



## Log Supply Challenges on the BC Coast

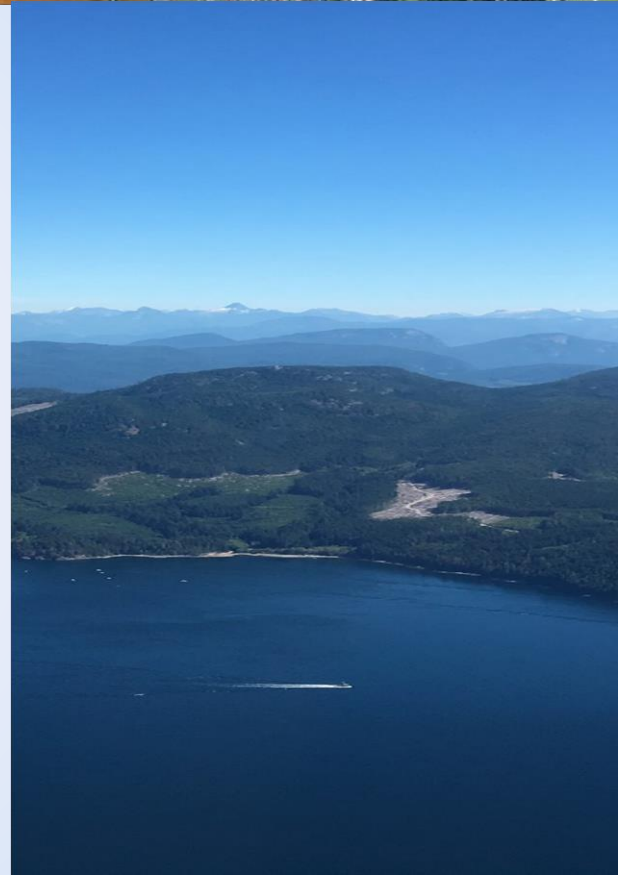


*Albert Nussbaum, RPF*  
Mapping the Course Conference  
Vancouver Washington  
January 23, 2020



## Presentation Outline

- BC's Forests
- BC's Forest Industry
- Coast Forestry Industry Challenges
- Addressing these Challenges
- Harvest Projections
- Conclusions

