# Saskatchewan Forest Sector Overview

Northern Opportunities Forum

21 November 2013

Government of Saskatchewan
Ministry of the Economy

# 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)

Government of Saskatchewan
Ministry of the Economy

# 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

Government of Saskatchewan
Ministry of the Economy

# Ministry of the Environment Forest Service Branch Mandate

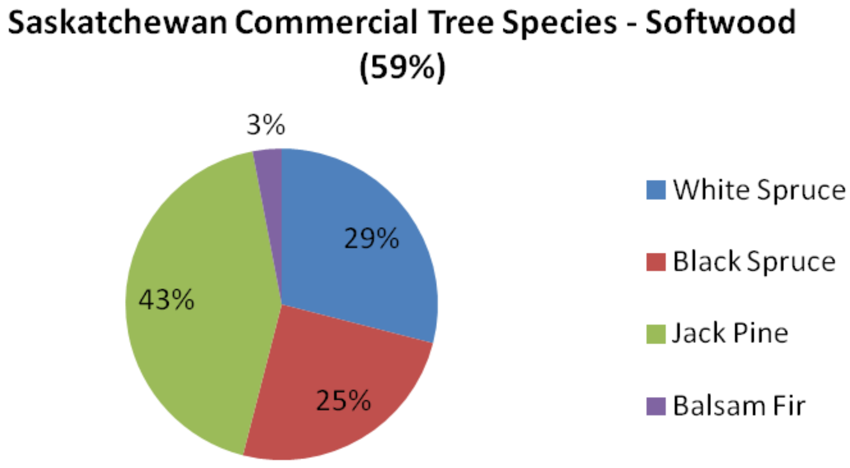
- “Forest Management & Regulation Focus”
- Promotes the sustainable use of crown forests by managing for a balance of economic, social and ecological values that benefit current and future generations
- Both Ministries – Economy and Environment – have an “economic” role, led by Economy and supported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

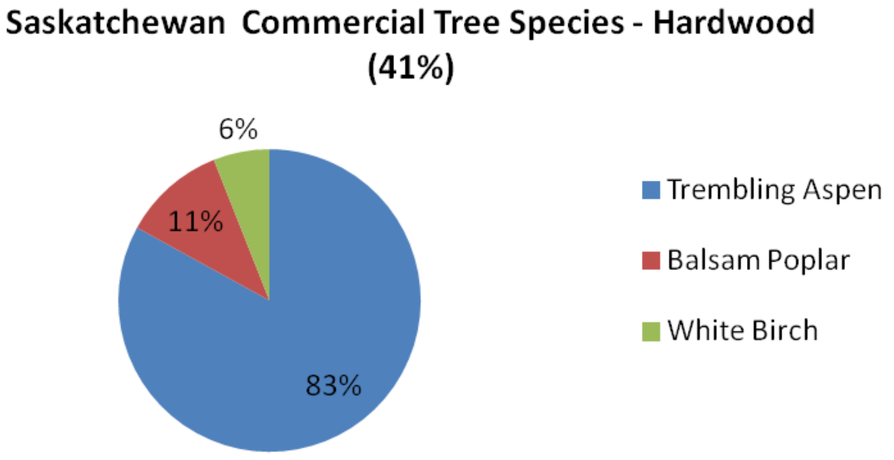
http://www.environment.gov.sk.ca/forests

