



Saskatchewan Forest Sector Overview

Northern Opportunities Forum

21 November 2013

Ministry of the Economy



- The Ministry was formed in May 2012
- Focused on an integrated approach to the Province's economic growth
- Mission is to advance economic growth and to generate wealth & opportunity in Saskatchewan
- Three core lines of business include:
 - Advance responsible resource development
 - Develop, attract and retain skilled workers
 - Enhance economic growth and competitiveness
- This integration will help achieve the objectives laid out in the *Saskatchewan Plan for Growth* (October 2012)



Ministry of the Economy

Forestry Development Branch Mandate

- “Forest Industry Development Focus”
- Facilitate the development and growth of the provincial forest, including:
 - Enhancing forest industry competitiveness
 - Increasing investment in the forest sector
 - Facilitating value-added production in the forest sector
- Major clients include:
 - Domestic and off-shore forest sector companies
 - Forest sector associations
 - Forest sector communities
 - First Nations/Métis

<http://www.economy.gov.sk.ca/forestry>

Ministry of the Environment Forest Service Branch Mandate



- “Forest Management & Regulation Focus”
- Promotes the sustainable use of crown forests by managing for a balance of economic, social and ecological values that benefit current and future generations
- Both Ministries – Economy and Environment – have an “economic” role, led by Economy and supported by Environment

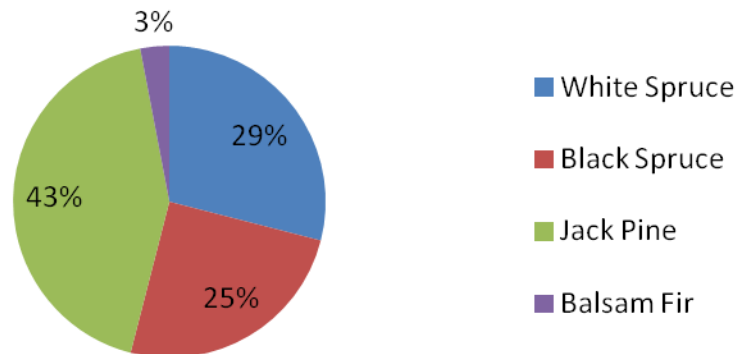
<http://www.environment.gov.sk.ca/forests>

Saskatchewan's Commercial Forest

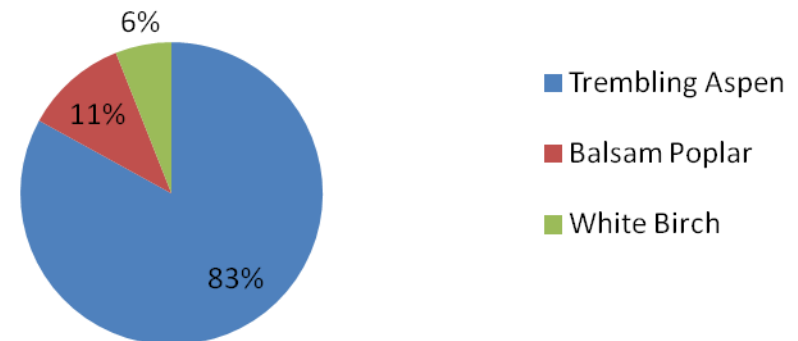


- Over half of Saskatchewan is forested, totaling 34 million (M) hectares. Over 90% is owned by the Province, with the balance comprising federal and private lands
- **The Commercial Forest Zones is 11.7M hectares, of which 5.3M are classified as productive forest and available for commercial timber harvest** (47% pure softwood, 37% mixed wood, 16% pure hardwood)
- **The current Annual Allowable Cut (AAC) is 8.2M cubic metres (m³)** (4.8M softwood, 3.4M hardwood)

Saskatchewan Commercial Tree Species - Softwood
(59%)



Saskatchewan Commercial Tree Species - Hardwood
(41%)



