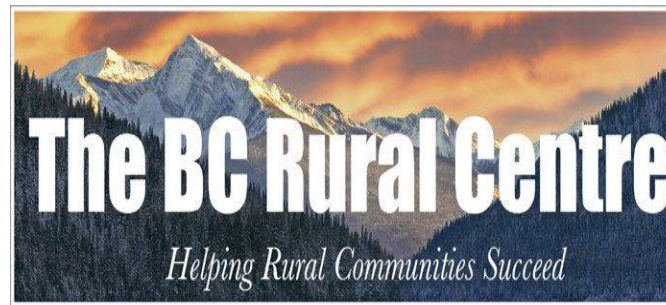


# Creating More Value & Rural Community Benefits from BC's Public Forests

Keeping it Rural 2019 Conference

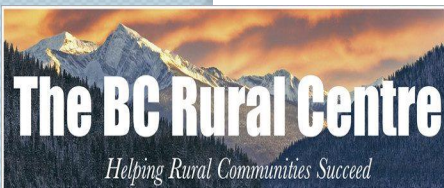
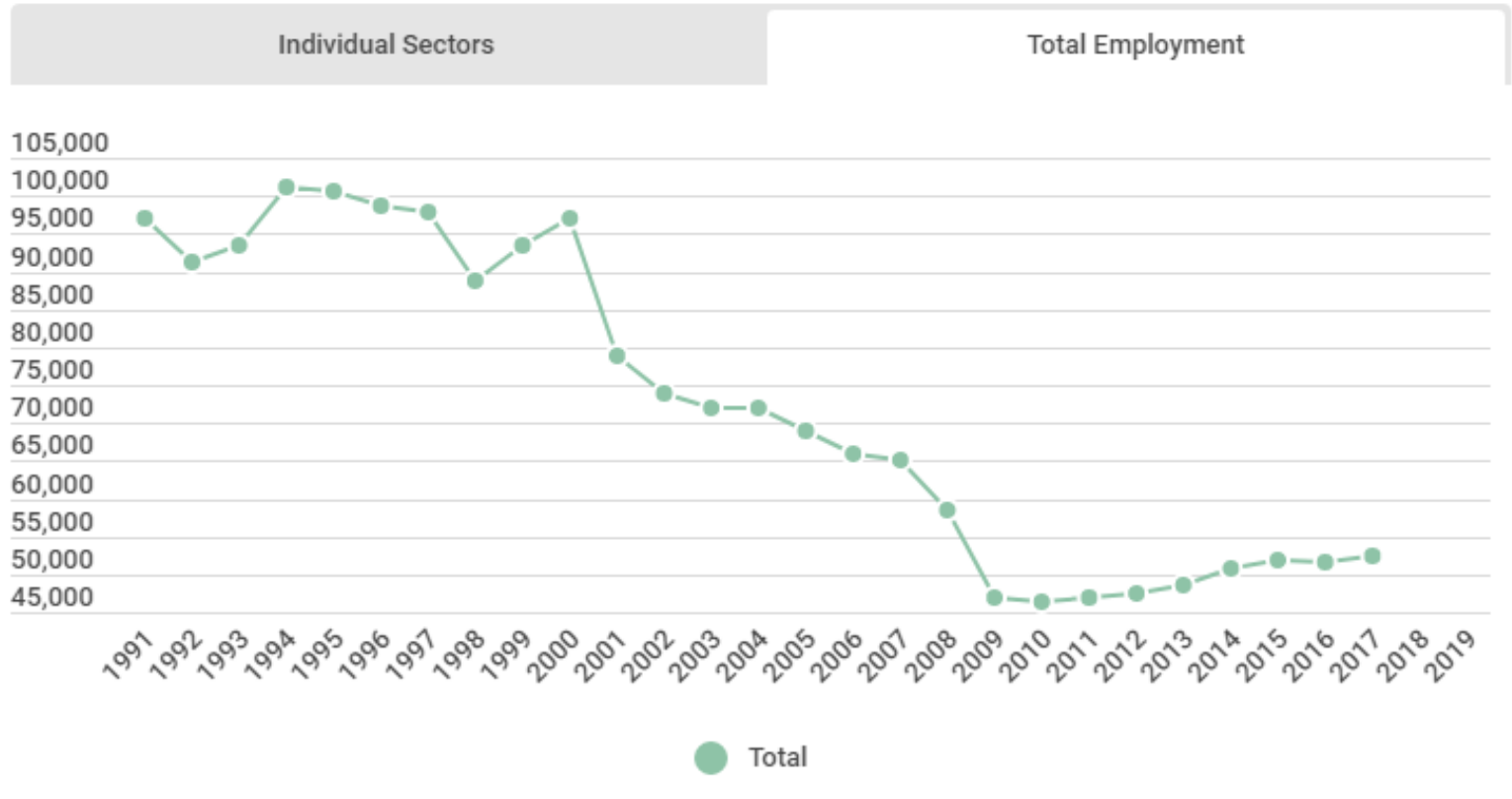
October 7, 2019  
Kelowna, BC