Government of Saskatchewan
Ministry of the Economy

# 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 ($m^3$)** (4.8M softwood, 3.4M hardwood)



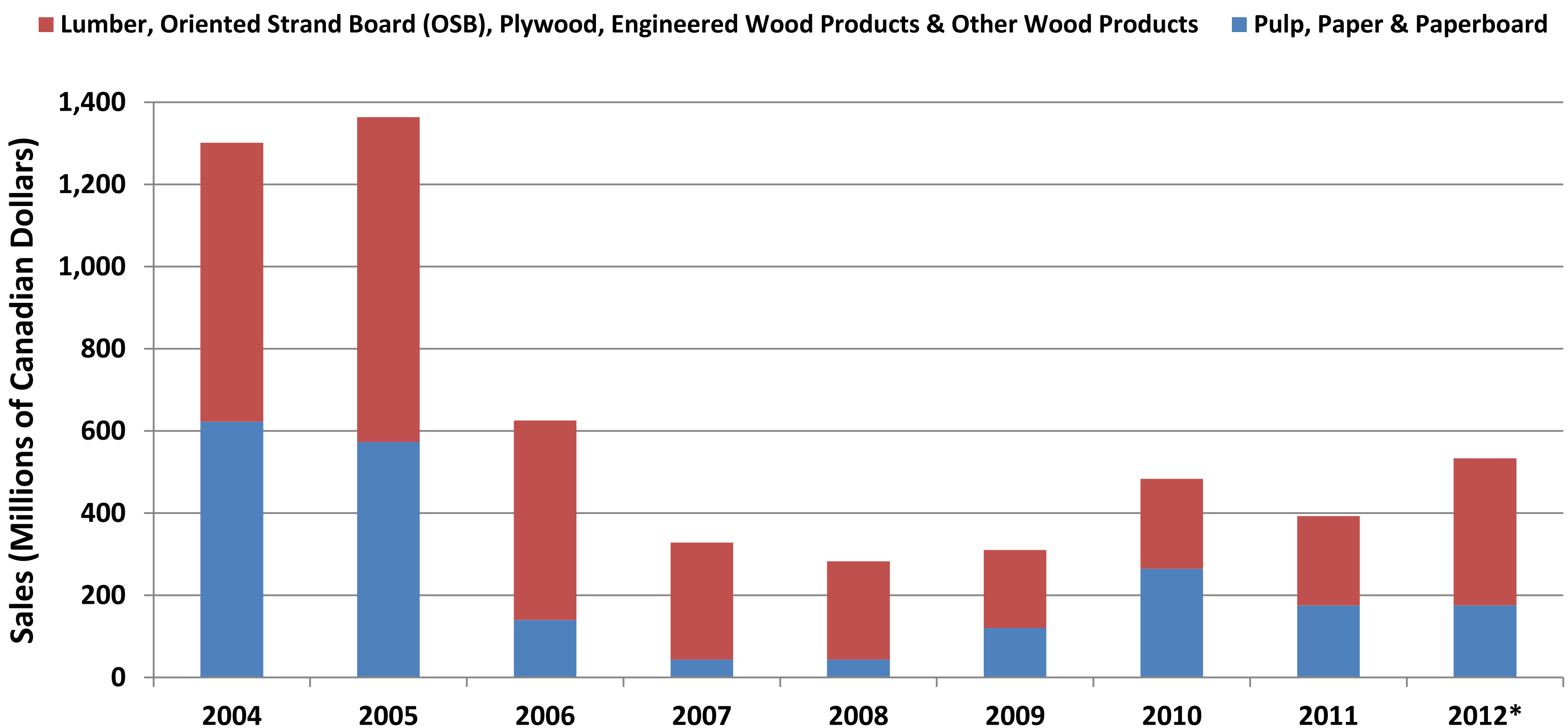

- Depending on tree species and site:
  - Forest stands range from 100-250 $m^3$ per hectare
  - Tree diameters (stump) range from 15-100 centimetres (cm) (most 15-50 cm)