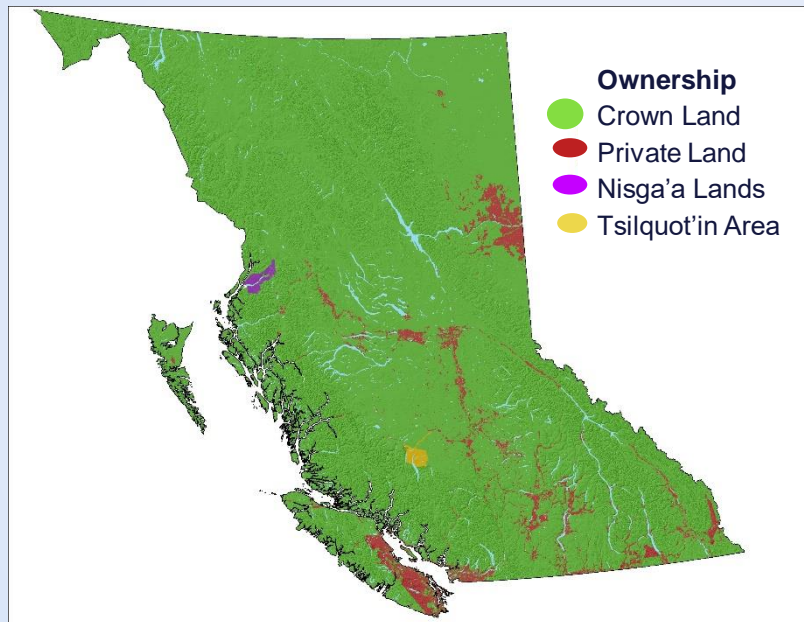


## British Columbia's Forests



*B.C. has  
significant  
forest  
resources.*

## British Columbia's Forests

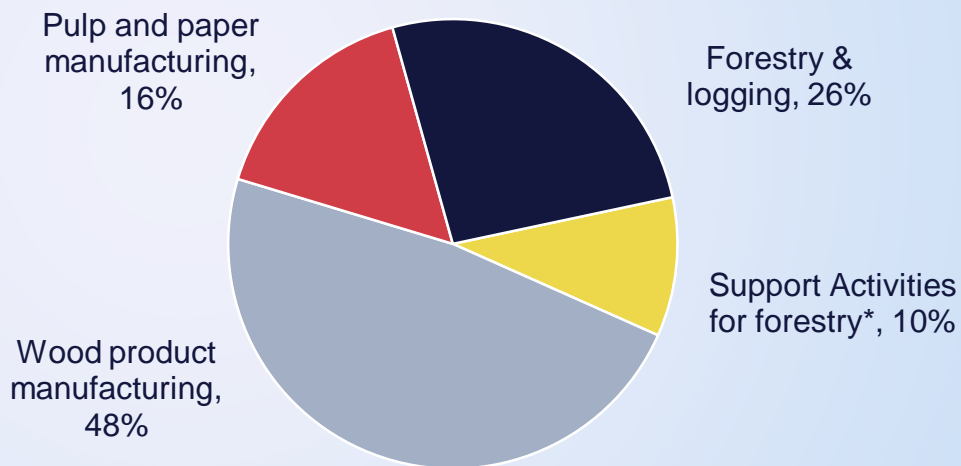


*B.C. Forests  
are publicly  
owned.*

## British Columbia's Forest Industry

- Comprised of forestry, logging, wood products and paper manufacturing.
- Important part of BC's economic base.
- Supports 54,100 direct jobs and significant government revenue

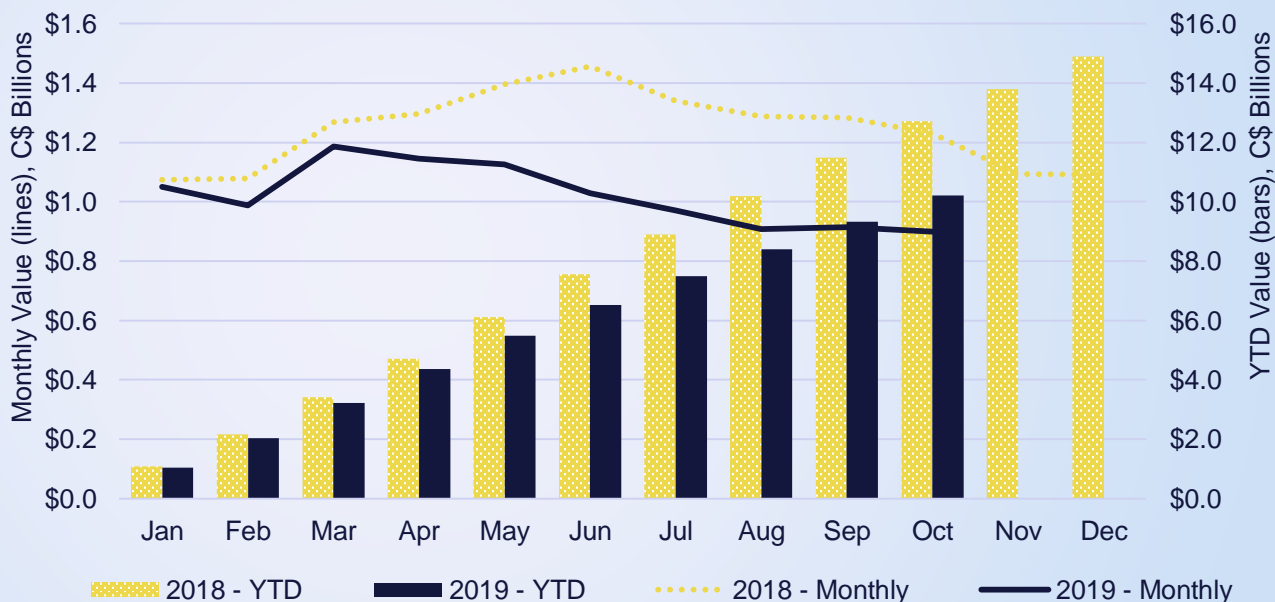
B.C. Forest Sector by Industry  
*share of forest sector, %*



