



CONSEQUENCES OF SAWMILL CLOSURES

On May 10, 2019 Tolko Industries announced the permanent closure of their Quest Wood sawmill in Quesnel. On June 3, Canfor announced the closure of their Vavenby Mill, and on June 17, West Fraser decided to shut the doors on their Chasm Mill. Conifex followed suit by announcing the closure and subsequent sale of their Fort St. James mill and curtailed their Mackenzie sawmill into September. Mill closures and curtailments have plagued the BC forest industry throughout the summer and the end does not appear to be in sight.

It is not just the mill workers that are feeling the full negative impact of these curtailments and closures. It is also felt by logging contractors and truck drivers, affiliated service companies, local businesses operating in the community, companies that rely on the final product that these sawmills produce ... and companies that rely on the sawmill by-products...

In a Summer 2019 report by the Forest Economics Advisors (FEA) and Industrial Forestry Service Ltd. (IFS), it was stated that the number of sawmills in operation in the BC Interior has dropped from more than 95 in 2006 to 65 in 2018/2019, with a further drop predicted to 52 by 2028. This prediction represents nearly half of the operating sawmills from 13 years ago being shut down. Direct employment in the BC forest industry has also almost been cut in half, with over 100,000 jobs in the late 90s (based on Natural Resource Canada statistics) to just over 52,000 in 2017. And this number will have decreased further still, given all of the recent mill closures.

It is not just the mill workers that are feeling the full negative impact of these curtailments and closures. It is also felt by logging contractors and truck drivers, affiliated service companies, local

businesses operating in the community, companies that rely on the final product that these sawmills produce such as manufacturing plants, construction companies, lumber stores, etc., and companies that rely on the sawmill by-products such as pulp mills. The trickle-down effect of a mill closure is enormous and the intensity of the impact corresponds directly to the size of the local community and their reliance on that mill.

Another significant consequence of a sawmill closure is the sudden decrease in sawmill by-products, or “sawmill residues,” such as sawdust, shav-

ings and chips. Most sawmills have an agreement with nearby pulp mills, bioenergy plants, oriented strand board plants, pellet plants and co-generation plants to supply them with sawmill residues. However, with the closure of a sawmill, this supply chain gets cut, inevitably creating a demand to replace the residuals that were once supplied. To supplement the supply shortfall, the residual biomass industry has been constantly looking at ways to replenish sawmill residue shortfalls with other potential sources.

One option is to harvest more marginal timber for use as pulp logs, that are eventually chipped on site or at processing yards and delivered to the mill for use as pulp/paper fibre. Another option is to increase the salvage of forest residues that are otherwise left behind in cutblocks and along roadsides. These post-harvest forest residues, that might

include treetops and butts, branches, deciduous, non-sawlog quality trees, etc., are scattered throughout the cutblock and/or piled by the roadside for burning. So, how will this change the future of harvesting and log hauling in the BC Interior? Apparently, forest industry managers and government officials are trying to work out the details as the Province undertakes the Interior Revitalization process.

Salvaging sawlog waste from a cutblock is a good thing. Apart from meeting Coarse Woody Debris requirements, salvaging the remaining usable biomass will:

- Maximize the value of the stand (licensee and government cost benefit)
- Reduce the fire hazard (government cost benefit)
- Improve site preparation conditions (licensee cost benefit)
- Improve movement and safety conditions for tree planters, and therefore increase their productivity (licensee cost benefit)
- Improve passibility for ungulates, including caribou

While salvaging waste does have a lot of indirect benefits, it is the more ‘direct’ harvesting and hauling costs that drive this action. So, while forest industry managers and government officials work out the intricacies of salvaging forest residues, and how best to supplement sawmill residual shortfalls for pulp mills or bioenergy plants, who pays and who gets paid for the extra processing and handling that will inevitably be required, is central to any post-harvest residual plans. Contractors, like most everyone, believe in maximizing fibre usage, but as business owners, they are not willing to do this activity without compensation.▲

Paul Schuetz, RPF, consultant to TLA
Tel: 250-564-4115
Email: pschuetz@industrialforestry.ca