# Forestry jobs in B.C.



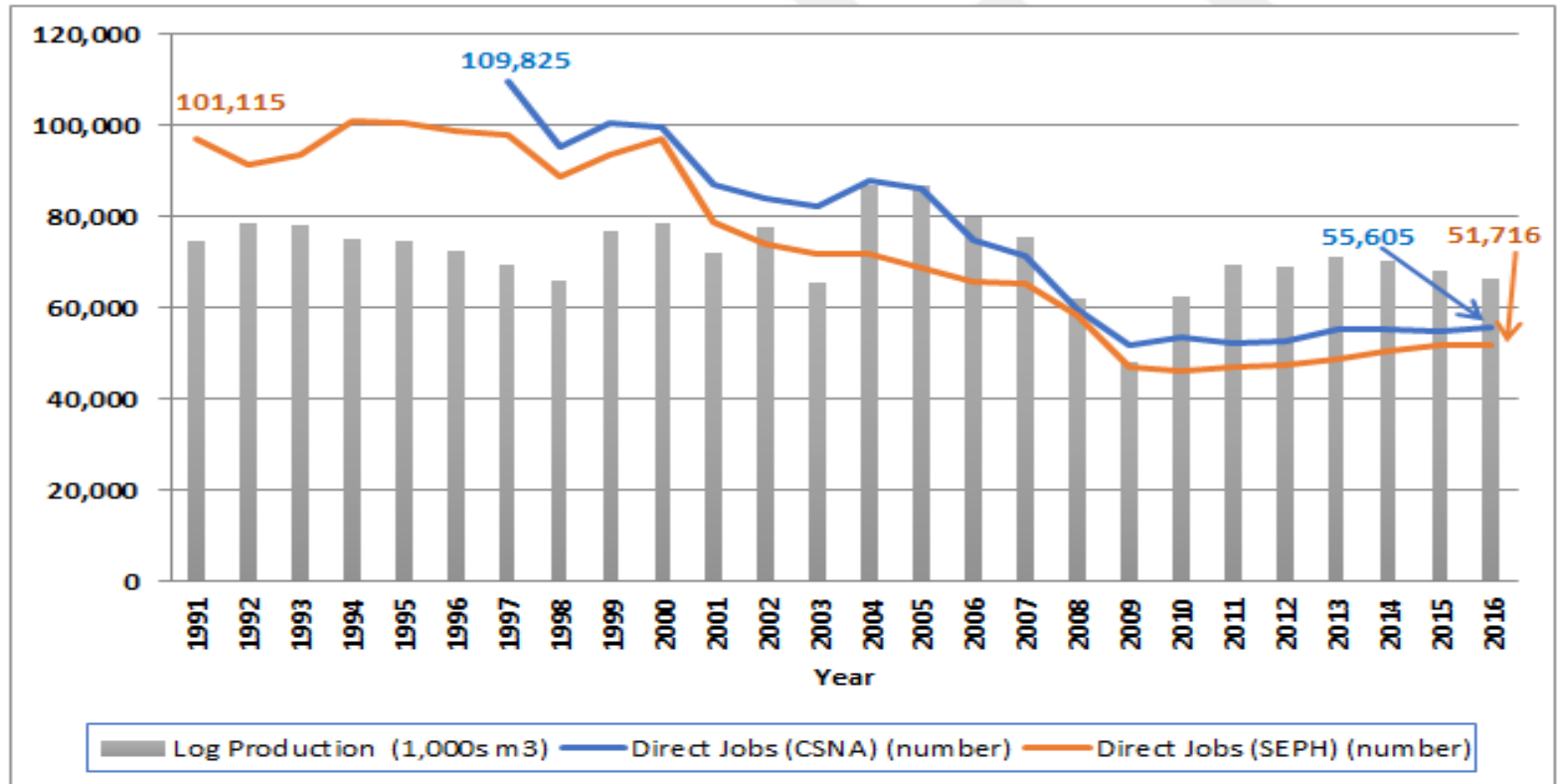
Statistics compiled by Natural Resources Canada show the total number of jobs supported by the forest industry in B.C. has decreased by half over the last three decades



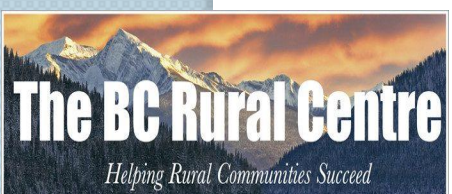
From: "Nothing lasts forever': small towns in B.C. concerned this spate of mill closures won't be last"  
CBC News online story: Justin McElroy · Posted: Jun 15, 2019 5:00 AM PT

## BC'S Forest Sector Labour Force and Provincial Harvest, 1991 to 2014

Between 1991 and 2016 a 49% decline in employment while only a 6% decline in timber harvest volume