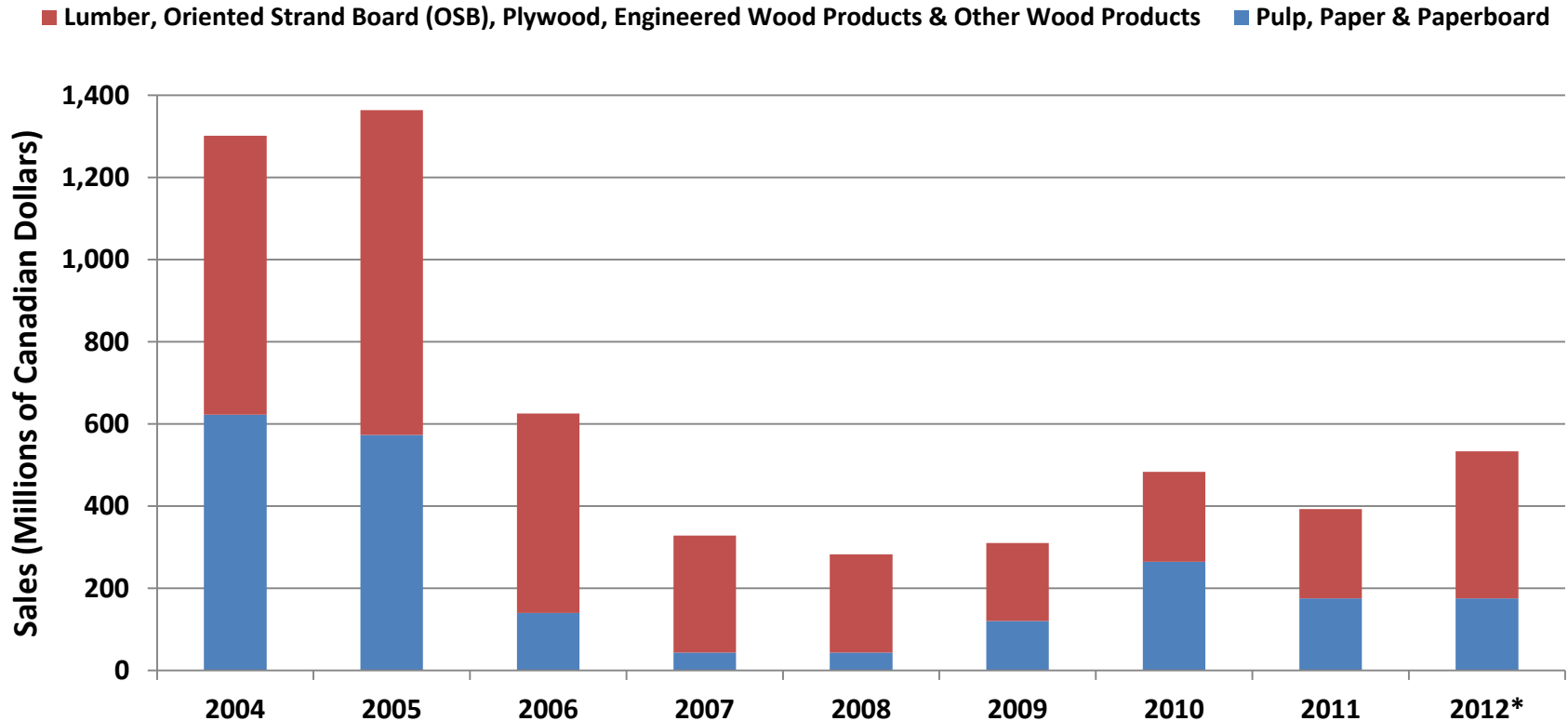
- Depending on tree species and site:
 - Forest stands range from 100-250 m³ per hectare
 - Tree diameters (stump) range from 15-100 centimetres (cm) (most 15-50 cm)

Economic Contribution



- In normal market conditions, Saskatchewan's forest sector generates over \$1 Billion in sales annually and generates approximately 5,000 direct jobs
- Eleven major forest products facilities include:
 - 1 chemi-thermomechanical pulp mill (Meadow Lake)
 - 1 dissolving pulp mill (Prince Albert)
 - 2 oriented strand board mills (Meadow Lake & Hudson Bay)
 - 1 plywood mill (Hudson Bay)
 - 6 saw mills (Meadow Lake, Glaslyn, Carrot River, La Ronge, Prince Albert, Big River)
- In addition, Saskatchewan has a significant number of small and medium sized treated lumber and specialty wood product producers as well as finished wood product manufacturers (e.g. flooring, cabinets, doors, moldings)
- If the Asian economy remains strong and the U.S. economy continues to improve, the province could be, as early as 2015, harvesting record levels of timber and producing record levels of forest products.