Government of Saskatchewan
Ministry of the Economy

# 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

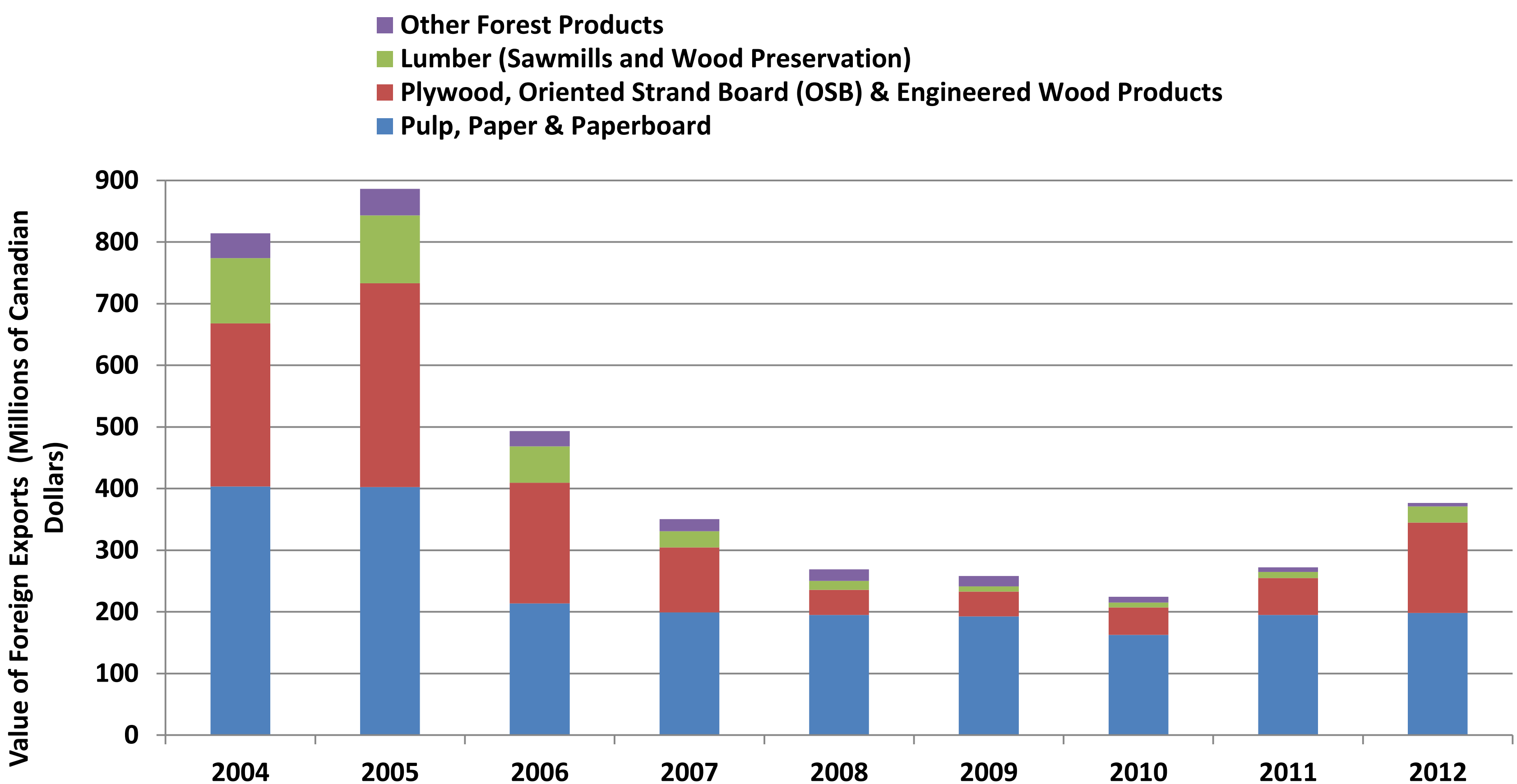



Source: Statistics Canada

*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

Government of Saskatchewan
Ministry of the Economy

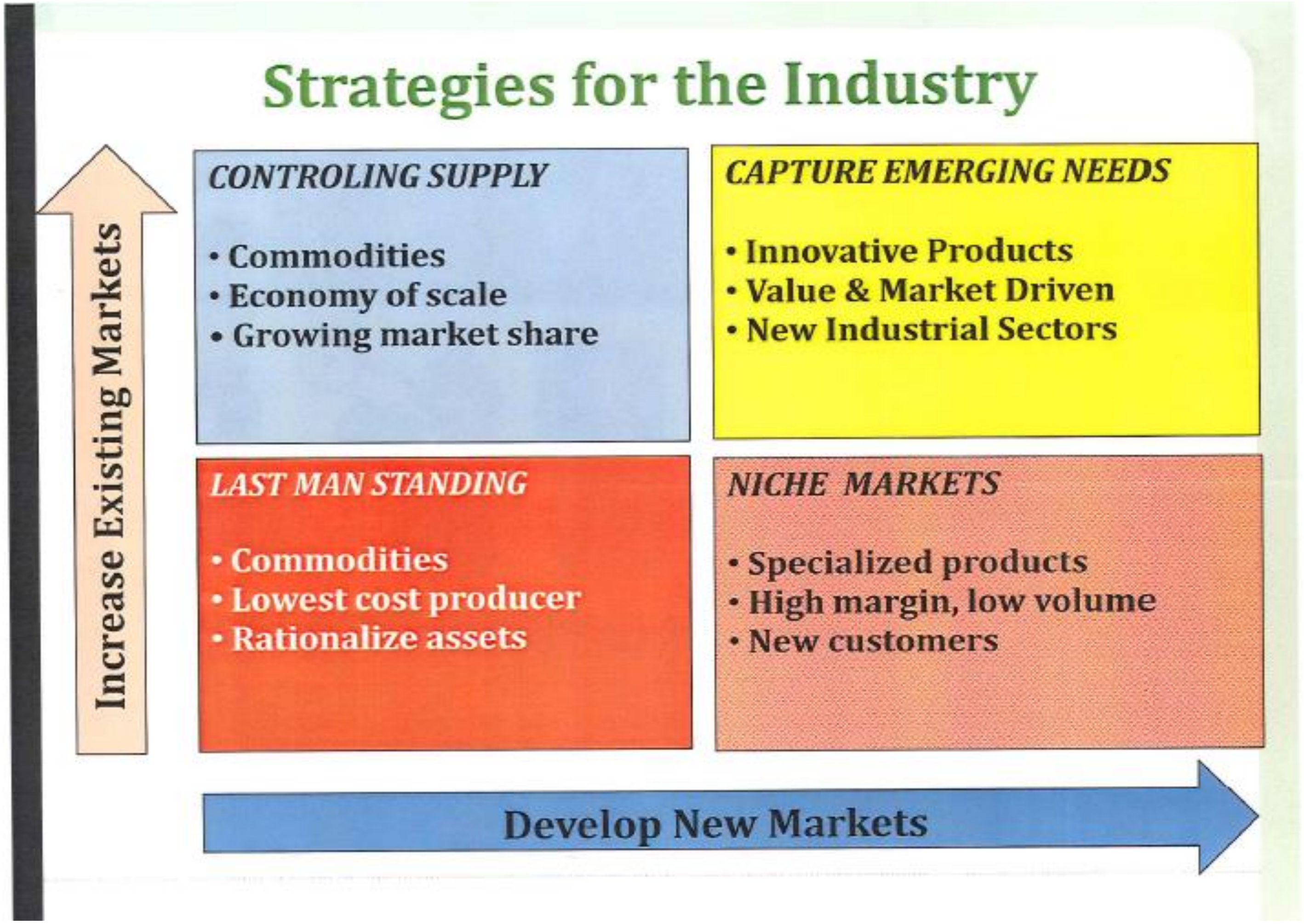