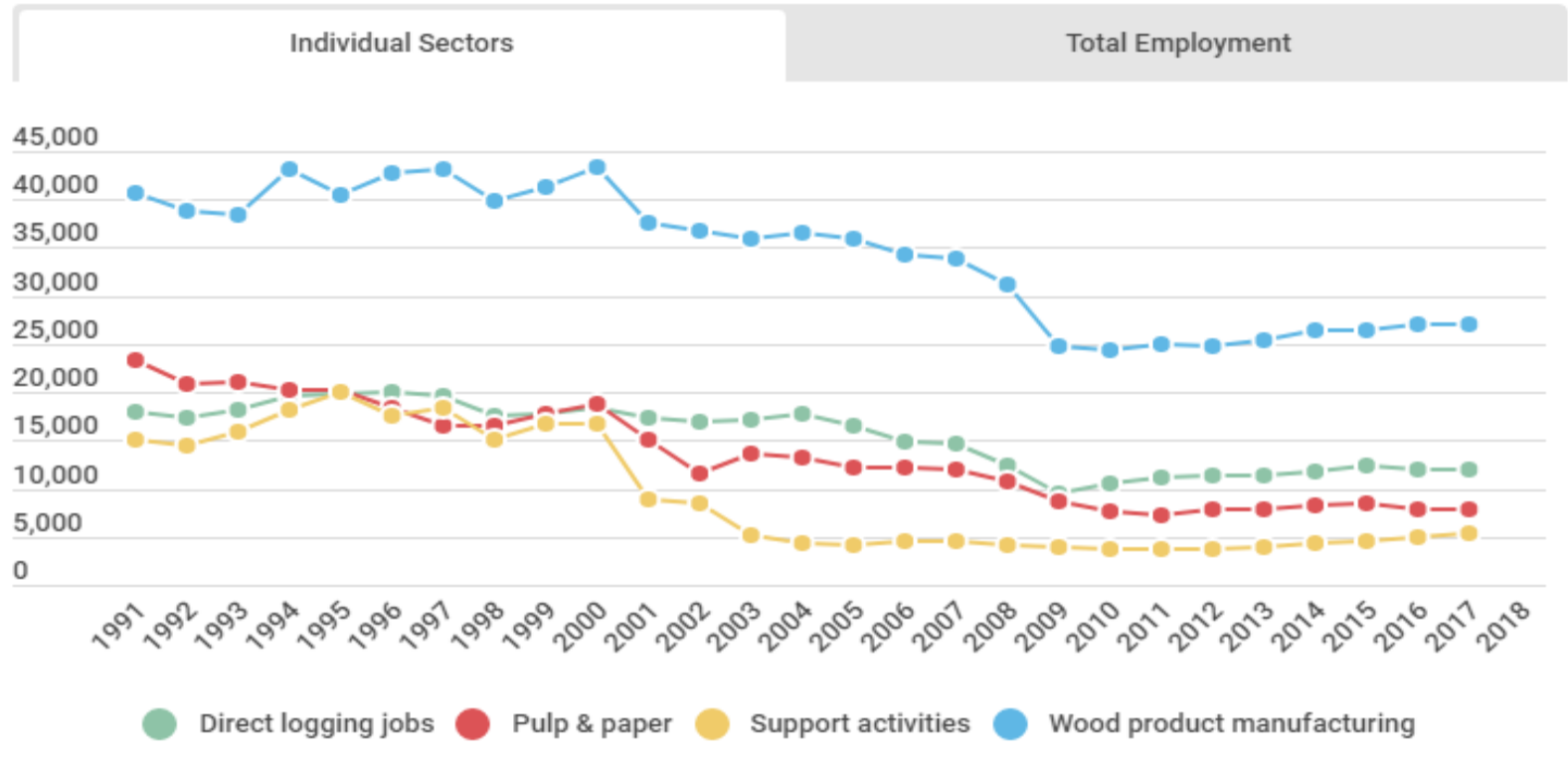
Source: Canadian Forest Service (2019). Note: Forest Sector labour force is presented using the Canadian Systems of National Accounts (CSNA) data and Survey of Employment, Payroll and Hours (SEPH)



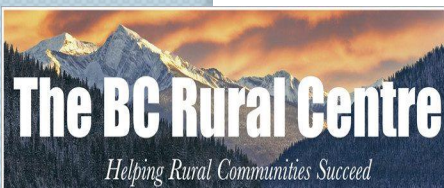
# Forestry jobs in B.C.



