Quarterly Mill Status Report - Q4 2019

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This report provides the latest information on mill openings, closures, disruptions, investments, and other mill events in British Columbia (B.C.).

For the latest available list of active mills, please refer to the Major Primary Timber Processing Facilities in British Columbia page.

Mill Investment and Ownership Changes:

- On December 6, Harmac Pacific announced to invest \$1.7 million in a new ionized treatment system to de-water sludge so that the sludge could be used for burning in boilers. The new system is expected to reduce the company's natural gas consumption and associated GHG emissions for its boilers. Half of the investment was covered by the approved grants (\$862,500) from the province under the CleanBC Industry Fund.
- On December 16, Pinnacle Renewable Energy (Pinnacle) entered into a three-year fibre supply contract with the Alkali Resource Management Ltd. (ARM) whereby ARM will process, store and deliver biomass from harvest residuals to Pinnacle for use at its Williams Lake facility in BC.
 ARM is the forest management company wholly -owned by the Esk'etemc Nation, whose traditional territory is south of Williams Lake. Pinnacle and the Esk'etemc Nation have been collaborating to improve fibre utilization and to support economic development within Esk'etemc managed forests.

Shift Restart:

 In early December, Aspen Planners restarted the second shift at its Merritt sawmill because of the new fibre supply from Canfor's shuttered sawmill in Vavenby. The second shift was eliminated in June this year due to lack of fibre access and weak lumber markets. 50 employees were affected during that time.

Mill Curtailments and Closures:

This report defines mill curtailments/closures for the following three categories:

- "Temporary curtailments" have a defined end date from information sources;
- "Indefinite curtailments"- do not have a defined end date and include shift eliminations or partial mill closures; and
- "Permanent closures" a permanent shutdown of the entire mill

Temporary

 Canfor announced a two-week curtailment for all its BC sawmills, except its WynnWood Specialty mill (curtailed for five days), starting on Dec 23, this curtailment was caused by high fibre cost and weak lumber markets, reducing Canfor's lumber production by 58 million board feet.

Permanent

- In October, Errington Cedar Products (Errington) underwent foreclosure and transferred control operations to a bank.60 employees were impacted. Errington was a family-owned mill that has been operating near Parksville on the Vancouver Island for 30 years.
- On November 8, Tolko announced the permanent closure of its sawmill in Kelowna by Jan 8, 2020, affecting 174 employees and reducing the provincial sawmill capacity by roughly 190 million board feet.

Indefinite

In December, Tolko's sawmill in Soda Creek, Williams Lake is moving from a 4-day work week to 3-day work week affecting 150 employees.

Sources: Company news releases, media reports, analytical information, and government contacts. Please note this list is not comprehensive and may miss some events that occurred in small mills.