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## NEWS RELEASE

For Immediate Release  
2023FOR0006-000079  
Jan. 24, 2023

Ministry of Forests

### **New forestry program will expand manufacturing, create jobs**

DELTA – Wood product manufacturers throughout the province will benefit from a new program to provide dedicated access to timber and accelerate the growth of value-added manufacturing, supporting innovation and creating jobs.

For the first time, small and medium-sized secondary manufacturers will have a dedicated fibre supply under a new licensing program. The BC Timber Sales (BCTS) Value-Added Manufacturing Program will be open to facilities producing high-value products, such as mass timber, plywood, veneer, panelling and flooring.

“Our government’s vision is to build a stronger, more resilient forestry industry through more value-added manufacturing,” said Bruce Ralston, Minister of Forests. “British Columbians expect that we get the most value from our forests and create more jobs for every tree harvested. That’s why we are taking action to ensure innovative, secondary manufacturers have access to the timber they need to invest and grow their operations.”

Value-added wood products are increasingly in demand as alternatives to carbon-intensive construction products such as cement. This growing demand has resulted in steady job growth and market expansion and by providing greater certainty of long-term timber supply the new BCTS Program will accelerate further expansion.

The program will be restricted to facilities that have minimal or no forestry tenure and will require that facilities be accredited as a value-added, secondary manufacturer. Initially, BCTS will dedicate 10% of its available timber supply to the program for licensees to bid on. More volume is expected in the future.

“As we continue taking strides to get more jobs from our forests, ensuring value-added wood manufacturers have a dedicated fibre supply is crucial to our work to building a clean and inclusive economy that works for everyone,” said Brenda Bailey, Minister of Jobs, Economic Development and Innovation. “This initiative builds on our new BC Manufacturing Jobs Fund, which will invest up to \$90 million in companies that create new jobs for people by investing in high-value projects, with a focus on communities dependent on forestry.”

Value-added manufacturers prove that B.C.’s forestry industry can get more value and create more jobs for every tree harvested. While overall harvest levels in the forest industry have decreased over the past decade, employment in the value-added sector has grown steadily – by approximately 35% – since 2012. Value-added facilities have also better withstood global market volatility, helping to build a more resilient forest sector.

The new BCTS Program supports other recent initiatives from the Province, such as the \$90-million BC Manufacturing Jobs Fund to support capital investments in the value-added sector,

and changes to strengthen the Manufactured Forest Product Regulation to limit exports of raw log and unmanufactured lumber.

A backgrounder follows.

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## BACKGROUND

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### **What people are saying about the BC Timber Sales Value-Added Manufacturing Program**

#### **Andy Rielly, president, Reilly Lumber Inc., and chair, Independent Wood Producers Association –**

“The new category, value-added designation, demonstrates the B.C. government understands that directing more fibre toward higher value wood production is necessary to provide more certainty for investing in B.C. and to create more manufacturing jobs for British Columbians.”

#### **Paul Rasmussen, Interior Lumber Manufacturers’ Association –**

“We are encouraged to see government recognize that a dedicated fibre allocation for the value-added sector is required. We will continue to work closely with the government to ensure the required volume gets delivered to value-added facilities.”

#### **Todd Chamberlain, RFT, general manager, Interior Logging Association –**

“We are encouraged to see government set policy that will improve fibre flow to the value-added sector. We appreciate the work that has gone into making this improvement, and encourage government to continue securing fibre needs for our partners, which will increase opportunities for our members and further strengthen their communities.”

#### **Kelly Marciniw, board member, BC Log and Timber Building Association (BCLTBIA) –**

“The BCLTBIA is pleased to hear of the B.C. government’s announcement on improvements to BC Timber Sales and creation of a category: value-add. This new category of timber sales will help get more B.C.-grown fibre to our B.C.-based artisans and manufacturers who make low-environmental-impact log home and timber-frame structures in our province with one of the highest employment ratios in the forestry industry. BCLTBIA is inspired to continue working with BC Timber Sales on further enhancements by the government’s willingness to make our valued renewable resources a continued part of our economy and our communities.”

#### **Jake Power, president and managing director, PowerWood –**

“There will be significant investment in high-value wood manufacturing around the world over the next decade as construction trends toward lower-carbon alternatives, like wood. British Columbia has some of the best-positioned workers and existing manufacturing assets, along with some of the highest-quality timber in the world. The introduction of a new category in BCTS that is directly targeted at non-tenured high-value manufacturing creates opportunities to utilize those workers and assets to their full potential. As the ministry continues to implement policies like this one that ensure there are economic incentives to keep wood fibre in B.C. for longer, high-value wood manufacturing companies like Power Wood will be able to confidently

invest in B.C.'s forests, communities and workers. We applaud the ministry for putting in the hard work to develop this policy and look forward to continuous improvement of B.C. forest policy in pursuit of high value over high volume.”

**Ken Kalesnikoff, president and CEO, Kalesnikoff –**

“As an organization, adding the maximum value to our timber resources has always been in our DNA. We support any initiative that changes fibre flows, secures this sector and allows it to grow, and we also appreciate the government’s commitment to focusing on value over volume. For government to be successful at this goal, we will need to ensure the required volume needs of the value-added (VA) sector is allocated to this category and that the fibre flows to a VA facility. We see this as a critical first step in transitioning to more value being created from our forest resource.”

**John Gillis, vice-president, Centurion Lumber –**

“Transitioning from volume to value means putting more fibre in the hands of the value-added producers in the province. The category, value added, is a positive step in providing more certainty around long-term access to the right logs and lumber required to grow this sector and attract investment from this entrepreneur group.”

**Warren Carter, North Enderby Timber –**

“We are encouraged to see government set policy that will improve fibre flow to the value-added sector. We appreciate the work that has gone into making this improvement, and encourage government to continue securing fibre needs for facilities like ours.”

**Ravi Kahlon, MLA for Delta North –**

“Value-added operations like Coastland are vital to the future of B.C.’s forest industry. The new BC Timber Sales Value-Added Manufacturing Program will see more success, more value, more jobs and a high-value future for our forest sector right across our province.”

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