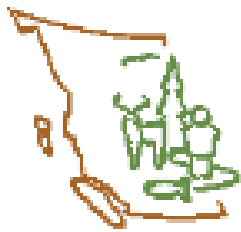


BRIDGES II: Creating More Economic Value from Regional Forests



Goal of Bridges II

Through collaboration at a sub-regional scale, work with small forest tenure holders, First Nations, communities and value-added manufacturers to identify methods to increase the economic benefits realized from the regional fibre supply.

History of the Bridges Project

Bridges I

- June, 2010 – Bridges I announced
- December 2010 to April 2011 - stakeholder engagement meetings
- October 2011 – WoodSourceBC website is launched

Barriere to McBride Regional Economic Investment Pilot

- January 16, 2012 – first Pilot conference in Valemount
- May 22 – follow up conference in Blue River

Bridges II

- October 19, 2012 - Bridges II project announced for the Robson / North Thompson and West Kootenay / Slocan Lake corridor
- November 2012 to May 1, 2013 Scoping and Opportunity identification
- June 2013 until June 2014 Bridges II Implementation Phase

Bridges II Funding Partners

Southern Interior Beetle Action Coalition (SIBAC)	\$60, 000
Omineca Beetle Action Coalition (OBAC)	\$60, 000
BC Community Forest Association (BCCFA)	\$10, 000
The Federation of BC Woodlot Associations (FBCWA)	\$10, 000
Ministry of Jobs, Tourism and Skills Training (JTST)	\$60, 000
Columbia Basin Trust	<u>\$18,000</u>
Total	\$218, 000

Bridges II Objectives

Engage the project partners, local communities, and value-added manufacturers

1. Fibre

- Increase awareness of current and future fibre supplies and tenure opportunities
- Assess current fibre usage, needs and flows
- Identify currently underutilized species and volumes

2. Business Opportunities

- Identify potential business opportunities for underutilized species and volumes
- Increase knowledge and awareness of the bio-energy sector
- Identification of potential new forest products
- Explore opportunities to bundle individual tenure volumes

3. Business Models

- Help identify and develop new collaborative business models and opportunities
- Assist in identification and development of new business relationships
- Work collaboratively to promote the WoodSouceBC website

Bridges II

Accomplishments First 6 Months

- 3 visits to each subregion to meet with Community Forests, Woodlot Federation members, mill owners and service providers
- Detailed monthly reports provided to sponsoring agencies and members
- Preparation of a Summary of Observations and Desired Future State in the subregions
- Preparation of Implementation Plan for 2013/4

Observations – Robson and North Thompson

- A waste solution is required for producers in McBride and Clearwater and areas in between.
- Clusters and cooperation exist already to some degree between log producers and consumers, but can be leveraged and improved to achieve economies of scale to secure higher log pricing through targeted marketing
- A local, affordable supply of logs to small manufacturers is critical to their survival and to continue to embrace economic diversification in the communities.
- Marketing and inventory control is critical to maintain small mill production, and additional options need to be pursued to market lumber and value added products.
- Current operators are second and third generation – we need to support existing business with information, supplies and training.
- In many cases, wood waste is burned either in the forest or at the mill. Small fir logs are wasted. In many cases, Birch is logged around, and hemlock is avoided as uneconomic to harvest. This will create a negative future forest condition.

Future State – Robson and North Thompson

- Have better knowledge of locally availability of logs, and information relating to haul distance and destinations
- Promote the establishment of bio mass waste handling and processing facilities
- Encourage BCTS to be aware of needs, and enable success of local ventures
- Understand more fully the value added business in the corridor, and work to ensure their success.
- Leverage attention from buyers and enable higher log prices
- Encourage the use of a broader spectrum of the timber profile, and make better use of underutilized species including birch, hemlock and white pine

Observations – West Kootenay Lake and the Slocan / Arrow Lakes corridor

- Wood waste in the bush is an ongoing issue, and waste accumulation at mills contributed to their closure in 2 cases (Springer and Meadow Creek).
- Value added businesses in the Kaslo area are bringing in logs and materials from great distances, when local materials may be available.
- Complex log sales arrangements require ongoing effort at individual community forest and woodlots, and there is no way to know if the best price is being quoted.
- Small packages of wood do not enable supply to the highest value buyers. Larger players buying ‘bush run’ secure the advantage when sorting and trading logs.
- Small mills are carrying finished inventory of unavoidable sizing.

