

Industry challenges voiced in Sault forum

Remedies proposed by speakers

BY STEVE DOMINY, R.P.F.
Central Ontario Section, CIF

In Sault Ste. Marie on February 15, 2005, over 60 people heard four speakers representing the forestry sector and Ontario government present their views of the challenges facing the forest industry in Ontario.

Sitting on the panel were four respected industry and government representatives: Chief Forester for Tembec's Ontario Operations Rick Groves, MNR Acting ADM Bill Thornton, President and CEO of Boniferro Mills Works Jim Boniferro, and Clergue Forest Management's General Manager Jim Miller.

Boniferro's hardwood mill has been challenging to find adequate supplies of quality fibre. Adapting to the smaller diameter, lower quality trees is seen as one solution to this dilemma. Developing a value added wood program without lowering profits is the Holy Grail sought by such producers.

Identifying non-traditional markets for specialized products such as bird's eye maple

and expanding into non-U.S. markets are other solutions being explored. Creative partnerships with users or buyers of former waste products such as sawdust, hog fuel and cardboard are helping trim costs for the mill.

The trend for softwood sawmills in Ontario is to fewer, larger, and more integrated mills. Oriented strandboard mills have sprung up across the region to take advantage of the abundant supply of previously-wasted materials and less desirable trees. However, roundwood costs to northeastern Ontario mills are more than three times those in Chile, and nearly double those in the southern U.S. Softwood chip costs in eastern Canada are the second highest cost in the world – only Japan boasts higher costs. Despite these challenges, Rick Groves spoke of Tembec's desire to minimize social impacts across the region and take a proactive stance. Tembec is fighting to become even more competitive.

The shrinking available land base coupled with increasing demands on industry to satisfy all forest users was a theme of Jim Miller's presentation. Ontario's world-class forest management process does not come cost-free, as managers face the tough tasks of trade-offs at the management unit level and strong competition at the national and

global levels. New investment to make the industry more innovative and cost-competitive could help put the sector back into the black. Wood allocations are uncertain making the harvesters vulnerable to job loss or slowdown. Skilled labour shortages amongst tradespeople are reaching a crisis situation. Government could create an environment where wood supply is secure, predictable and cost competitive, outlined Miller.

MNR's Bill Thornton emphasized that forest industry makes a significant contribution to the Northern Ontario economy, but hinted at the sector's vulnerability owing to a focus on primary manufacturing.

The Mountain Pine

Beetle disaster in western Canada has resulted in a flood of cheap wood in the market, an effect that will be felt in Ontario for several years. Thornton contends there is not a wood shortage in the region – rather supply is temporarily shifting to more hardwoods and lower quality wood. Nevertheless, the gap between availability and demand is rapidly closing as the age imbalance of the forest manifests itself in Ontario and other provinces.

A number of valuable messages came from the session:

- There are immediate, long-term careers for skilled workers in fields such as technical and business-related aspects of forest management, high-technology harvesting, processing and manufacturing equipment operation, and logging truck driving,
- Forestry sector job opportunities must be promoted to youth.
- Youth should be mobile and willing to start (and perhaps continue) their careers in more remote communities.
- Independent contractors have invested heavily in equipment and training, and have the capacity to be highly innovative – they shouldn't be forgotten by job hunters.
- Co-generation and bioenergy/biofuels opportunities should be more fully explored.
- The private sector will not embrace intensive forest management to solve its short-term problems, but will benefit from such investments in the longer term.
- Successful entrepreneurs will be those who can keep up with the global trend to faster, higher production equipment.
- Forest management policy is changing in Ontario to become less demanding on the industry, while retaining scientific rigour.
- Political and societal actions must be focused to create a very different, more globally competitive forest sector than we see today.



(l-r) Rick Groves, Bill Thornton, Jim Boniferro and Jim Miller

Courtesy of:

The Working
FOREST
newspaper

Spring #1 2005
Vol. 9 #2

Phone: (705) 869-0848

Fax: (705) 869-1716

email: sales@workingforest.com

www.workingforest.com