

British Columbia Mill Status Report

June – September, 2016

The Mill Status Report provides updated information on openings, closures and investments of major timber processing facilities in British Columbia (B.C.).

For the latest available list of active mills, please refer to the Ministry of Forests, Lands and Natural Resource Operations (FLNRO)'s "Major Primary Timber Processing Facilities in B.C." report. The latest report is available at:

<http://www2.gov.bc.ca/assets/download/B2DA71B7200E4F5194D28DA108581B73>

Overview:

In the third quarter of 2016, several firms invested large amounts in opening new plants and upgrading equipment to expand production capabilities. Simultaneously, disinvestment took place, with one mill closure and other mills curtailing or reducing production due to decreased timber supply and market demand for certain forest products.

Mill Openings:

- On June 14, McLeod Lake Indian Band opened a new cant mill through Duz Cho Forest Products in Mackenzie, providing 28 jobs. The canted lumber was made from beetle-killed wood and would be shipped to China, the Middle East and the United States.
- On July 20, Canfor opened two new pellet plants at their existing mills in Chetwynd and Fort St. John. Both mills were joint ventures with Pacific Bioenergy with combined capacity of about 175,000 tonnes of wood pellets.

Mill Closures:

- On July 1, a fire occurred at the Box Lake Lumber mill in Nakusp. The main building remained, but other parts, were consumed in the fire. The mill was reopened on July 4, 2016.
- On July 16, Canfor temporarily closed its Vanderhoof sawmill because of a small fire. This mill was reopened on July 18, 2016.
- On July 18, the Flavelle sawmill in Port Moody was temporarily closed for five hours due to a fire started in the conveyor system.
- On July 20, Canfor temporarily closed its Houston sawmill for two hours due to a small fire.

- On August 1, Catalyst Paper permanently shut down one of its magazine paper machines at its Powell River mill. This machine had been idle since December 2014. The overall capacity was reduced to 350,000 tpy and 50 job losses.
- On August 31, Downie Timber temporarily closed its Revelstoke sawmill due to a fire alert. The mill was reopened the next day.
- On September 22, Tolko announced the permanent closure of its Merritt sawmill on December 16 due to reduced timber supply, affecting 203 employees and reducing provincial lumber capacity by 250 million board feet.

Investments/Upgrades:

- On June 29, TimberWest installed a new de-barker at their new dry land sort at the Crofton Catalyst pulp mill. The machine debarks logs destined for export and supplies the resulting hog fuel to the pulp mill.
- On August 25, Brink Forest Products entered an agreement with the BID Group of Companies to purchase Vanderhoof Specialty Wood Products, a value-added lumber manufacturing facility that specialized in the production of finger-jointed lumber products, as well as, wood pellets and post/rails. This acquisition made Brink Forest Products the largest remanufacturer and finger-joint producer in Canada.
- On September 21, the Skeena Sawmills Ltd. was on the verge of announcing substantial improvements to its milling facility in Terrace. Work to increase lumber milling capacity was expected to start this winter.

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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.