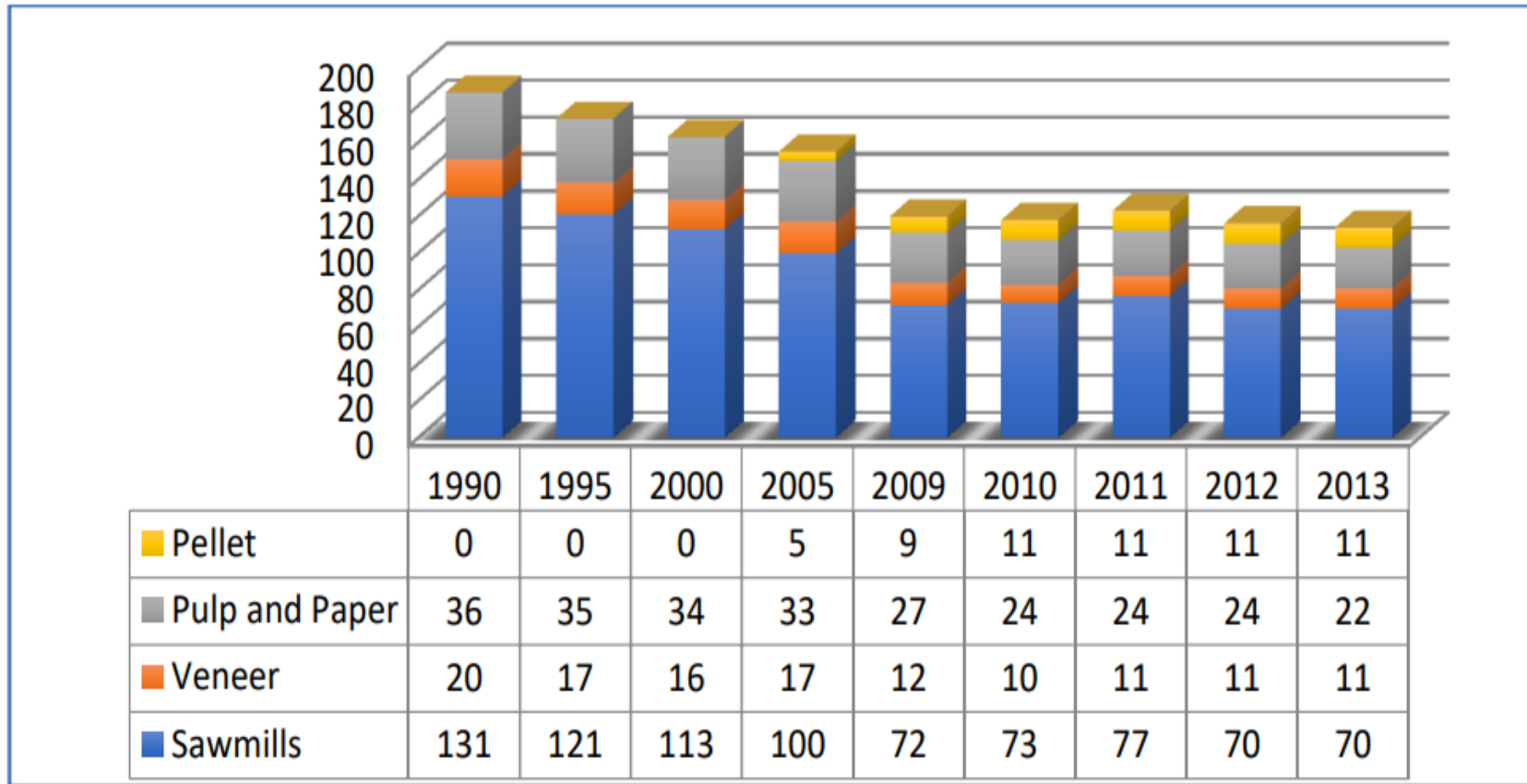
Statistics compiled by Natural Resources Canada show the total number of jobs supported by the forest industry in B.C. has decreased by half over the last three decades



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CBC News online story: Justin McElroy · Posted: Jun 15, 2019 5:00 AM PT



# Steady Decline in the Total Number of Sawmills in the Province



Source: BCFLNRO (2015e).