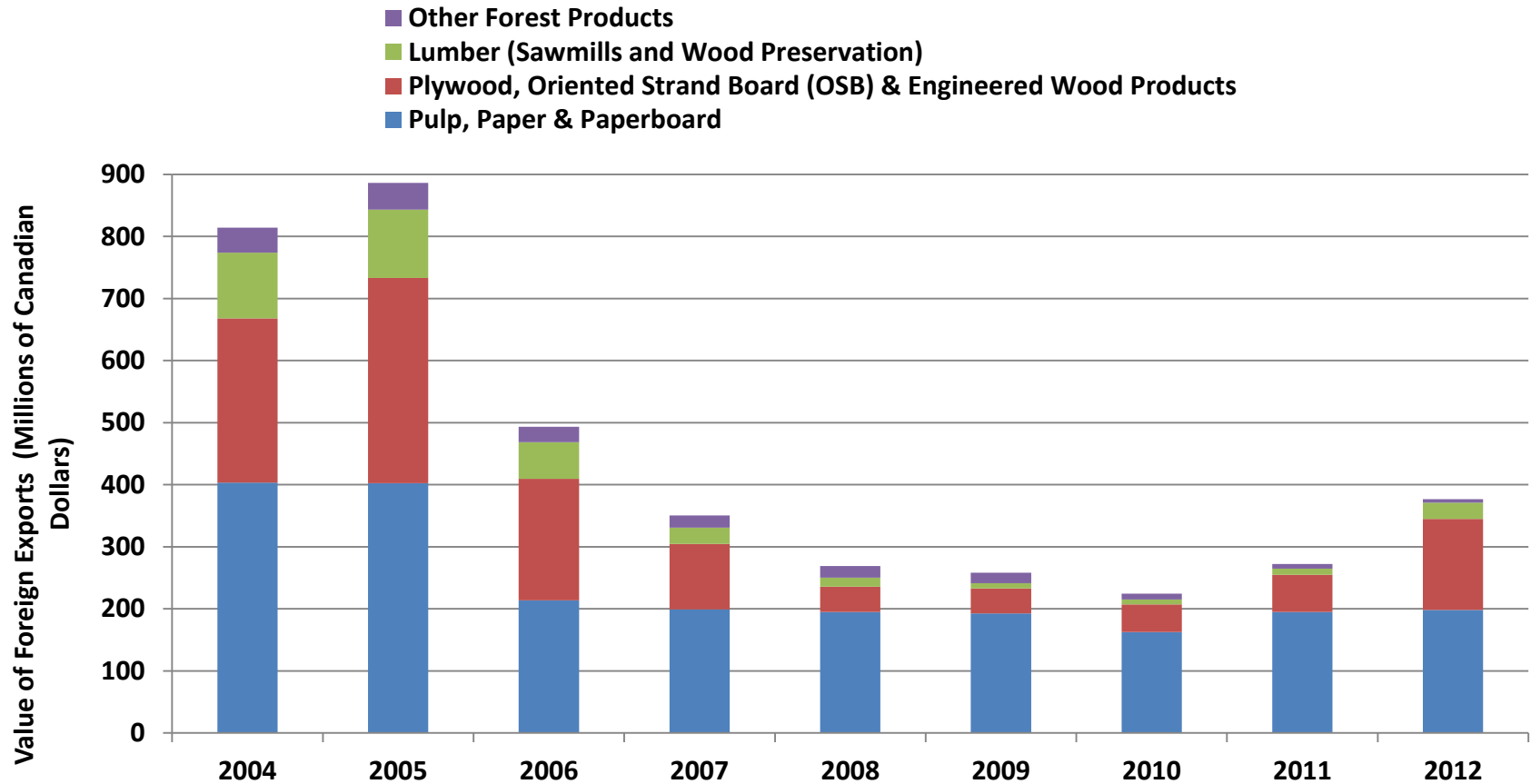
Saskatchewan Forest Products Sales



Source: Statistics Canada

*Note: 2012 Pulp, Paper & Paperboard figures were unavailable from Statistics Canada at the time of publication of this chart and are an estimate from the Ministry of the Economy

