

BC Coastal Forest Sector Hem-Fir Initiative

PROGRAM: HARVESTING AND CONVERSION PROGRAM

PROJECT #: H.02

PROJECT TITLE: Barriers and Opportunities in Lumber Conversion

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Abstract

The BC Coast forest industry is facing challenging times. In addition to poor demand and prices for their products, solid wood manufacturers have a diminished capacity to compete in traditional markets with other global producers as a result of low productivity, high log costs and outdated equipment. This report identifies the current barriers restricting the success of sawmilling operations on the coast and presents opportunities for margin improvement, specifically focusing on the second growth, hem-fir resource. In completing this work, research was performed at each of the participating mills and comparisons were made, wherever possible, with best practices in the industry. Short, medium and long term opportunities are outlined and are the basis for an action plan for next steps. The short term opportunities indicated have minimal capital costs, rapid implementation potential and were found to be in the order of \$14/mbf. Medium term opportunities will require moderate capital infusion and implementation time, but are anticipated to increase margins by approximately \$40/mbf. Preliminary long term opportunities are included in this report for discussion purposes, but will be evaluated more thoroughly in subsequent reports.

Keywords: British Columbia, coastal, hemlock, amabilis fir, sawmill; opportunities, benefits

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