# British Columbia's Forest Industry

- \$18.4B in manufacturing sales (2018).
- Exports of \$14.9B (2018).
- Wood products had \$12.6B in manufacturing sales, with sawmills accounting for \$6.8B
- Pulp/paper manufacturing had \$5.8B in sales, with \$3.6B from pulp sales.

### Total Export Value





## British Columbia's Coast Forests

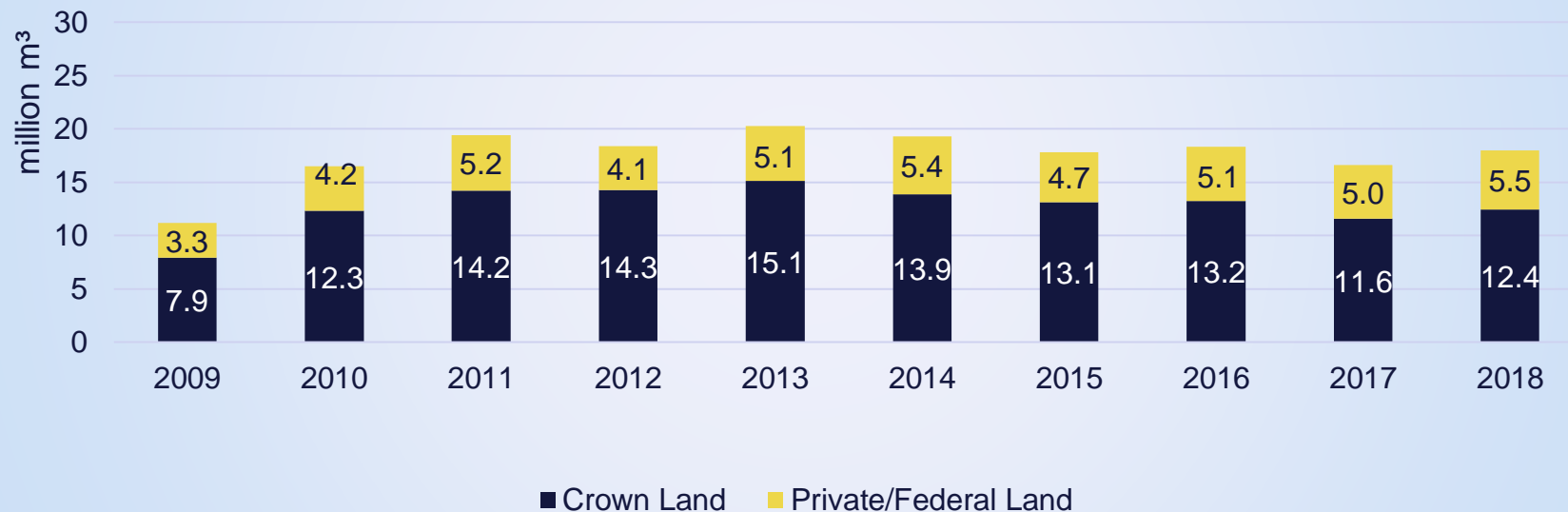
### The Resource

	<b>Coast Area in Millions of ha</b>	<b>Total Coast Live Volume Billions of Cubic Meters</b>
<b>Forested</b>	9.13	3.01
<b>Crown Forested</b>	8.02	2.87
<b>Legally Harvestable</b>	5.62	1.85
<b>THLB</b>	2.59	0.86