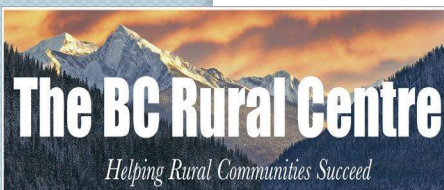
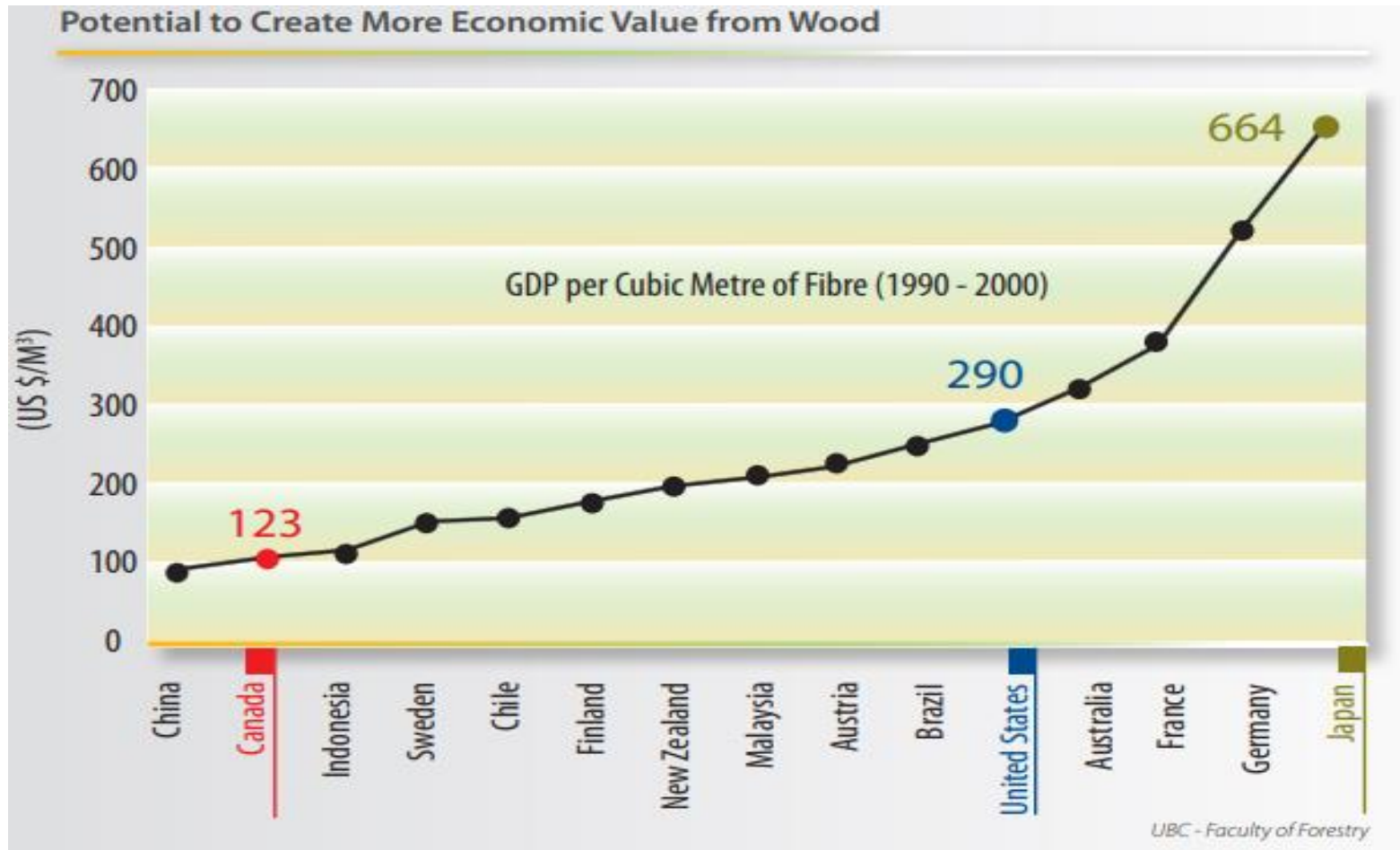
# Losing Forest Sector Jobs in Every Region of the Province

Region	2001	2016	Change from 2001	
			Number	Percentage
Northern Rockies Regional District	620	55	-565	-91.1%
Central Coast Regional District	220	40	-180	-81.8%
Kitimat-Stikine Regional District	2,655	790	-1,865	-70.2%
Alberni-Clayoquot Regional District	2,960	1,355	-1,605	-54.2%
Mount Waddington Regional District	2,020	995	-1,025	-50.7%
Cowichan Valley Regional District	3,865	2,150	-1,715	-44.4%
Fraser-Fort George Regional District	3,575	2,105	-1,470	-41.1%
Kootenay-Boundary Regional District	1,310	775	-535	-40.8%
Powell River Regional District	1,455	875	-580	-39.9%
Sunshine Coast Regional District	1,295	875	-420	-32.4%
Okanagan-Similkameen Regional District	1,265	860	-405	-32.0%
East Kootenay Regional District	1,720	1,205	-515	-29.9%
Central Kootenay Regional District	3,310	2,415	-895	-27.0%
Thompson-Nicola Regional District	3,125	2,315	-810	-25.9%
Bulkley-Nechako Regional District	5,670	4,350	-1,320	-23.3%
Cariboo Regional District	7,910	6,070	-1,840	-23.3%
North Okanagan Regional District	1,780	1,490	-290	-16.3%
Peace River Regional District	1,765	1,655	-110	-6.2%
Stikine	10	10	0	0.0%
<b>British Columbia</b>	<b>95,665</b>	<b>61,175</b>	<b>-34,490</b>	<b>-36.1%</b>

Source: Statistics Canada (2001)-(2018)



# Canada (& BC) Receives some of the Lowest Returns from our Forest Sector



From: "Generating More Value from Our Forests: A Vision and Action Plan for Further Manufacturing" Province of BC March 2009

# BC Also Lags other Canadian Provinces in Forest Sector Job Creation.....

**Table 1: Employment Coefficients for Selected Canadian Provinces, 1991 to 2011**

	1991 to 1993	1994 to 1996	1997 to 1999	2000 to 2002	2003 to 2005	2006 to 2008	2009 to 2011
	<b>(Jobs per 1,000 cubic metres)</b>						
Manitoba	3.55	3.34	2.89	3.84	3.59	3.28	4.70
Ontario	2.68 - 3.01	2.52 - 3.06	2.86 - 3.13	2.86 - 3.22	2.94 - 3.65	3.78 - 4.43	3.41 - 4.79
Québec	2.68 - 2.81	2.12 - 2.48	2.05 - 2.39	2.24 - 2.70	2.26 - 2.85	2.57 - 2.93	2.82 - 3.38
New Brunswick	1.38 - 1.74	1.51 - 1.59	1.52 - 1.59	1.69 - 1.73	1.77	1.62	1.39
BC	1.19 - 1.22	1.35 - 1.37	1.32 - 1.38	1.14 - 1.20	0.91 - 1.08	0.88 - 1.06	0.79 - 0.91