# Saskatchewan Forest Products Exports




Source: Statistics Canada

Government of Saskatchewan
Ministry of the Economy

# Saskatchewan Forestry Go Forward Strategy




Courtesy of FPInnovations, May 2012

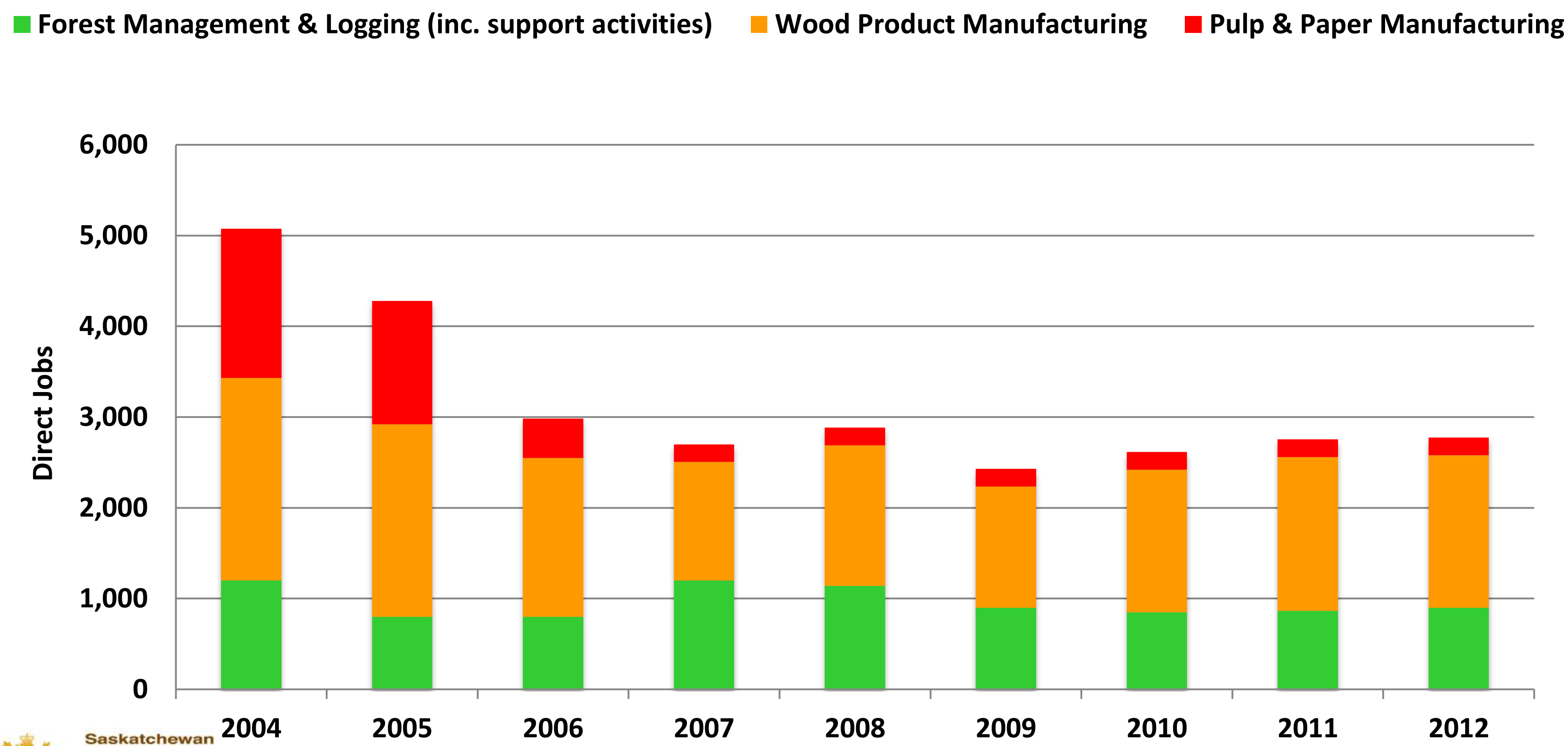
Government of Saskatchewan
Ministry of the Economy