Saskatchewan Forest Products Exports



Source: Statistics Canada

Saskatchewan Forestry Go Forward Strategy



Strategies for the Industry

Increase Existing Markets

CONTROLLING SUPPLY

- Commodities
- Economy of scale
- Growing market share

CAPTURE EMERGING NEEDS

- Innovative Products
- Value & Market Driven
- New Industrial Sectors

LAST MAN STANDING

- Commodities
- Lowest cost producer
- Rationalize assets

NICHE MARKETS

- Specialized products
- High margin, low volume
- New customers

Develop New Markets

Saskatchewan Forestry Go Forward Strategy



Creating Forest Product Value

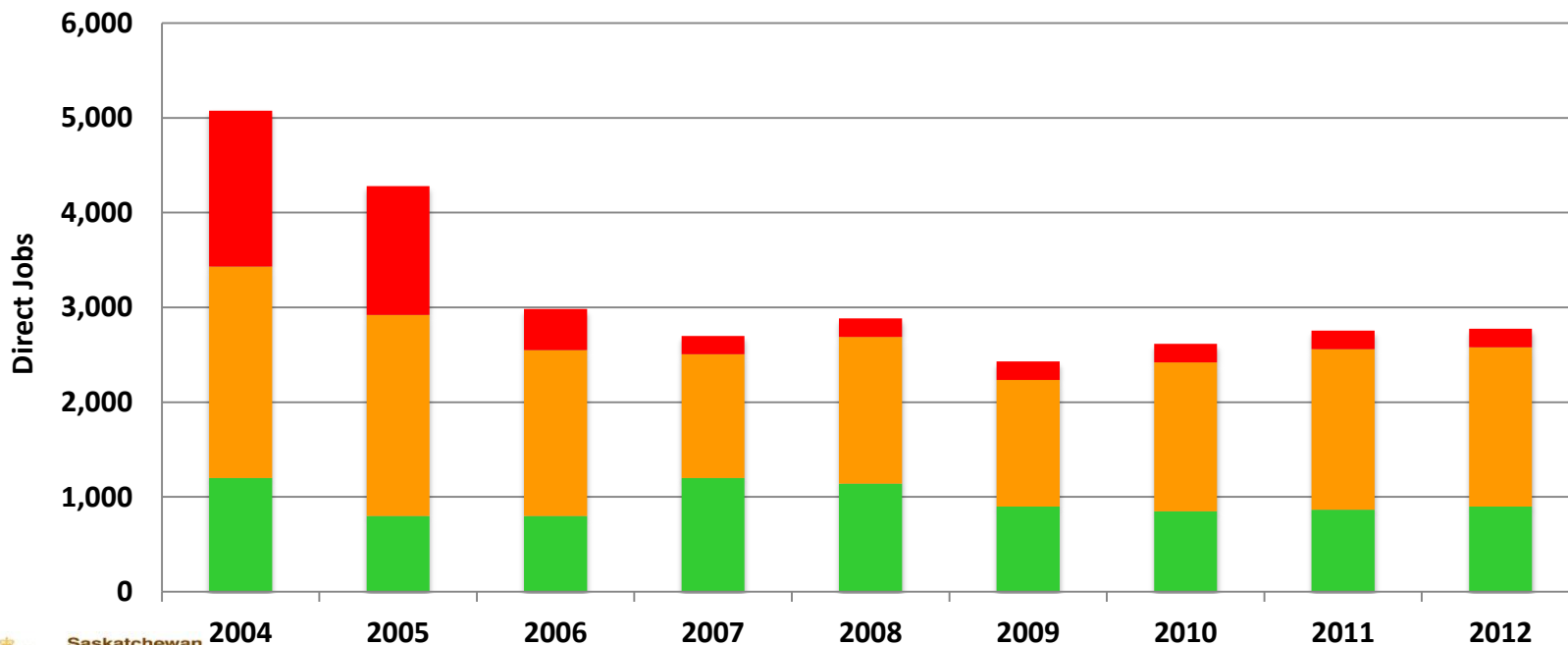


Courtesy of FPIInnovations

Saskatchewan Forest Industry Employment



■ Forest Management & Logging (inc. support activities) ■ Wood Product Manufacturing ■ Pulp & Paper Manufacturing