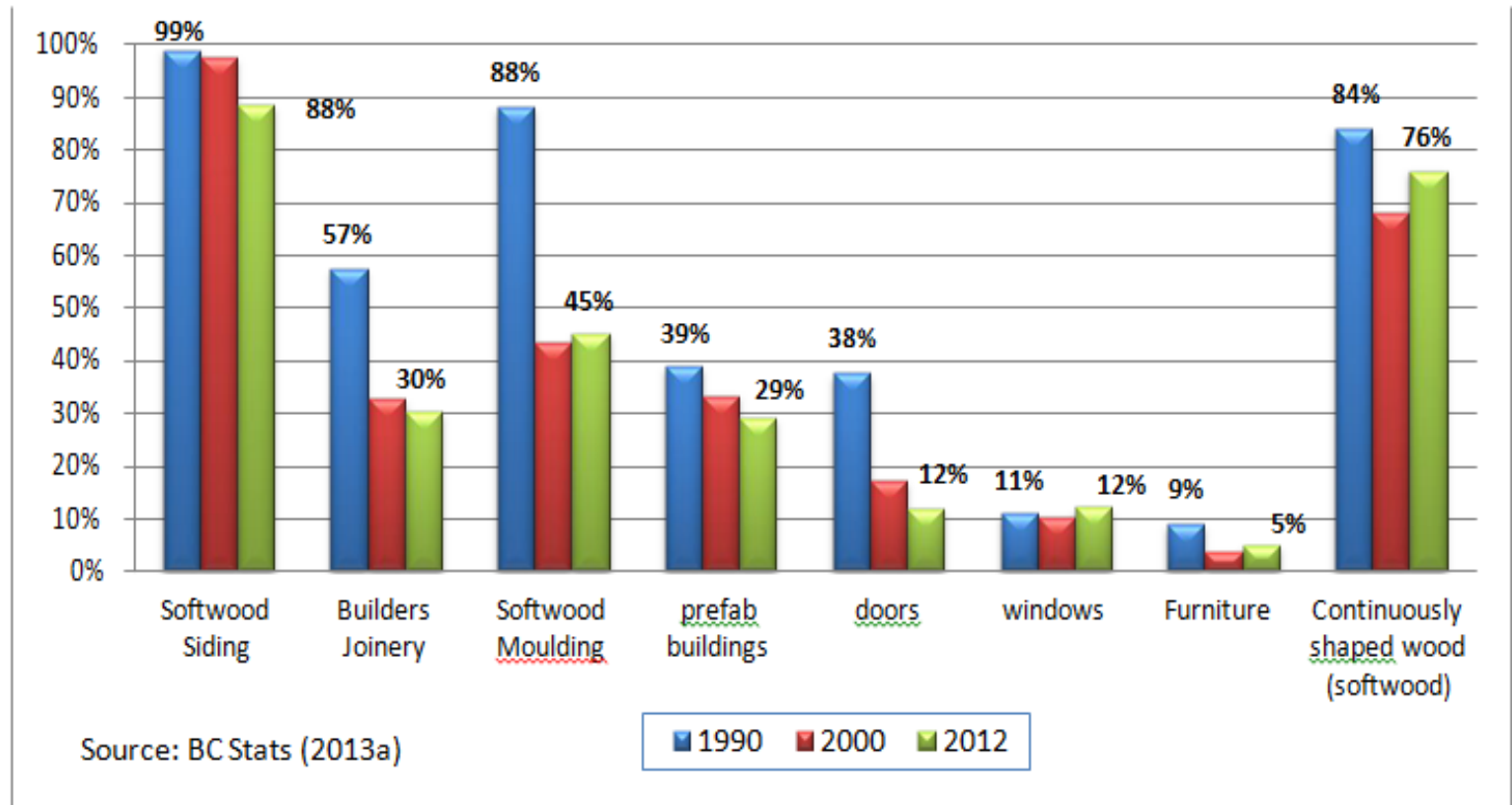
Source: Canadian Forest Service (2013).