## British Columbia's Coast Forests

### B.C. Coast Harvest Volume







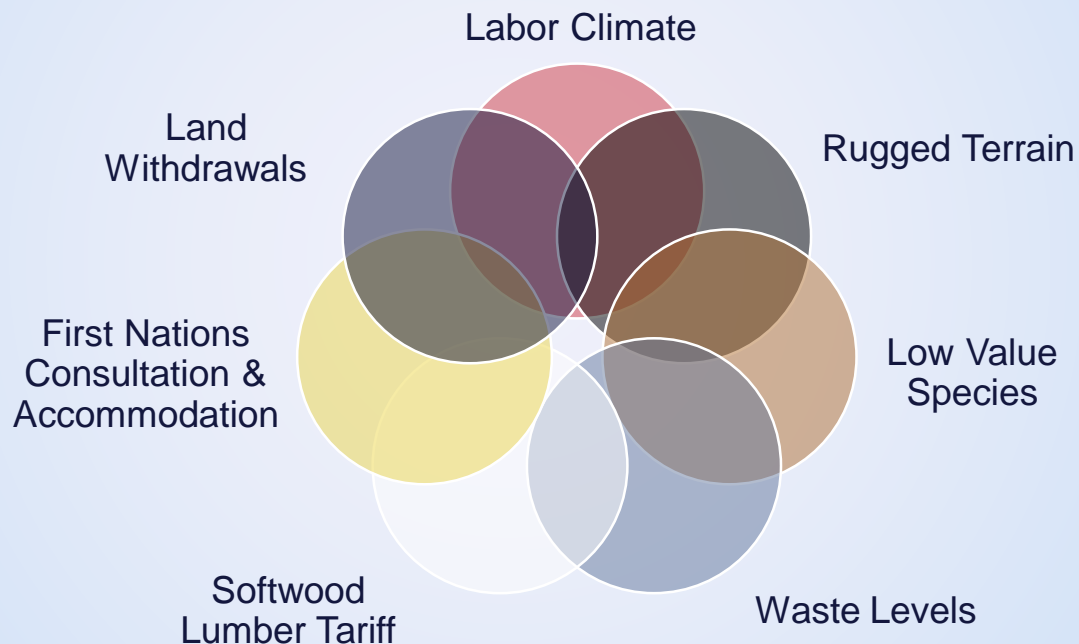
## British Columbia's Coast Forest Industry Trends

Over the last ~ 15 years, the Coast has experienced:

Factor	2003	2017	Change
Direct jobs	43,800	25,800	-41%
Lumber production	2.5 Bbf	1.4 Bbf	-44%
Pulp production	3.7 M tonnes	1.8 M tonnes	-51%
Crown log exports	1.5 Mm <sup>3</sup>	2.7 Mm <sup>3</sup>	+80%



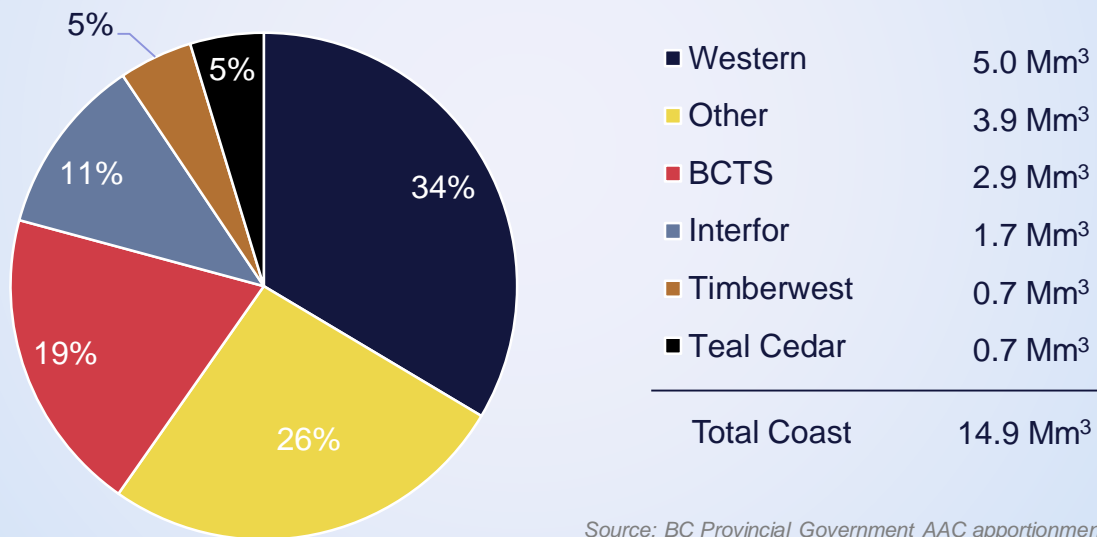
## British Columbia's Coast Forest Industry Challenges



