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COMMUNITY FORESTS AND VALUE ADDED ENTERPRISES

Likely-Xatsu'Il Community Forest and Small Scale Industries –

A Likely Story A SIBAC Extension Note - May 2015

This is the second in a three-part series of stories on community forests and how they are supporting local value added manufacturing.

Part two tells the story of the Likely-Xatsull Community Forest, their great ideas, and their determined efforts to establish local small scale industries and put people in the community to work.

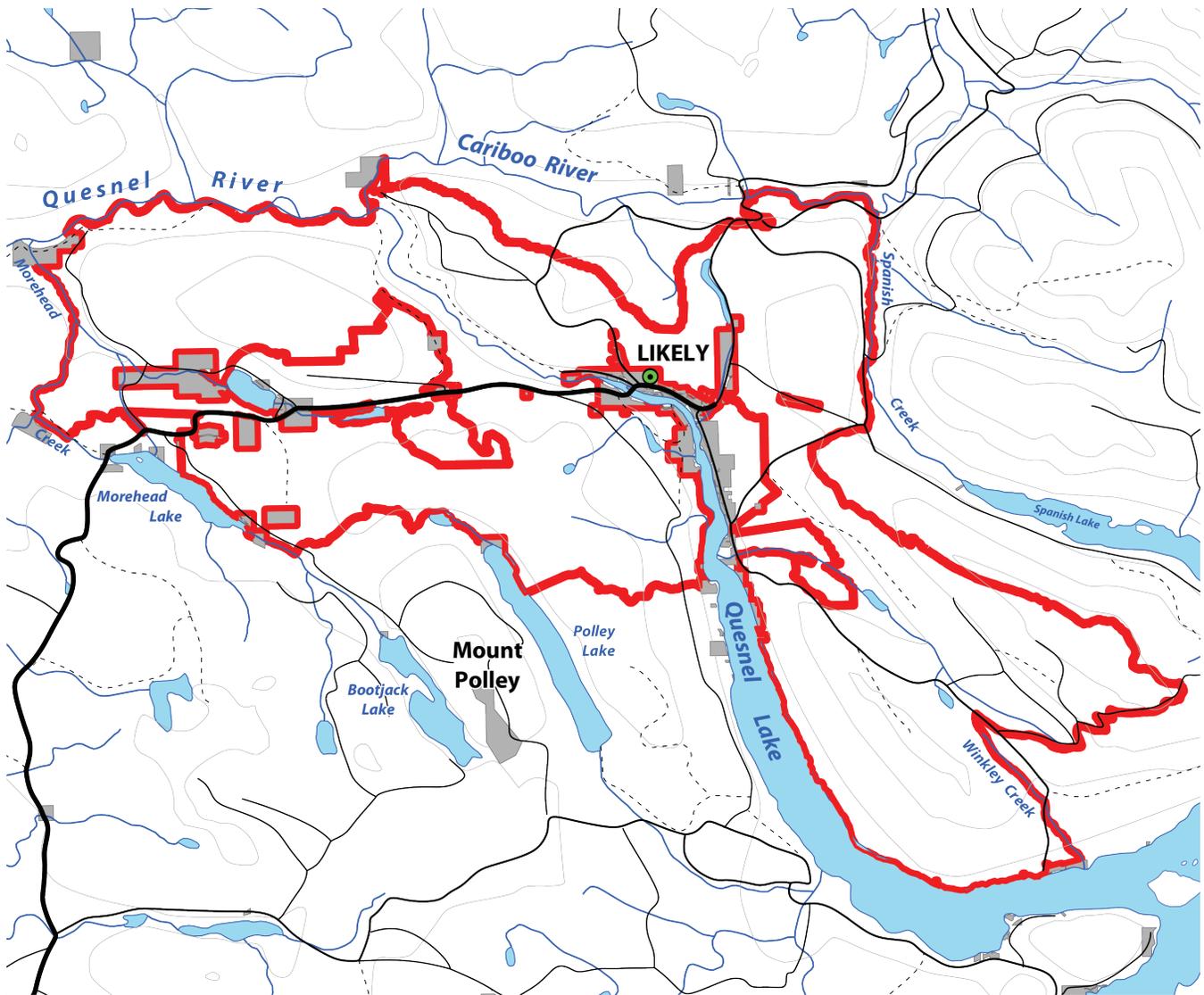
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THE LIKELY-XAT'SULL COMMUNITY FOREST

The community forest is located in the crown land surrounding the community of Lively. The town began as a settlement on the shores of Quesnel Lake during the Cariboo Gold Rush of the 1860s. The lake is deep and fjord like, the deepest lake in BC. Today, 300 plus people call it home.

The Lively-Xat'sull Community Forest (LXCF) is a partnership between the community of Lively and the Xat'sull First Nation (Soda Creek Indian Band, centered 100km from Lively) who claims traditional territory over the community forest operating area. Each community holds 50% of the shares in the limited company and profits are distributed equally. The LXCF

mission statement charges the partnership to create a multiuse forest, ensure environmental quality in their management, and support new economic opportunities.

Community forest manager and president of the local chamber of commerce, Robin Hood, has been on the frontlines of the LXCF from the beginning. He has also been the greatest and most inspired champion for leveraging the community forest for local economic diversification and benefit. Never without a great idea, Hood has a lot of experience to share about the benefits and challenges involved in the setup of a local value added business.

SMALL SAWMILL RECRUITMENT

To encourage local value added manufacturing, 25 % of the logs harvested on the LXCF are made available to small local businesses. The policy motivated a family with a head rig sawmill to relocate to Likely from Salmon Arm. The head rig is the saw that makes the initial cuts in a round log, turning it into square sided cants, or planks, of wood. Hood and Alf Hilary negotiated an agreement for long term log supply and purchase of the logs from the community forest at fair market value. Hillary started using a low value, reject house log and getting high value by turning them into one inch boards to be dried for flooring for sale in the Yukon. He continues to mill community forest logs for the timber frame market.



