



# **F**orestry

*Canada's forests are the engine behind a \$74-billion industry; in 2001-2002 more than \$34 billion was generated toward the trade surplus, direct employment was created for close to 353,000 Canadians, and forests continued to act as backdrop for a tourism industry worth many more billions of dollars. Forest products include softwood lumber, wood pulp, newsprint, and other wood products and account for \$44 billion. While the majority of forests are publicly owned, 6% of Canada's forest land is controlled by an estimated 425,000 individuals, families, communities and forest companies.*

**Although a significant proportion of forestry occurs on Canada's East Coast, CEDTAP support has to date targeted Western Canada. As a traditional industry cluster, forestry encompasses logging operations and lumber mills. This emerging cluster emphasizes the value-added secondary wood industry.**

**Community organizations in the Prairies are investigating new economic opportunities in the forestry industry and the new technologies that accompany them. One group in Beauval, Saskatchewan is researching and developing business plans for an aspen pine, wood chipper facility. CEDTAP gave support for both a feasibility study and then a business plan for a group in Meadow Lake, Saskatchewan for a wood-processing plant.**

**Examples of the organizational structures deployed in this cluster:**

- **co-operatives – *marketing***
- **development corporations– *business incubator***
- **development authorities – *wood products***
- **a corporate entity owned by 7 communities – *wood products***

**Organizations involved in this cluster tend to be mature organizations undertaking consolidation activities while there is one start-up in the emerging market of certified eco-forestry products.**

**CEDTAP support ranges from:  
\$5,000- \$20,000**

**CEDTAP offers a variety of technical services to organizations at different phases of development. The types of technical service accessed in this cluster include business plans, standardized policies and procedures, and product and services development.**



## Case Studies:

### **Canadian Eco-Lumber Co-op, Vancouver, British Columbia**

This marketing co-operative was incorporated in 2002. However, many of the members have over 10 years' experience in the forestry industry. The co-op is a partnership between forest product producers and environmental activists including woodlot operators, community forests, First Nations joint venture corporations, kiln operators, millers and manufacturers.

The Co-op holds inventory and pools supply as well as provides a facility in Greater Vancouver for members' products.

### **Community Futures Development Corporation of Fraser Fort Georges, Prince George, British Columbia**

A five-year collaborative effort between Community Futures Development Corporation of Fraser Fort Georges, the College of New Caledonia and BC Futures resulted in the *WoodTek Business Development Centre*, a business incubator with a mandate to build a new business infrastructure in a \$2-billion value-added wood-product market.

The incubator, located in a downtown property leased at a subsidized rate from the City of Prince George, will provide core services (including a kiln), wood-technology training, management assistance and office services.

## Other Community Partners:

### **2001-2003**

North West Communities Wood Products Ltd., Prairies  
Northwest Regional Economic Development Authority, Prairies

## The CEDTAP Contribution:

CEDTAP support is facilitating business-planning sessions to strengthen this start-up. Mountain Equipment Co-op, Van City Credit Union, Ecotrust Canada, and the Endswell Foundation provide current funding.

Membership shares are \$100/share and there are 20 members to date. The co-op was incubated by the Ecotrust model.

CEDTAP is providing technical assistance in areas such as strategic planning, governance, product engineering and marketing.

The project has attracted 19 community partners from the public, private and not-for-profit sectors. Once the centre is fully operational, its priority will be to coach and mentor new value-added companies for two to three years.



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*"We won't likely see one 'star success' over the short-term. We'll have a series of small, modest successes over the long run."*

*Jim Hughes, WoodTek Business Development Centre, 2002*