

APPENDIX 2: Objectives and Strategies for Employment and Economic Opportunities (EEO)

STATEMENT OF OBJECTIVES FOR EMPLOYMENT AND ECONOMIC OPPORTUNITY (EEO)

Introduction

The Forest Products Division of Federated Co-operatives Limited (FCL) operates a multifaceted sawmill and plywood operation on the shores of Shuswap Lake at Canoe, British Columbia (see Key Map). FCL began operation in the Shuswap area in 1945, acquiring TFL 33 with the purchase of Shuswap Timbers in 1965. TFL 33, although small in comparison to other TFL's in the province, plays an important role in providing raw material as part of the licensed quota attributable to FCL.

FCL provides central wholesaling, merchandising and manufacturing services on behalf of its member-owners to more than 300 retail co-operatives in Western Canada and North Western Ontario. Together, FCL and its member retails are known as the Co-operative Retailing System in Western Canada, providing goods and services to an estimated 750,000 individual co-op members.

Current Employment and Economic Opportunity

FCL has the capacity to employ 130 people on a three-shift basis in the plywood plant producing an average of 9,200 panels of 4' x 8' size per day. The consumption volume required for the plywood plant is approximately 170,000 m³ per year. The sawmill has the capacity to employ 130 people in the sawmill, dry kiln, maintenance and shipping operations. Consumption volume is approximately 230,000 m³ per year. Currently the plywood plant is running on three shifts and the sawmill and planer are on two shifts. Markets for all products includes Canada, the USA, Japan and Europe.

FCL currently employs 330 people in the milling and woodlands operations. Approximately 288 people are employed hourly and 42 people on staff. Approximately 58% of the people employed live in Salmon arm, 12% in Canoe, 7% in Sicamous, 7% in Enderby, 4% in Tappen and 2% in Grinrod. The remainder of the employees live in small communities throughout the area including Blind Bay, Chase, Armstrong, Eagle Bay, Celistia, etc. Contractors from throughout the Shuswap carrying out harvesting operations, including road building and logging, employ approximately 200 people. As well, approximately 55 person years of employment are provided throughout the year in reforestation and silviculture programs.

The majority of wood volume harvested on the TFL is utilized by FCL manufacturing facilities. Some volume is traded as poles under long-standing agreements with local pole companies. Pulpwood component is traded with chipping facilities or pulp operations for replacement volume or direct payment. The following Table depicts a volume breakdown of the average wood volume used in 1997, 1998 and budgeted for 1999:

Tenure	<i>Volume (m3)</i>	<i>Percentage (less log sales)</i>
FL A18670	332,963	74%
TFL 33	21,050	6%
TO 635	20,000	5%
Purchase/Trade	60,533	15%
Less Log Sales	37,893	
<i>Total Consumption</i>	<i>396,654</i>	

Approximately 6 % of the total volume is attributable to TFL 33. The percentage fluctuates depending on the amount of Timber Licence (TO 635) volume harvested annually as well as the amount of purchase wood. Generally the TFL supplies a higher proportion of peelers for the plywood plant per volume harvested as compared to the other licenses.

Local independent contractors carry out all forestry and harvesting operations on TFL 33. Aside from harvesting and related forestry activities, Enhanced Forestry activities including Brushing and Weeding, Juvenile Spacing and Fertilization have been carried out for the last several years. Watershed Restoration Activities including assessments have also taken place. Work will continue under FRBC funding including further Enhanced Forestry Program (EFP) and Watershed Restoration Program (WRP) activities. Local, independent contractors will generally carry out all work.

Employment and Economic Objectives

FCL celebrated 50 years of operation in the Shuswap in 1995. The longevity of the operation attests to the commitment to providing a stable operation. Social and economic stability for both FCL and the contractors employed by FCL have allowed for a successful operation for over 50 years, and will continue to provide stability into the future.

FCL committed to the Government of Canada to implement Employment Equity throughout the organization. The commitment to the implementation of the Employment Equity program includes the improving the employment status of woman, aboriginal peoples, persons with disabilities and visible minorities. The following table depicts the overall employment equity, including aboriginal peoples, of the Canoe operation in 1997:

Employment Equity Audit (1997)

Group	Percentage of Workforce
Women	2.7
Aboriginal Peoples	8.4
Persons with Disabilities	9.2
Visible Minorities	5.8
Total of Target Group	26.1

In order to maintain the stability of operations witnessed over the past 50 years, FCL will ensure the licence requirements and obligations of all licences's are met in a timely manner. FCL will also review efficiencies within the operations and continue to make adjustments as required in order to remain competitive in the marketplace.