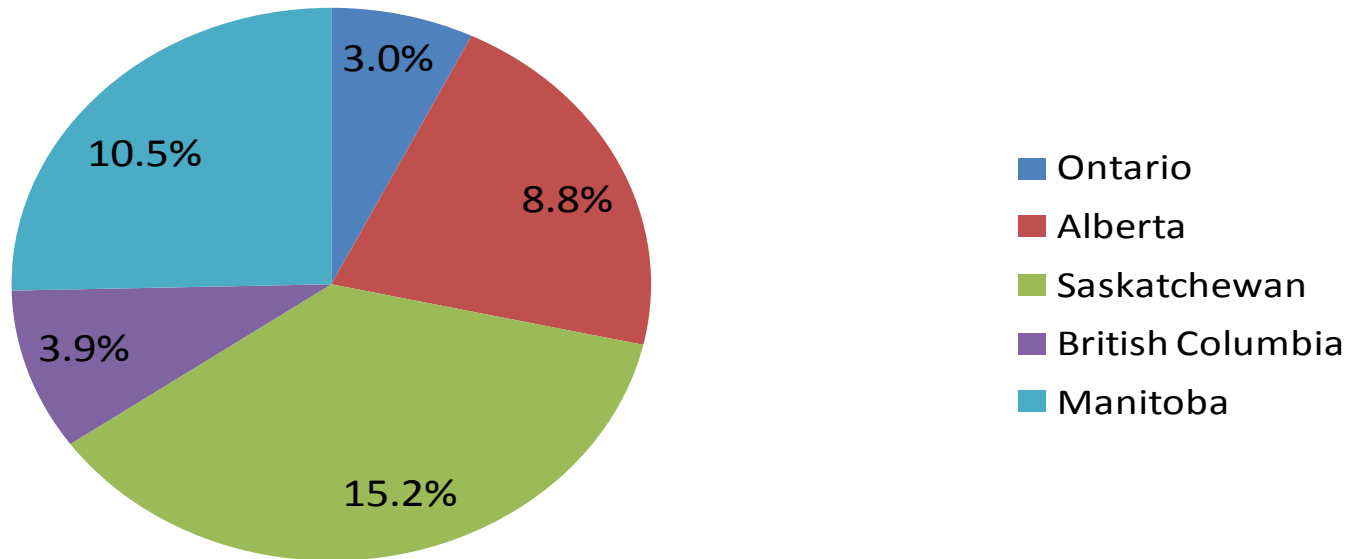
Saskatchewan
Ministry of the
Economy

Source: Statistics Canada

Aboriginal Employment in Forestry



Aboriginal Employment as a Percentage of Overall Employment

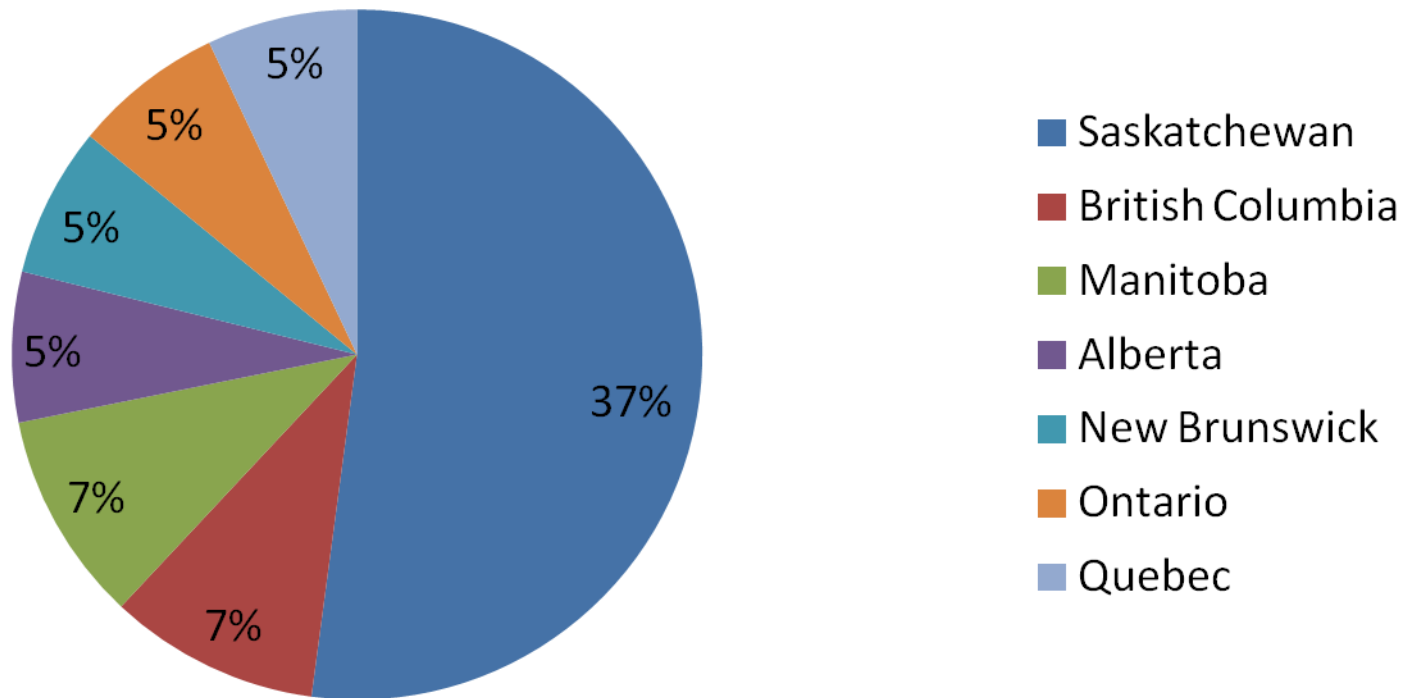


Source: Statistics Canada (2011)

Aboriginal Participation in the Forest Sector



Aboriginal Timber Allocations as a Percentage of the AAC



Source: NRCAN & Sustainable Forest Management Network (2012)

Wages



- From Saskatchewan's Wage Survey Report (2011), below are examples of wages paid in the forest sector in Saskatchewan

NOC	Job Title	Low	Mean	High
2122	Forestry Professionals	\$27.29	\$37.84	\$49.88
2255	Mapping and Related Technologists & Technicians	\$16.82	\$23.59	\$42.37
7272	Cabinetmakers	\$15.00	\$21.09	\$37.50
7312	Heavy Duty Equipment Mechanics	\$10.62	\$29.39	\$75.00
8241	Logging Machinery Operators	\$22.00	\$25.65	\$28.89
9513	Woodworking Machine Operators	\$15.50	\$21.50	\$28.89
9614	Labourers in Wood, Pulp & Paper Processing	\$9.25	\$12.57	\$17.33