Future State – West Kootenay Lake and the Slocan / Arrow Lakes corridor

- Create a directory of VA businesses and document their needs.
- Avoid log waste in the woods by increasing knowledge of specialty forest product purchasers and their needs.
- Research bio waste options and match to existing local opportunities.
- Check consumption of waste users including Atco, Celgar and Avista to compare with an estimate of actual waste produced and available.
- Check the Potential for an RFP with Fortis as beneficiary. If Fortis not interested, find nearest access point for Hydro.
- Determine cost of set up of a puck facility. Determine best location
- Check into the feasibility of locating a bio char facility to supply US Coal fired power plants or the smelter in Trail. Be aware of Pembina Institute research at Harrop involving small scale bio char facilities and participate in the Pembina Institute investigation into pellet plant feasibility.
- Leverage information and log pricing and separation of high value component logs by working with all woodlots and community forests to present a coordinated plan for 2014. Levels of involvement will be up to the individual participant.
- Consider the use of a log sort yard to increase selection of higher value logs. Consider adding additional value through canting for US or International markets
- Strengthen local connections through increased knowledge of local buyers and sellers.
- Bring in new business to take advantage of underutilized species including hemlock and white pine.
- Work with labour force specialists to increase availability of trained workers.
- Create new business in the non timber forest product markets
- Work to lessen transportation costs through knowledge of truck configurations and enabling back hauls to remote communities.

Bridges II 2013 / 2014

2013 / 2014 Activity	Description
Directory of Value Added	Listing of all small manufacturers in each corridor, including raw material needs and products. Define local log usage, by producer. Encourage leverage of local employment.
New Business Op. Identification	Identification of new products and business opportunities, and promote opportunities
Collaborative workshop for small producers	Workshops to focus on biomass, marketing, log sort yards, and leveraging of log marketing opportunities
Export of Lumber	Detailed how to manual for small producers, including packaging, trucking, and permits
Fibre Facilitation	Identify and contact major Value Added producers from outside the two sub regions and encourage purchase of locally available materiel, rather than import.
Market Development	Recommend new buyers for currently unused components of the fibre supply and underutilized species

Bridges II 2013 / 2014 conti.

2013 / 2014 Activity	Description
Log Marketing for small tenures	Exploring and demonstrating how small operators could best use their standing timber inventory individually and collectively in a manner that would maximize their revenue and “bundle” their smaller individual volumes into sales packages to create higher revenue and support regional value-added manufacturing operations.
Remote markets	Identify at least 10 additional buyers in Alberta and the US for raw and finished products specifically from the two sub regions.
Slocan City multiuse site	Examine the Springer Creek industrial site, monitor completion of the Environmental Assessment, engage in consideration of local log supply and non competing usage of the site
Meadow Creek Cedar Site	Working with local entrepreneurs and investors, identify a mix of products, businesses and synergies required to make the former Meadow Creek Cedar site in Cooper Creek a productive facility.

Bridges II 2013 / 2014 conti.

2013 / 2014 Activity	Description
Post and Rail	Work with Community Forests and members of the Woodlot Federation to understand the agricultural sector more completely, determine post and rail log supply potential and to identify processing and marketing options and related new business opportunities in the Northern Corridor
Market Development	Recommend new buyers for currently unused components of the fibre supply and underutilized species
Trucking efficiencies	Communicate with shippers to analyse truck haul configurations and patterns in the two sub regions to identify efficiencies in both bush haul and finished product haul and to maximize back hauls to markets. Leverage WoodsourceBC notification of opportunity of haul potential
Small scale waste management	Leverage existing work with Pembina Institute and the Harrop Proctor Community forest to facilitate credible onsite research into small scale biochar for small producers.

Questions and Discussion