# Saskatchewan Forestry Go Forward Strategy


Courtesy of FPInnovations

Government of Saskatchewan
Ministry of the Economy

# Saskatchewan Forest Industry Employment

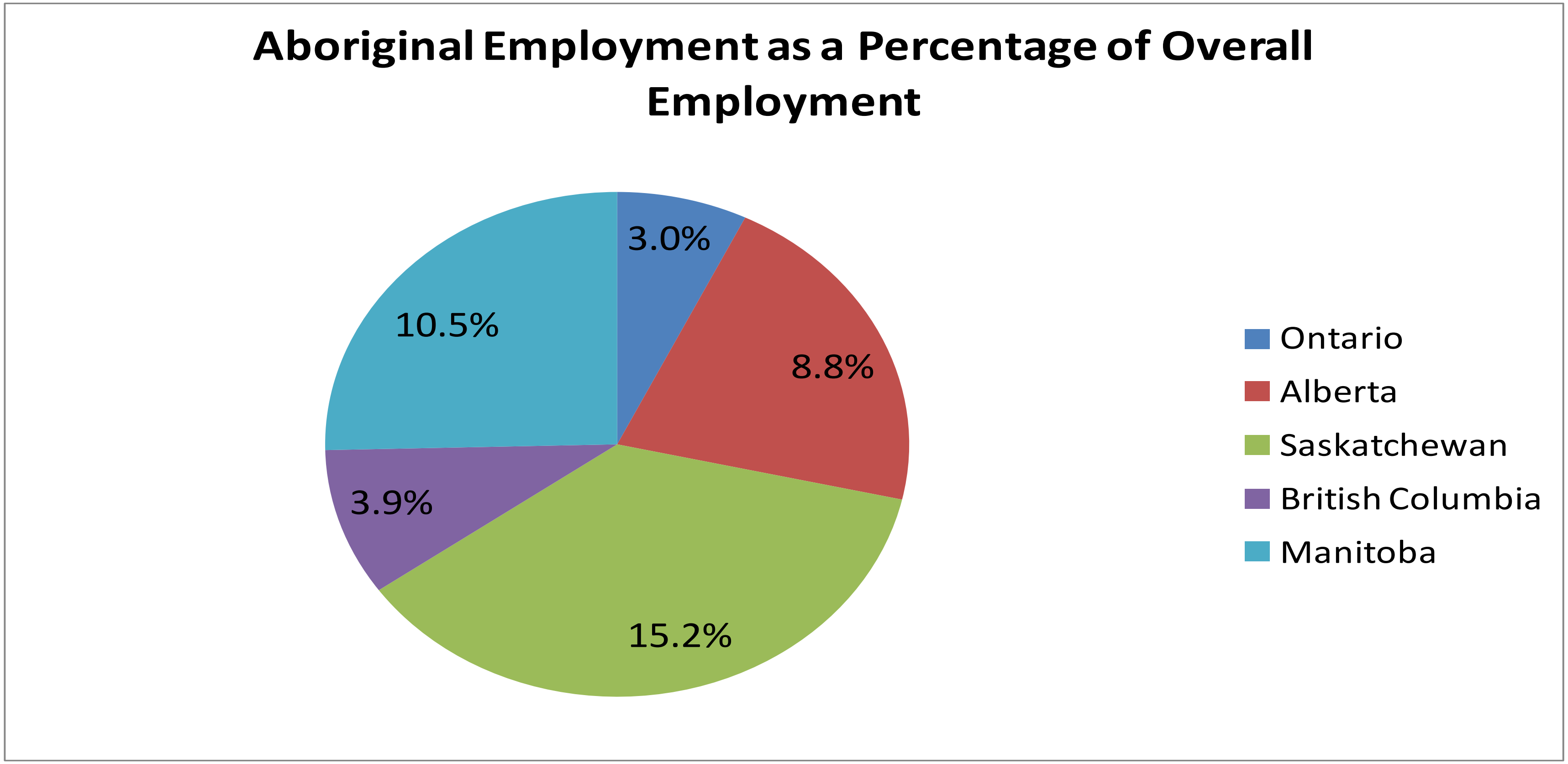