Saskatchewan's Primary Forest Industry – Mill Capacities & Status



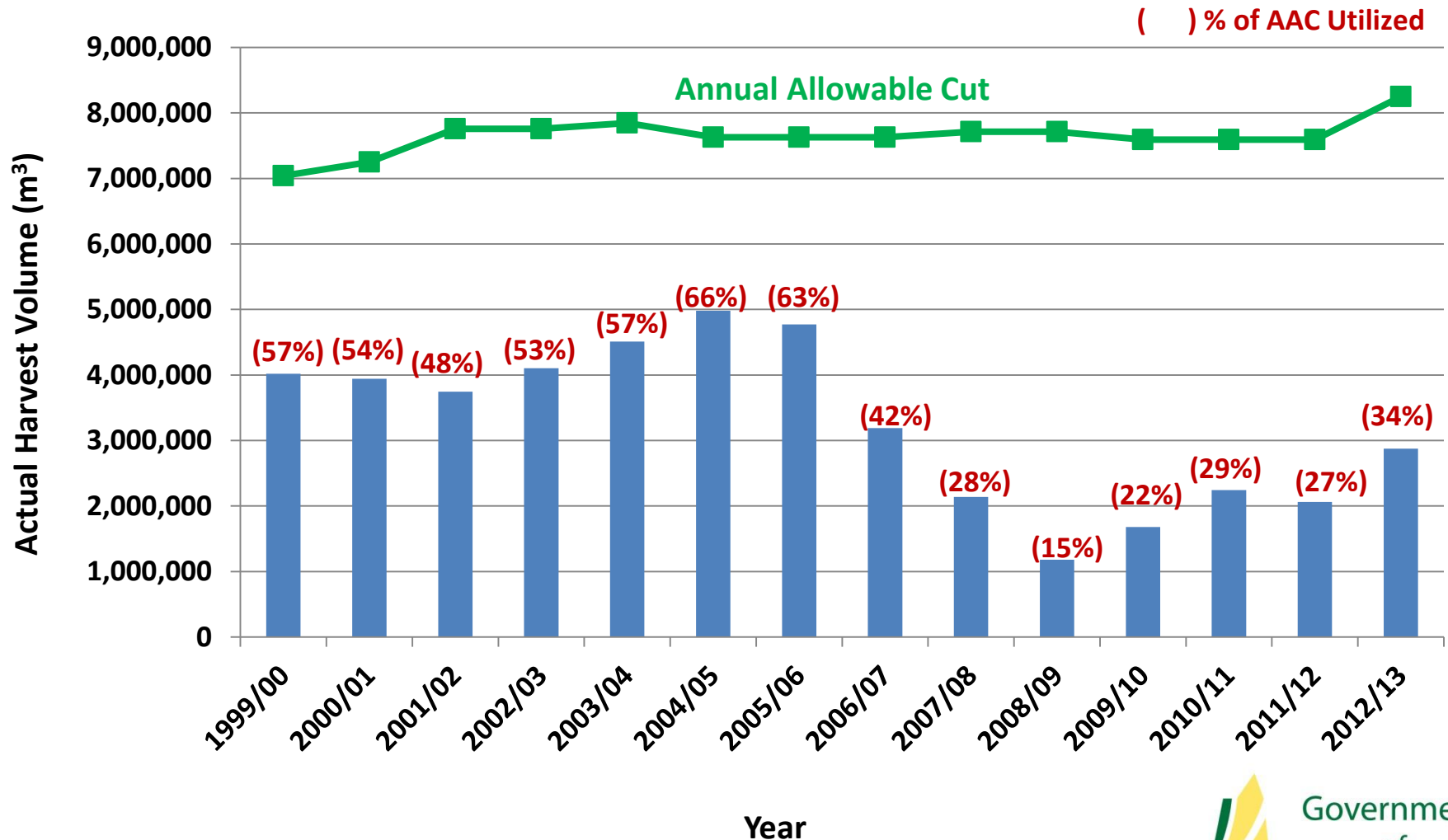
Forest Products Mill	Current Annual Production Capacity	Required Volume (m ³)			Approximate Chip Production (m ³)	Status
Pulp Mills	Air Dried Metric Tonnes (ADMT)	Required Volume (m³)				
		Softwood	Hardwood	Total		
Paper Excellence (Meadow Lake) BCMTP	400,000	0	1,100,000	1,100,000	-	Operating
Paper Excellence (Prince Albert) Dissolving Pulp	250,000	1,800,000	0	1,800,000	-	Closed Indefinitely (2006, plan to re-open in 2015)
Total	650,000	1,800,000	1,100,000	2,900,000	-	
OSB Mills	Square Feet (3/8 Inch Basis)					
Tolko (Meadow Lake)	725,000,000	0	1,015,000	1,015,000	-	Operating
Weyerhaeuser (Hudson Bay)	640,000,000	0	900,000	900,000	-	Operating
Total	1,365,000,000	0	1,915,000	1,915,000	-	