Head rigger saw

EXPERIMENTING WITH A LOG YARD

On a mission to add more value to the higher value wood coming from the community forest, Hillary and Hood developed a log sort operation on Hillary's land. The logs are brought from the community forest, hand scaled, each log recorded for size, then marketed and sold. Hillary manages the log yard and loads the trucks. He passes on the load slip to Hood who does the invoicing. All of the money goes through the community forest. The sort yard volume is typically 1500 cubic metres, and in one year it was 5000 cubic metres. The customer base includes those cutting logs for bridge decking, flooring and use of the clear components for doors and windows.

The bulk of the sales from the log yard go to timber framers and log home builders.

The log yard system has visible benefits for the community forest. "We are in control of the logs and we are dealing directly with customers", said Hood. Moving specialty logs into the log yard adds \$20 per cubic meter (m³) to the price of the log. Even with the

increased costs, the community forest makes \$5 to \$10 m³ for the effort. Yet, the system is built on trust, and "not everything always works", reflected Hood. The model puts the onus on the loggers to send only higher quality logs to the sort yard. A log in the yard with no higher value is a waste given the extra handling costs. Plus, the community forest is reliant upon someone else to manage the log inventory in the yard and out to the customer. When the logs are manually scaled and recorded, unintentional errors can be made.

The community forest is leading towards more sorting in the bush, more marking to cut for customers. Ideally they will generate specialty sorts in the bush and only move the unsold specialty logs to the yard for storage. The community forest has the financial capacity to carry an inventory for sale when the market demand is high. Log home builders and timber framers, their largest market for specialty logs, can get what they need right away with this system.



Debarking birch



Cutting and stacking veneer

BIRCH VENEER PRODUCTION

The makers of a wooden, eco-friendly cutlery company approached Hood with an idea to use the birch from the community forest in the making of veneer for their product. Veneer is a thin slice of wood, .05 inch / 1.27 mm thick, or 20 sheets to the inch / 2.54 cm. Birch is not a species sought after by the commodity 2x4 producers and is typically an under-valued species in the forest profile. The cutlery company brought in the machinery and provided training for its use.

Creating meaningful jobs in Likely by using the underutilized birch was the kind of innovative idea LXCF was looking for.

The veneer mill operated with a six person crew per shift. The logs were brought to the mill site and cut into 17.5 inch / 44.5 cm lengths (about the size of a round of firewood). Next the pieces are put one at a time on a debarker machine, which turns the log to remove the bark. The pieces were then moved to the

lathe where the thin veneer is peeled off, leaving a 4 inch / 10.6 cm core. The sheets were graded and sorted then cut to the finished length of 39.5 inch / 100.3 cm long. They were stacked on pallets, two rows of 800 and shipped to a drying facility in Kamloops. Once dried, they were shipped to the cutlery production facility, two sheets laminated together, pressed and cut into forks, knives and spoons.

Unfortunately, the cutlery company changed ownership and the raw material and labour for the cutlery are now sourced elsewhere. As a result, the mill has closed, the equipment removed and the jobs lost. Hood is candid in his analysis, “It was worth trying. The guy sat in our kitchen to make the pitch. There was quite a bit of regional investment in the project. It sounded good. But in the end, the first one in the door either makes the money or goes broke. It was out of our control.”

ADDING VALUE THROUGH DIVERSIFICATION

While a primary objective of the community forest is to promote small, stable business ventures in the harvesting and related forest management activities, there are major efforts to create additional, diversified opportunities and business ventures in the areas of manufacturing, tourism and recreation.

In the communities of Likely and Soda Creek community forest profits are used as seed money to leverage project money from outside sources. A priority is to diversify their economy and develop tourism. The Xat'sull people have invested in their Heritage Village on the edge of the Fraser River, a site that has been central in their lives for generations. Guests are invited to educational and interactive tours and workshops that showcase the Xat'sull's cultural, spiritual and traditional way of life. Traditional pit house or teepee accommodations, modern washrooms with showers and a large log covered picnic area, made from community forest wood, add to the visitor experience. With improved infrastructure, tourism increases.



The Xat'sull people have invested in their Heritage Village

In Likely, management of the forest, recreation and cultural infrastructure are compatible activities on the same land base. With the rich local mining history, the community forest has directed significant efforts towards restoration of important sites, and using them as an incentive to attract visitors. Trails and washrooms have a reputation for quality maintenance, and a local museum is worth a visit. The community forest profits either directly support these projects, or are used to leverage additional funds to make the projects viable.

NO STRANGER TO BOOM AND BUST

Likely is more recently known for being the rural community directly affected by the Mt. Polley mine tailings pond failure. The long term effects of the spill on the environment and the lives of the residents are unknown. Studies are underway. In the short term, the effect of the mine spill on the local economy was immediate. The jobs at the mine ended overnight. The visitors, who had been coming in increasing numbers to fish, hunt, pan for gold and enjoy the new recreation and cultural infrastructure, cancelled their reservations. In preparation for the summer tourist season, the chamber of commerce has thrown their weight into promotion of the history, wilderness, and wildlife features of the area to encourage visitors back to their local lodges, campgrounds and cultural sites.

Likely is no stranger to boom and bust. They have navigated economic changes since the beginning of the settlement.

It is hoped that the community forest, now the greatest economic driver in the Likely area, will play a strong role in tempering the fluctuations.

Hood is busy networking and building new partnerships with regional, provincial and federal groups. New ideas for small industries, based on local assets, are on the table and feasibility studies are underway. There is certainly no lack of determination to keep trying.