

British Columbia Mill Status Report

April – June, 2017

The Mill Status Report provides updated information on openings, closures, disruptions, investments, and other news of major timber processing facilities in British Columbia. For the latest available list of active mills, please refer to the Ministry of Forests, Lands and Natural Resource Operations' "Major Primary Timber Processing Facilities in B.C." report at:

http://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/fibre-mills/mill_report_2015_final.pdf

Proposed Mill Openings:

- StructureCraft, a major timber manufacturer, is building a 50,000-square-foot facility in Abbotsford, B.C. to produce dowel laminated timber (DLT)¹. This plant is anticipated to employ around 100 people, including 40 newly hired workers. The new plant is expected to open in late August and become fully operational by the end of October.
- JCI Touchwood Sawmills (JCI) in Terrace started cutting specialty timber for use in pianos, guitars, wooden airplanes and ship masts. The mill provided primary breakdown of logs into lumber and ships the lumber to a re-manufacturing plant in Holland, where it was further processed and sent to factories all over the world to be crafted into special musical and transportation products. JCI were merged from three companies in November 2015. The company tested new equipment in November 2016 and planned to start full production this year.

Mill Disruptions:

On April 5, BKB Cedar Manufacturing's post and rail mill in McBride was completely destroyed by fire, resulting in job loss for 35 full-time employees. The fire was caused by an overheated electrical motor. No plan has been announced to rebuild this mill.

¹ DLT is a mass timber product that can be used for floor, wall, and roof structures. These solid wood panels use hardwood dowels to friction fit pre-milled boards together on edge, creating a panel which is particularly efficient for horizontal spans and allows for much architectural flexibility. DLT is the only all wood mass timber product – in concept, it involves no glue or nails.

Mill Changes in Ownerships:

- On May 9, Coulson Forest Products (Coulson) was sold to the family-run San Group of Companies (San Group) based out of Surrey, B.C. In the past four years, Hampton Lumber, another Vancouver based company, had rented mill and manufactured the majority of the volume cut at its re-manufacturing plants in Vancouver. The new owner San Group planned to shift its volume of cut to the re-manufacturing facility in Port Alberni. The company would add another shift to the Port Alberni re-manufacturing plant, requiring additional 15-20 employees within the next 90 days.
- On May 16, Jim Pattison, a prominent B.C. business person, acquired an additional 10.1-per-cent stake in West Fraser, making him the second largest shareholder in the company at 7,926,000 shares.

Mill Investments/Expansion Plans

- In May, IES Energy Inc., an Alberta-based company, announced the development of a Memorandum of Understanding with Ontario-based Woodland Biofuels regarding the purchase of the closed Tolko mill site in Merritt with the intention of continuing mill operations and creating an ethanol plant based on wood waste. This plan would bring large-scale industry into the Nicola Valley to replace the jobs lost by the Tolko's mill closure in December 2016.
- On Jun 22, West Kelowna Council initially approved Gorman Bros. Lumber Ltd. to rezone a 1.75 ha piece property to store more lumber and other things. After passing the first and second readings in council, this matter was scheduled for a public hearing.

CONTACT: This report is prepared by staff of the Competitiveness and Innovation Branch of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development. Please contact us at or call 250-356-7932 for your questions.

SOURCES: The sources include company news releases, media reports, information provided by analysts, and government contacts. Please note this list is not comprehensive and may miss some events that occurred at small mills.