Note: Three year averages have been derived using both the Labour Force Survey (LFS) data and Survey of Employment, Payroll and Hours (SEPH)



# And We Continue to Lose Value-Added Market Share...

Figure 4: British Columbia's Share of Canadian Value Added Wood Exports



# This Despite the Fact that the Value-Added Sector Creates Significantly More Value & Jobs

**BC's Log Home & Timber Frame Sector creates over 1,800 jobs & \$114 Million in sales**

**Create 1 FTE job/110 m<sup>3</sup> compared to 1 FTE/2,000 m<sup>3</sup> in dimension lumber**



**....AND rural TV stars.....**



# How Can We Create Greater Value from BC's Public Forests and Increase Local Rural Community Benefit ?

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*“Our goal is to collaborate with industry and key stakeholders to confront long standing challenges and facilitate a forest sector transformation that generates jobs and prosperity – a transformation based on extracting maximum value, rather than maximum volume.”*

Premier John Horgan, April 1, 2019

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- 1.) Increase the number of jobs and total public benefit received from each cubic metre of timber harvested.**
- 2.) Increase the amount of timber volume that is controlled locally – increased First Nations Licences, Community Forests & Woodlots.**

# I.) Increasing Value-Added Wood Production from BC's Forests

**Lots of Reports and Recommendations....Need Strong Provincial Government Leadership**



## GROWING THE BC INTERIOR VALUE ADDED WOOD SECTOR

### SUMMARY REPORT

**Prepared for:**  
The Southern Interior Beetle Action Coalition

**Prepared by:**  
Ray Schultz, RPF (retired)  
Rob Kozak, B.Sc. Ph.D.  
Garry Merkel, RPF  
Randy Sunderman, B.sc. (bio) BA (econ)  
Jim Thrower, B.Sc. Ph.D. RPF

Date June 27, 2013



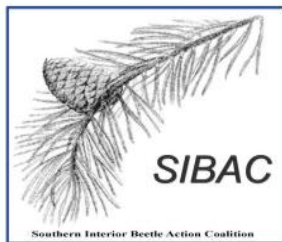
## 2.) Increase the Amount of Timber Controlled Locally

### ***Community Forests are a Critical and Valuable Tool for Rural Community Development***

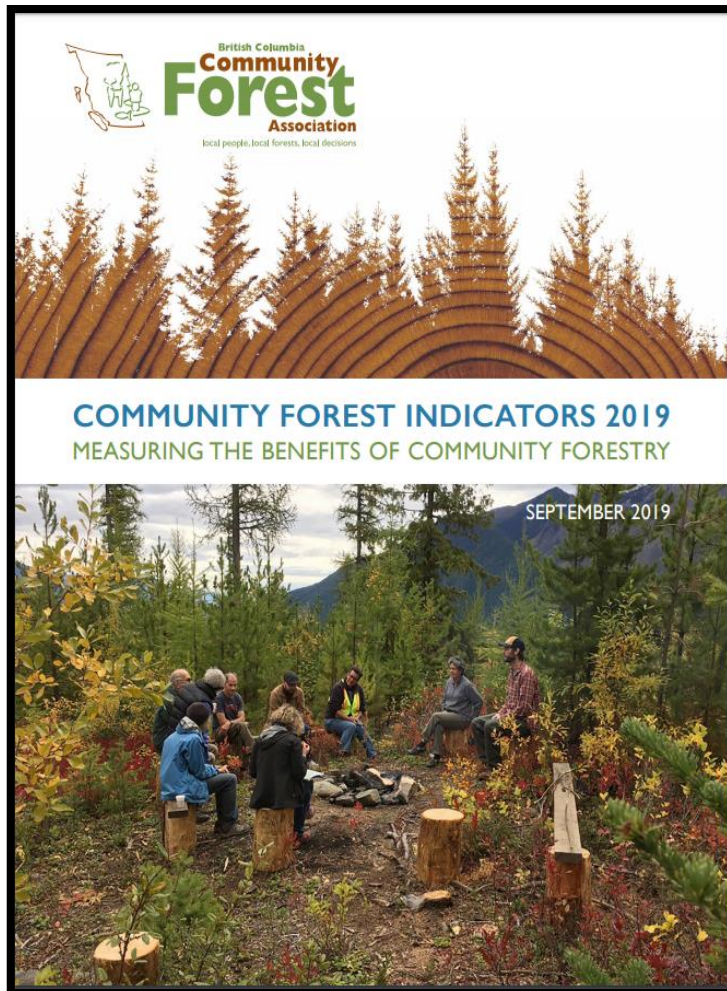
- **As of 2019: 59 Community Forest Licenses issued, another 4 in application**
- **Almost 50% of CFs are First Nations owned or jointly controlled by First Nations and local non-indigenous rural community**
- **84% of CFs operate in Communities with less than 6,000 population**

# Quantifying the Contributions of Community Forests

## **COMMUNITY FORESTS – COMMUNITY BENEFITS:** The Economic Contributions of Community Forests to Rural BC Communities



Southern Interior Beetle Action Coalition  
*Advancing Rural Development*





# Community Forests – Rural Community Benefits

- **Significant local economic activity and benefits (Over \$70 Million in expenditures in 2018 alone – over \$560 Million since 2003)**
- **Critical local employment opportunities (more jobs/m<sup>3</sup> harvested than the traditional forest sector)**
- **Important source of timber for smaller local mills and value-added operators**
- **Provide direct resource dividends back to rural communities (over \$58 Million since 2003) – increases community's ability to leverage other funding.**
- **Provide other significant community benefits (drinking watershed protection, wildfire protection, recreational access, etc.)**
- **Increasingly involved in facilitating other rural community development initiatives**