# Coast Forest Industry

## Labour Climate

### 2019 Coast AAC Distribution



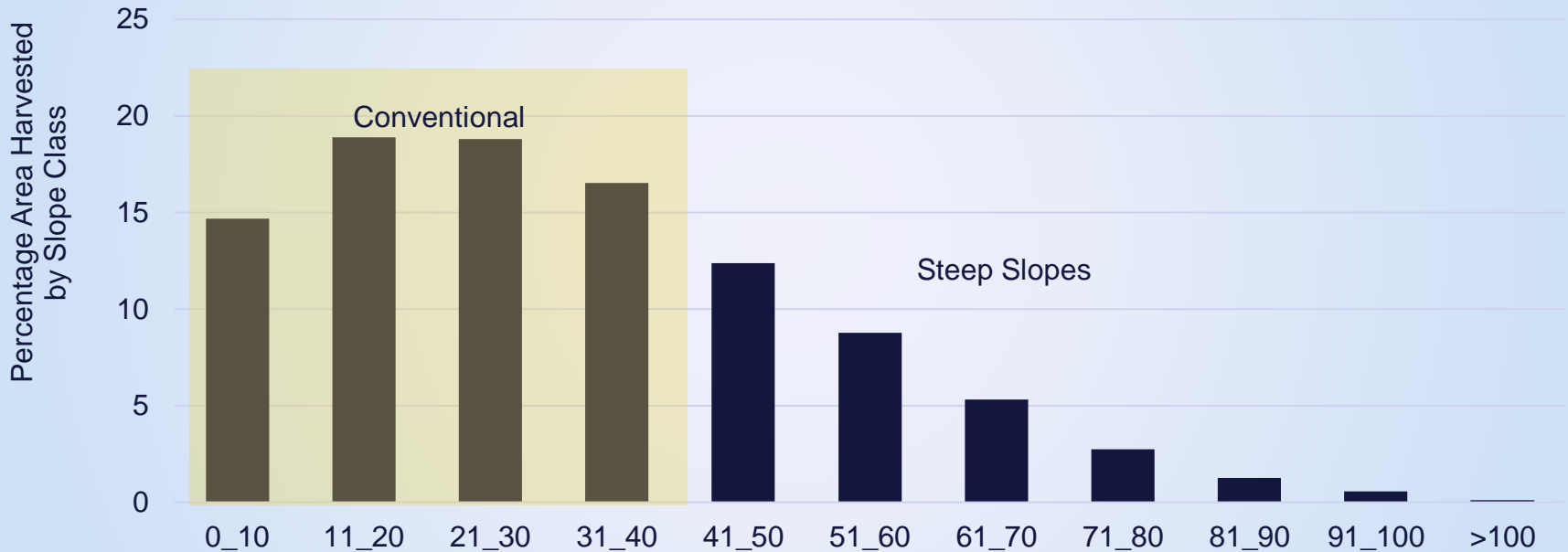
# Coast Forest Industry

## Steep Slopes



## Coast Forest Industry Challenges

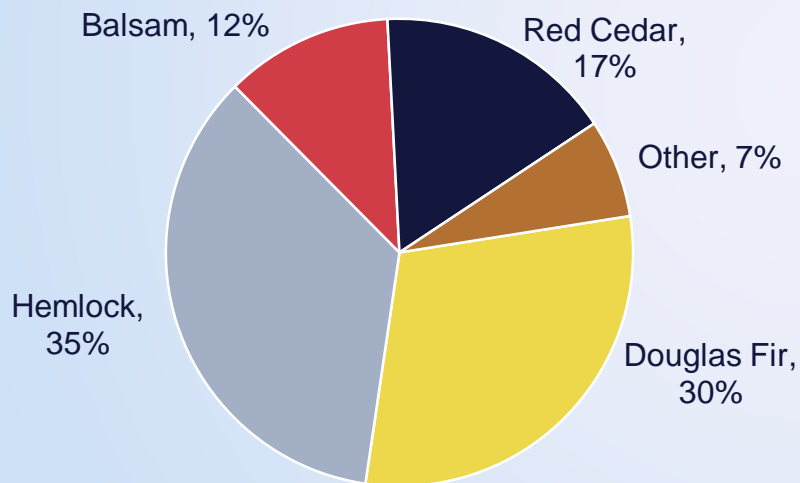
Coastal Harvest 2011 to 2019



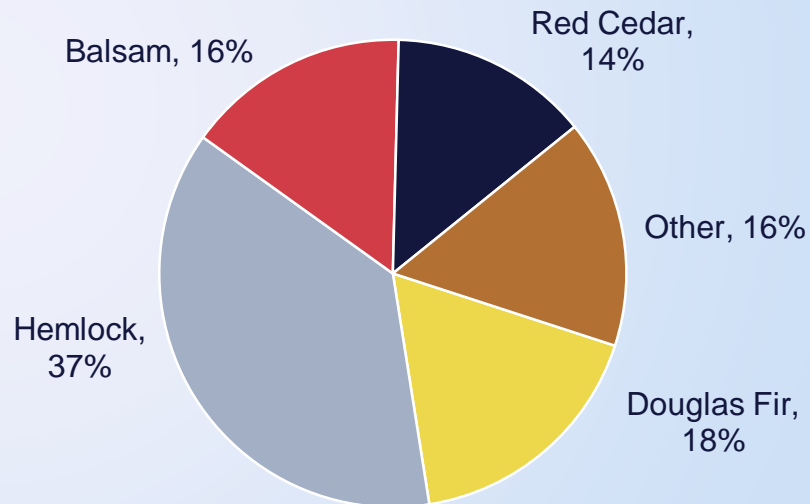
## Coast Forest Industry Challenges

### Low value species

Harvest Profile for 2018 B.C. Coast  
(18.0 mil. m<sup>3</sup>)



Inventory Profile for 2018 B.C. Coast





## Coast Forest Industry Challenges



### Waste Levels

“Avoidable waste” has increased from ~4% of stand volume to ~16% in the past 15 years due to the economics of removing this lower grade fiber


### Softwood Lumber Tariffs

An issue primarily on cedar lumber which is largely shipped to the USA and is of high value





## Coast Forest Industry Challenges



### United Nations **DECLARATION** on the **RIGHTS** of **INDIGENOUS** **PEOPLES**

#### *Article 17*

- 1. Indigenous individuals and peoples have the right to enjoy fully all rights established under applicable international and domestic law.*
- 2. States shall in consultation and cooperation with indigenous peoples take specific measures to protect indigenous children from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development, taking into account their special vulnerability and the importance of education for their empowerment.*
- 3. Indigenous individuals have the right not to be subjected to any discriminatory conditions of labour and, inter alia, employment or salary.*