Saskatchewan Ministry of the Economy

Source: Statistics Canada

Government of Saskatchewan
Ministry of the Economy

# Aboriginal Employment in Forestry

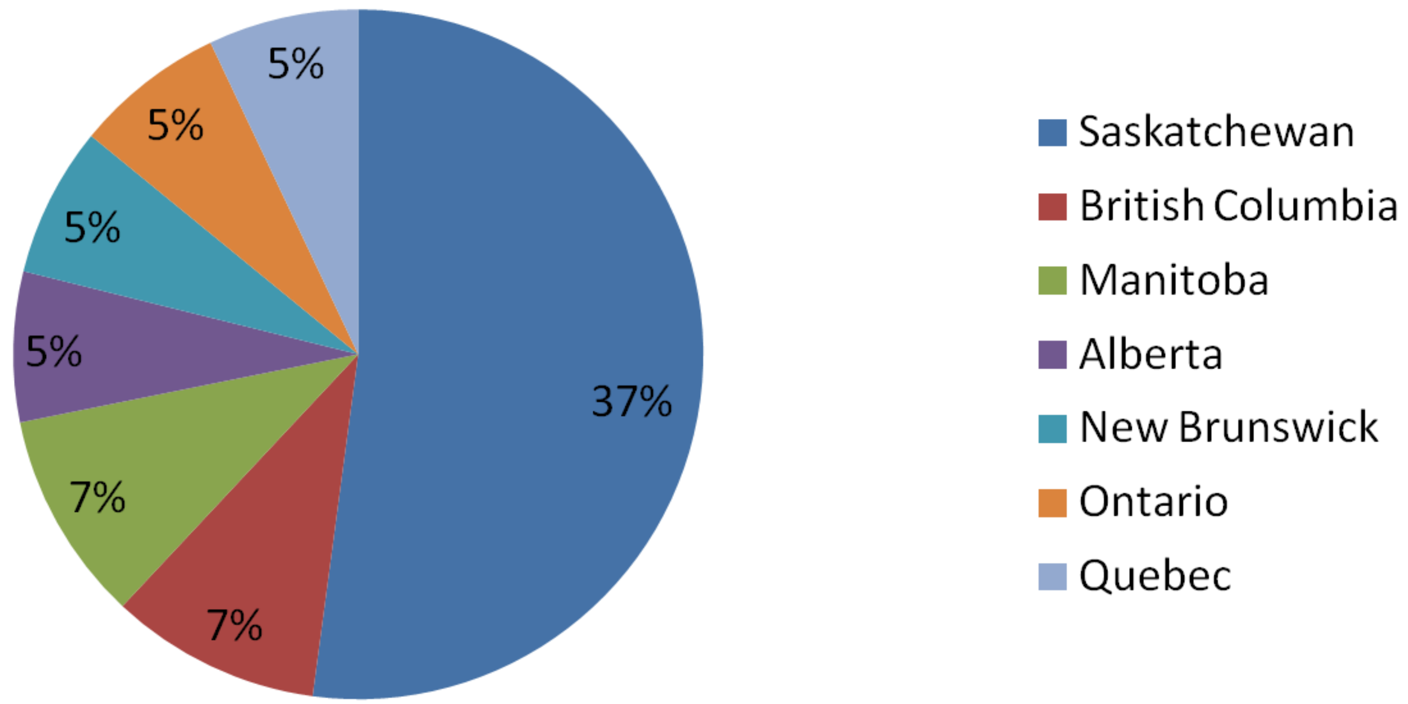



Source: Statistics Canada (2011)