Saskatchewan's Primary Forest Industry – Mill Capacities & Status



Forest Product Mill	Current Annual Production Capacity	Required Volume (m ³)			Approximate Chip Production (m ³)	Status
Saw Mills	Board feet (bfm)	Required Volume (m³)				
		Softwood	Hardwood	Total		
Carrier (Big River)	250,000,000	1,000,000	0	1,000,000	350,000	Operating
NorSask (Meadow Lake)	140,000,000	560,000	0	560,000	195,000	Operating
Edgewood (Carrot River)	100,000,000	400,000	0	400,000	140,000	Operating
Carrier (Prince Albert)	70,000,000	280,000	0	280,000	100,000	Operating
L&M (Glaslyn)	25,000,000	120,000	0	120,000	40,000	Operating
Zelensky (La Ronge)	20,000,000	95,000	0	95,000	35,000	Closed indefinitely (2007)
Total	605,000,000	2,455,000	0	2,455,000	860,000	
Plywood Mills	Square Feet 3/8 Inch Basis					
Edgewood (Hudson Bay)	135,000,000	220,000	0	220,000	55,000	Closed indefinitely (2006)
GRAND TOTAL – ALL MILLS	-	4,475,000	3,015,000	7,490,000	915,000	-

Saskatchewan Provincial Forest Timber Harvest History



Area of Underutilized AAC



Saskatchewan Timber Supply Areas and Forest Product Mills

Legend

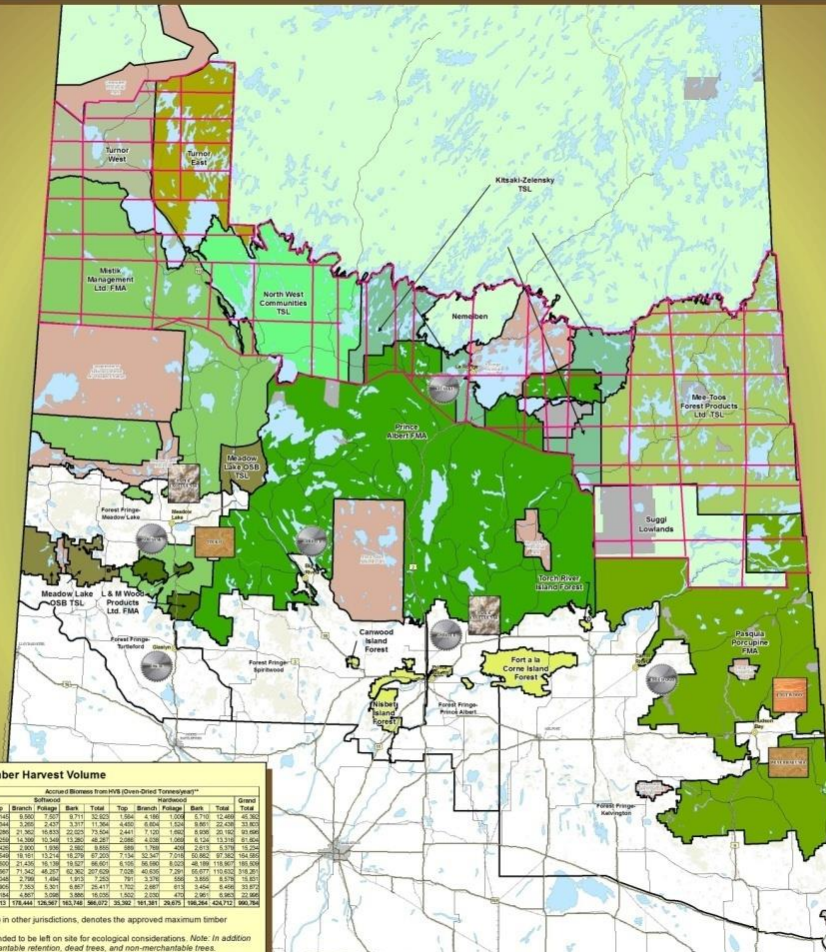
- Mill Locations
- Primary Highway
- Secondary Highway
- Water
- Cities
- Non-Commercial Forest Zone
- Agricultural Zone
- Parks and Air Weapons Range
- Representative Area Network
- Mill Utilizing greater than 50,000m³ annually
- Forested Crown Land (Forest Fringe)

Mill Type*

- Sawmill
- Pulp & Paper
- Pulp
- OSB
- Plywood

Abbreviations & Acronyms:
 FMA - Forest Management Area
 TSL - Timber Supply Location
 FMA - Forest Management Area
 TSL - Timber Supply Location