### *First Nations Consultation & Accommodation*





## Coast Forest Industry Issues

### Land Base Pressures





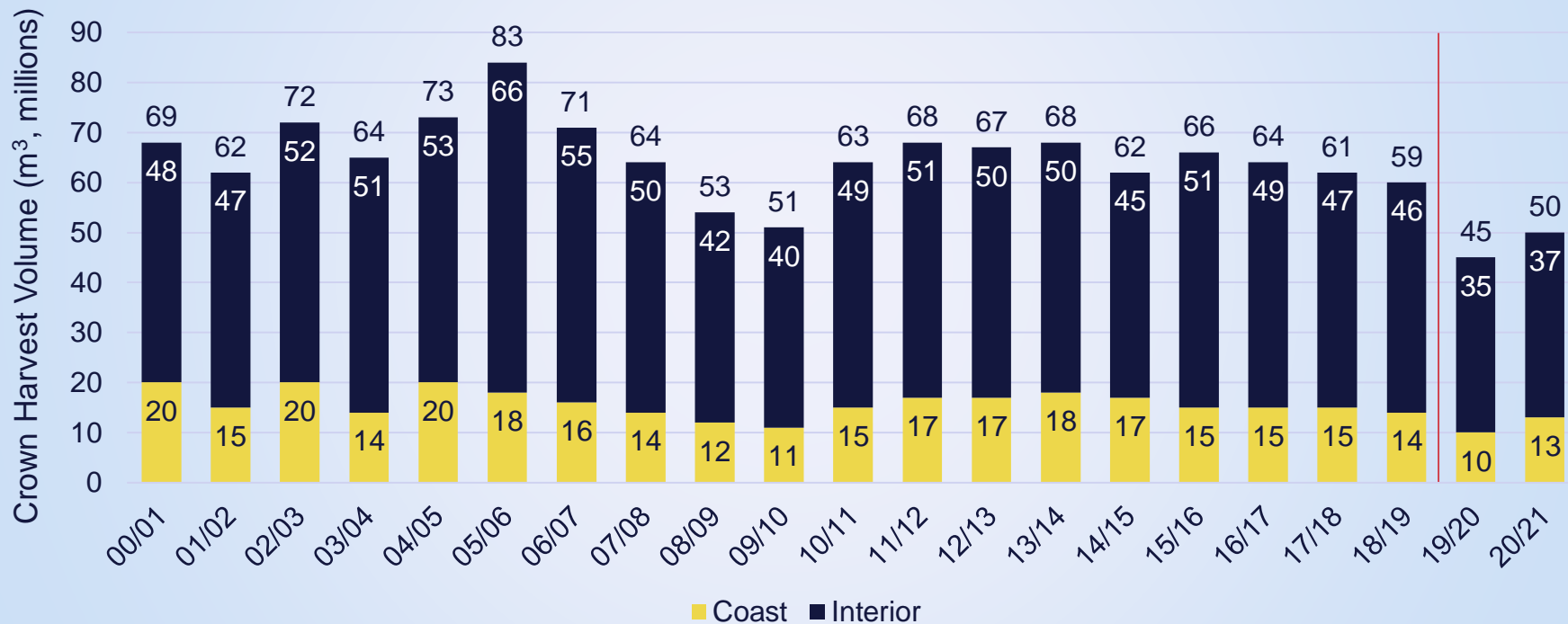
## Coast Forest Industry Challenges

### *Addressing these challenges*

- Tenure transfers – public interest test
- Encouraging domestic consumption of timber
- Encouraging establishment of new users of fibre and producers of higher value products
- Establishing Fibre Recovery Zones
- Changing how the fees companies pay to harvest on crown land are determined



## B.C. Provincial Crown Harvest (Historical and Forecasted)





## Conclusions

- BC has significant forest resources that are largely publicly owned
- While the forest resource is large, only a portion of the available land base is currently economic
- Coastal harvesting operations face a significant number of challenges
- The BC Government is attempting to address some of those challenges through policy changes
- Harvest is expected to remain well below allowable levels for the coming year with modest improvement thereafter



BRITISH  
COLUMBIA

Ministry of Forests, Lands,  
Natural Resource Operations  
and Rural Development



**Questions?**