Government of Saskatchewan
Ministry of the Economy

# Aboriginal Participation in the Forest Sector

## Aboriginal Timber Allocations as a Percentage of the AAC




Source: NRCAN & Sustainable Forest Management Network (2012)

Government of Saskatchewan
Ministry of the Economy

# 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 ($m^3$)** | | | | |
| | | **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** | **-** | |

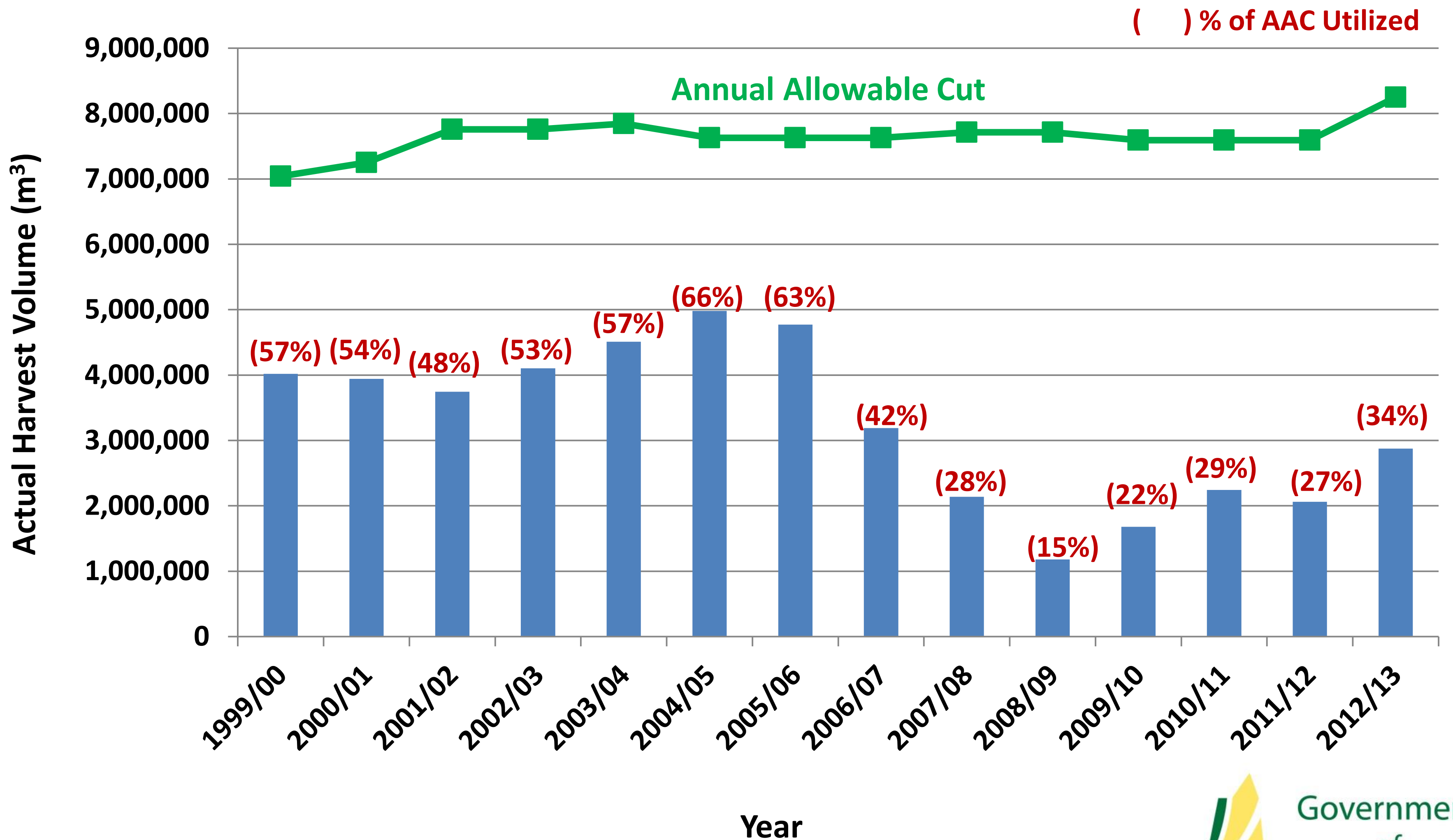
Government of Saskatchewan
Ministry of the Economy

# Saskatchewan's Primary Forest Industry – Mill Capacities & Status

| Forest Product Mill | Current Annual Production Capacity | Required Volume (m³) | | | Approximate Chip Production (m³) | 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** | - |