Scale: 0 15 30 60 90 120 Kilometers



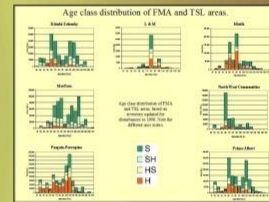
Current Mill Capacity*

Forest Products Mill	Mill Location	Current Annual Production Capacity	Estimated Chip Potential**
OSB			
Trico (L&M)	Meadow Lake	725	—
Imperial	Meadow Lake	600	—
Total		1325	—
Pulp			
Pine Excellence	Meadow Lake	400	—
Pine Excellence (PMA)	Pine A-1	310	—
Total		710	—
Plywood			
Edgewood	Hudson Bay	135	—
Baymill	Hudson Bay	100	—
Carrier	Hudson Bay	200	—
Edgewood	Carleton Place	100	—
Carrier	Carleton Place	70	—
L&M	Uman	25	—
Osborn/Trico	La Ronge	25	—
Total		665	—
Grand Total		2700	—

OUT OF PROVINCE

Product	Location	Capacity
Paper	The Pas, MB	100 Kraft Paper
Pulp	Archieville, AB	600 Kraft Pulp
OSB	Archieville, AB	600 Kraft Pulp
Plywood	The Pas, MB	100 Kraft Paper
OSB	Archieville, AB	600 Kraft Pulp
Total		2700

* Only mills utilizing greater than 50,000m³ annually
 ** Based on current mill capacity
 (Source: Ministry of Energy and Resources)



Forest Fringe - Timber Harvest Volume

Timber Supply Area	Estimated Harvest Volume Schedule Area (m²/Year)		
	Softwood	Hardwood	Total
Carleton Place	33,300	152,500	185,800
Meadow Lake	23,200	118,700	141,900
Pine A-1	4,900	14,500	19,400
Springwood	20,400	170,000	190,400
Turnor East	4,900	65,400	70,300
Total	86,800	516,100	602,900

Commercial Forest Zone - Timber Harvest Volume

Timber Supply Area	Harvest Volume Schedule (m³/Year)			Actual Biomass from HVS (Over-Drift Tenonage)**		
	Softwood	Hardwood	Grand Total	Softwood	Hardwood	Grand Total
Carleton Place TSL	110,000	115,000	225,000	94,000	95,000	189,000
Meadow Lake OSB TSL	91,000	91,000	182,000	21,900	21,900	43,800
Turnor Forest Products Ltd. TSL	320,000	274,000	594,000	148,000	148,000	296,000
North West Communities TSL	200,000	130,000	330,000	130,000	130,000	260,000
L&M Wood Products Ltd. FMA	83,400	83,400	166,800	128,000	128,000	256,000
Forest Management Ltd. FMA	60,200	60,200	120,400	1,400	1,400	2,800
Forest Products PMA	400,000	400,000	800,000	1,300,000	1,300,000	2,600,000
Pine A-1 FMA	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000	4,000,000
Homebush FMA	66,800	66,800	133,600	1,000,000	1,000,000	2,000,000
Turnor West FMA	196,800	196,800	393,600	8,000,000	8,000,000	16,000,000
Turnor East FMA	115,000	115,000	230,000	1,000,000	1,000,000	2,000,000
Total	3,546,200	3,546,200	7,092,400	17,144,000	17,144,000	34,288,000

* Harvest Volume Schedule (HVS), also called Annual Allowable Cut (AAC) in other jurisdictions, denotes the approved maximum timber harvest volume.
 ** Table represents 80% of gross available biomass. The other 40% is intended to be left on site for ecological considerations. Note: In addition to this 40% net down, other biomass left on site includes green tree merchantable retention, dead trees, and non-merchantable trees.

Key Map

- Non-Commercial Forest Zone
- Commercial Forest Zone
- Agricultural Zone
- Parks and AWR

Selected Links



- Saskatchewan Ministry of the Economy, Forestry Development Branch
 - <http://www.economy.gov.sk.ca/forestry>
- Saskatchewan Ministry of the Environment, Forest Services Branch
 - <http://www.environment.gov.sk.ca/forests>
- FP Innovations
 - <http://www.fpinnovations.ca>
- Saskatchewan Research Council, Ecosystems & Forestry Management
 - <http://www.src.sk.ca/industries/environment/pages/ecosystems-and-forestry-management.aspx>
- Canadian Forest Service
 - <http://cfs.nrcan.gc.ca/>
- Forest Products Association of Canada
 - <http://www.fpac.ca>
- Wood2Energy
 - <http://www.wood2energy.org/Database%20Connection.htm>

Contact



Forestry Development Branch

137-1061 Central Avenue

Prince Albert, SK

S6V 6G1

306.953.3768

andrew.beaton@gov.sk.ca

Questions?