# Many CFs are in communities with significant forest sector job losses and sawmill closures...

Community	Pop. 2001	Pop. 2014	% Change 2001 to 2014	Total Labour Force 2001	Total Labour Force 2011	% Change in Size of Labour Force 2001-2011	# of Mills in the TSA 2001	# of Mills in the TSA 2013	% Change in # of Mills in the TSA 2001 to 2013	% Change in Municipal Revenue for Industrial Property Tax 1992-2014
Barriere	3,257	3,125	-4.1%	1,835	1,415	-22.9%	15	7	-53%	n/a
Burns Lake	1,934	1,999	3.4%	1,020	1,080	5.9%	2	2	0%	-82.1%
Clearwater	4,399	3,904	-11.3%	2,275	2,155	-5.3%	15	7	-53%	n/a
Creston	4,800	5,030	4.8%	2,020	2,640	30.7%	4	4	0%	-18.0%
Harrop-Procter	620	650	4.8%	n/a	n/a	-	5	3	-40%	n/a
Houston	3,618	3,142	-13.2%	2,090	1,905	-8.9%	2	2	0%	10.9%
Kalso	1,032	1,008	-2.3%	500	375	-25.0%	5	3	-40%	-100.0%
Logan Lake	2,262	2,070	-8.5%	1,090	900	-17.4%	15	7	-53%	-5.8%
Lumby	1,702	1,773	4.2%	650	1,015	56.2%	21	14	-33%	-74.2%
Mackenzie	5,397	3,538	-34.4%	3,040	2,235	-26.5%	4	3	-25%	-28.2%
McBride	719	585	-18.6%	380	285	-25.0%	7	3	-57%	
Nakusp	1,697	1,528	-10.0%	815	770	-5.5%	7	3	-57%	-44.4%
Port Alberni	17,786	16,683	-6.2%	8,055	7,850	-2.5%	13	5	-61%	-56.0%
Powell River	13,083	13,108	0.2%	5,935	6,580	10.9%	2	2	0%	-69.7%
Smithers	5,428	5,103	-6.0%	3,015	3,195	6.0%	2	1	-50%	-13.9%
Terrace	12,703	11,265	-11.3%	6,425	6,495	1.1%	2	1	-50%	-75.9%
Tumbler Ridge	1,866	2,983	59.9%	1,055	1,860	76.3%	5	2	-60%	-22.6%
Valemount	1,195	1,021	-14.6%	685	540	-21.2%	7	3	-57%	-100.0%
<b>Total</b>	<b>83,498</b>	<b>78,515</b>	<b>-6.0%</b>	<b>40,885</b>	<b>41,295</b>	<b>1.0%</b>	<b>133</b>	<b>72</b>	<b>-46%</b>	<b>-34.6%</b>

Source: BC Stats (2014)(2015); BC MFLNRO (2015e)(2015f); Statistics Canada (2015a)(2015b); BC of Municipal Affairs (1993); BCMCSCD (2015).

# Many Successful Community Forests throughout BC



Monashee Community Forest LLP

Westbank First Nations Community Forest



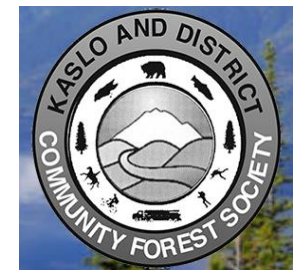
**Cortes Island  
Community  
Forest**



Vanderhoof  
Community Forest



**Khowutzun  
Community  
Forest**





# Harrop-Procter Community Co-operative



- **One of the smallest Community Forests tenures in the province.**
- **Harrop-Procter Forest Products sawmill – utilizes about 20% of the CF harvest**
- **Cuts timbers, trim, siding, flooring, decking and panelling.**
- **Creates 6 to 7 jobs per 1,000 m<sup>3</sup>**



# Lower North Thompson Community Forest



## **Mission Statement**

To establish local control of dedicated forest resources for the long-term sustainability of the five participating communities. To secure for these communities an opportunity to be more self-determined. To engender economic stability in these communities. To practice and model exemplary stewardship of the local forest environment.

- **Lost Tolko sawmill in 2003 wildfire**
- **LNTCFS sponsors annual job creation & training projects**
- **LNTCFS purchased land in Barriere Industrial Park in 2017**
- **LNTCFS has invested over \$799,000 in land development, three phase power, construction of a mill building and a 30 foot modular Kiln**



# Valemount Community Forest



*The VCF has a commitment to manage a healthy, sustainable forest with a focus on local employment, education, partnerships and multiuse planning. We support and promote small and value-added manufacturing to increase economic stability and industrial diversity.*

- **In 2014, VCF led the purchase of the closed millsite to create the Valemount Industrial Park**
- **Operate a log sort yard and have 8 other renters in the park (including a Cedar mill and furniture maker)**
- **In 2016, VCF led the purchase of a Forest License from Carrier Lumber and now has a combined AAC of 70,000 m3**
- **Also purchased and operate a Woodlot license**

