

FEATURE Forestry recovery boosts fortunes, but workers complain rising raw log exports reduce local jobs

Timber towns

WI STAFF

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Demand from China – and help from the provincial and federal governments – has allowed a series of B.C. forest communities to surge back into timber production, but a huge increase in raw log exports continues to rankle forestry unions. “There have been 24 sawmills reopen in B.C. in the last 24 months,” said **Cathy McLeod**, MP for Kamloops-Thompson-Cariboo. “Many local lumber producers are now going back to full operations, recording profits and making major upgrades.”

McLeod pointed to the opening of the **West Fraser** 100 Mile lumber mill, the **Aspen Planer** sawmill in Savona, the **Canfor** sawmill operation in Vavenby and the **Domtar** mill in Kamloops as evidence of the upturn.

The recovery is largely based on exports to China, which has been active as a buyer of lumber and even mills.

For instance, when four First Nations bands joined forces to resurrect the idled Sigurson sawmill in the Cariboo-Chilcotin region, it was Chinese buyers who were the first customers.

The mill, which has been renamed **River West Forest Products**, represents a financial investment by four **Tsilhqot’in** communities, according to **Joe Alphonse**, chairman of the Tsilhqot’in group.

Alphonse said the project has created 25 jobs for a region hit hard by the forestry sector downturn and launched a new business relationship between First Nations and Chinese lumber buyers.

The bands bought the mill, which is near Hanceville, for a rock-bottom price that was less than \$1 million.

Soon, Chinese buyers were on the mill’s doorstep looking to buy rough lumber.

“We weren’t advertising, we weren’t mar-

keting and they were showing up,” Alphonse said.

River West began churning out rough-cut lumber on one shift in April, but Alphonse hopes to get the operation up to two shifts soon.

He said the mill uses only mountain pine beetle-killed trees in an effort to process the Interior’s vast stands of dead trees.

“We’re surrounded by dead forest, and this mill is earmarked to deal with strictly the dead forest that’s standing around us,” he said. “In our view, the mill is part of the solution, part of converting the lodge pole pine back to a living stand.”

Mills open

Other mills – and mill towns – are also coming back to life.

- A closed sawmill in Kitwanga, near Terrace, that is due to re-open, thanks in part to the demand from China. Mill owner **Pacific BioEnergy** said an estimated 60 per cent of the production would be sent to China. Prince George-based Pacific BioEnergy bought the mill and an area forest licence out of receivership in September 2009 to provide a base to build a pellet plant in the area. The new owners, however, now plan to run it as a sawmill, with a pellet facility added later.

- The **United Steelworkers Union** and **Tolko** reached an agreement to restart Tolko’s Creekside mill in Williams Lake. The strategy will see Tolko combining several log yards, with most shipments to Asia. The mill was set to reopen in June, but, because parts of the mill have been idled since 2008, extra time may be required before the mill is operational. If the Asian market is secured, the company has agreed to run one full shift with from 150 to 200 workers.

- Canfor is reopening its Vavenby mill. The company announced it intends to re-start its Vavenby operation in the third quarter of this



More raw logs are moving to mills across B.C., but unions say too many are being shipped to China for processing.

year, putting up to 140 unionized and non-unionized staff back to work.

The Vavenby sawmill was shut down in 2009. Canfor plans to spend \$24 million on upgrading the sawmill and planer mill before reopening, said spokesperson **Dave Lefebvre**.

The mill will start first with just one shift. When at full production, the mill will produce approximately 240 million board feet of lumber on an annual basis.

The company expects most of the production to go to the United States, with some to Japan and some high-grade products to the rest of Asia. Currently, Canfor is sending the equivalent of three mills’ production to China.

- **Vaagen Brothers Lumber Co.** plans to re-

start a West Kootenay sawmill in Midway, B.C. The Midway mill had sat vacant for three years before residents in the town of 630 decided to buy it. **Boundary Sawmill**, the local corporation, has signed a 10-year lease with Vaagen Brothers, which will run a small-diameter log mill similar to its operation in nearby Colville. Vaagen Brothers expects to employ about 35 workers at the Midway mill when it reopens this fall.

The sawmill was formerly owned by **Pope & Talbot**, an Oregon company that filed for bankruptcy. B.C. residents who buy shares in Boundary Sawmill will get a 30 per cent refundable tax credit from the province.

The lumber that originates in Midway will probably end up in distant, overseas markets, such as Australia and China, according to Vaagen Brothers.

- **ROC Holdings Ltd.**, a subsidiary of a Chinese company, has bought the Skeena Sawmill in Terrace. Jobs, Tourism and Innovation Minister **Pat Bell** said the longer-range goal is to have lumber produced by ROC flow into the supply stream of its parent company in China.

“They build what they would call subdivisions but what we would call cities for 100,000 people,” said Bell following the April 4 announcement that West Fraser had found a buyer for its closed sawmill.

Log shipments

Bell added that the shipments of log and lumber exports bound for China and Asia is starting to outstrip port capacity.

This is a key issue with forestry unions, who have called for an end to raw log exports. They note that raw log exports have tripled since 2009, with the lion’s share headed to China.

Thousands of Asian mills, using basic equipment and plenty of cheap labour, are cutting B.C. and Russian logs into lumber and slicing two-by-fours into higher-value products, according to the United Steelworkers.

“The result in B.C. is a jobless recovery,” according to **Steve Hunt**, whose United Steelworkers represents the province’s unionized forest workers. ♦


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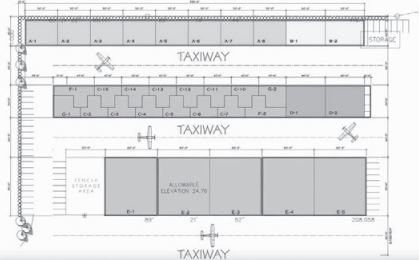
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