.

Logging and sawmilling in Northwest BC today occurs in fits and starts in accordance with the fluctuations of volatile markets. Young people looking for a career have no certainty that there will be jobs for them, and contractors are uncertain whether they should invest in equipment or training.

The forest industry in Northwest BC has been subject to multiple booms and busts over the past 60 years. We continue to be in a deep bust which started in 2000 with the demise of Repap/Skeena Cellulose, followed by the departure of West Fraser and the shutdown of Eurocan.

The reason behind this bust was that the forests in Northwest BC consist of a high-proportion of “fibre-quality” logs. These logs (called pulp logs in previous decades) are part of our forests. In general terms, when we log a forest stand, 50 per cent of the logs are fibre-quality, not sawlog quality. While the cost to log a fibre log is the same as for a sawlog, the historical price paid for fibre logs is well below the cost to log and deliver these logs. This was true even when pulp mills were operating in the area, and this price disparity is the underlying reason behind each bust in Northwest BC’s forest sector.

But we can eliminate these busts and this uncertainty forever by supporting the use and processing of fibre-quality logs.

The type of use is less important than it covering the cost of delivering the logs to the processing facility. For example, by supporting the consumption of 300,000 m³ of fibre-quality logs, we will:

- see increased processing of logs right here at home
- create over 500 permanent, long-term jobs from northwest forests
- generate over \$50,000,000 of GDP annually

- see the construction of a fibre-processing facility
- see upgraded and revitalized sawmilling in the area
- provide stable and steady employment for forestry workers
- see reduced fire hazard due to the removal of woody material from the bush
- see a reduced carbon footprint by avoiding open burning and creating or substituting products
- see reduced pressure on the social safety net and social and health programs and facilities

Supporting the use and processing of fibre logs will provide long-term stability and prosperity for the people and communities in Northwest BC, including youth and aboriginal communities.

This stability will result in:

- the ability to engage in new product development
- reduced pressure to export logs
- mitigation of upcoming provincial mid-term timber supply impacts
- improved land-use planning
- long-term stability for logging and road building contractors

The outstanding question is then: how and who should support the use and processing of fibre-quality logs? Over the past decades, it has been various governments’ positions that the challenge of the fibre in Northwest BC would be solved by private business—this has been proven time and again to be a failed assumption. At other times, government interventions have also been tried, often through the Ministry of Forests (in its various forms) tweaking existing programs—to no avail—or by buying or bailing out the struggling company. These approaches also didn’t work, proving that the solution will not be simple. I suggest the next attempt at a solution needs to include both government and private aspects. We have some

very specific thoughts on how to achieve this, the details of which we can’t go into yet as we are trying to align the partners.

What we can say though, is that a big part of achieving this goal is full cost accounting; that is, to look at the complete suite of benefits (and costs) that would be affected by the processing of fibre-quality wood. For example, in addition to economic benefits like stumpage and fees, there will also be direct, indirect and induced economic benefits from things like wages, supplies, contracts and sub-contractors. There will also be economic savings from reduced demands on social and health programs, reduced fire hazard and improved silviculture conditions.

In effect, we suggest that tearing down the silos that exist between different government departments and between different levels of government will allow us to look at the full value of a solution for using the fibre-quality wood in northwest BC. Such a solution will cross over multiple sectors, departments and ministries.

The North West Loggers Association and our stakeholders have solutions. We know the industry. We know the timber and its operating challenges. What we need to make it happen will require leadership and commitment from cabinet and our elected representatives.▲

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