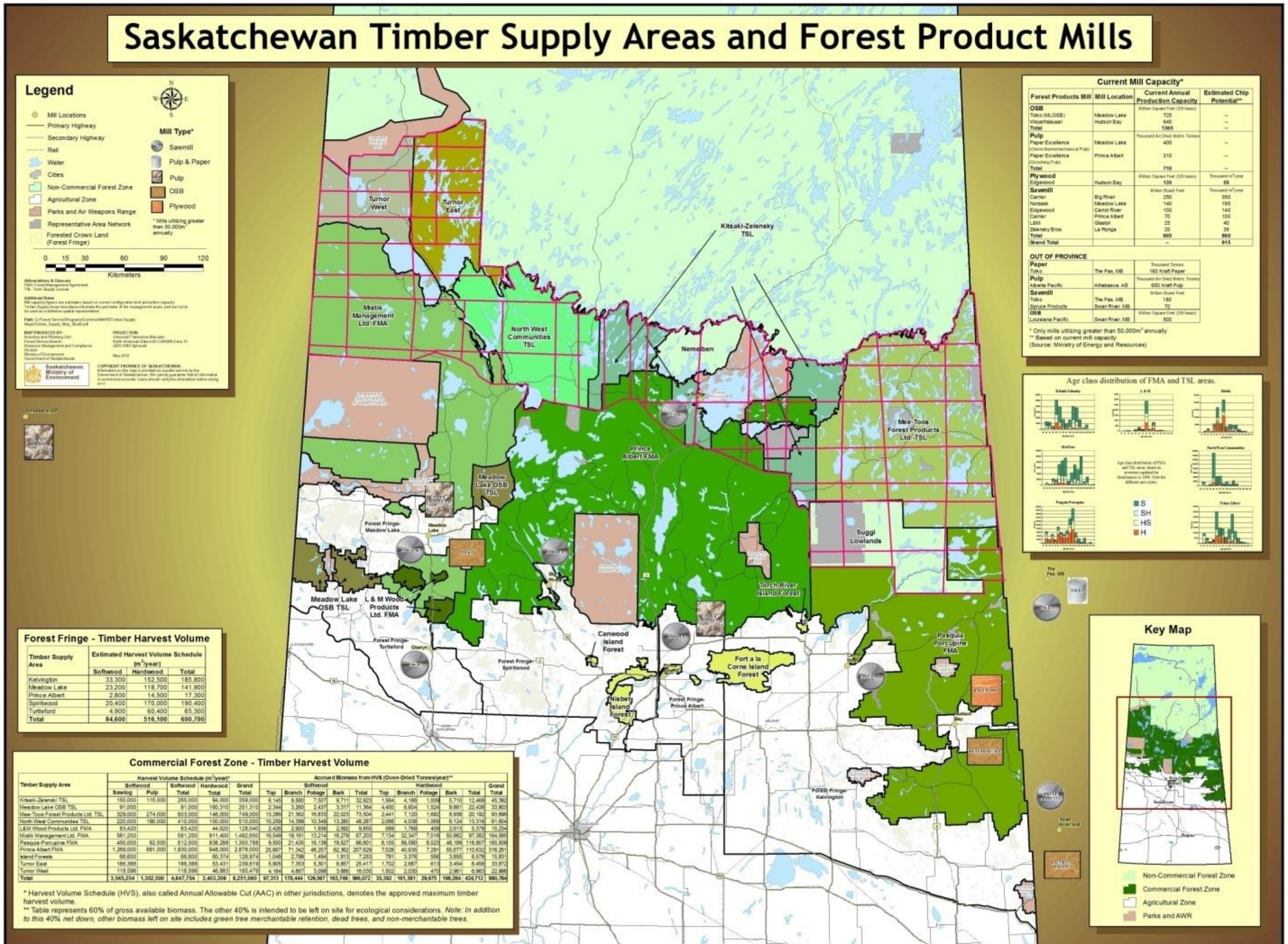
Government of Saskatchewan
Ministry of the Economy

# Saskatchewan Provincial Forest Timber Harvest History




Government of Saskatchewan
Ministry of the Economy

# Area of Underutilized AAC




Government of Saskatchewan
Ministry of the Economy

# 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

Government of Saskatchewan
Ministry of the Economy

# Contact


Forestry Development Branch

137-1061 Central Avenue

Prince Albert, SK

S6V 6G1

306.953.3768

andrew.beaton@gov.sk.ca


Government of Saskatchewan

Ministry of the Economy

# Questions?


Government of Saskatchewan
Ministry of the Economy