

Atlantic Forestry Review – September 2005

The Federation recently hosted a series of regional meetings across the province. Not surprisingly, one reoccurring issue that was mentioned at every meeting was the instability and low prices of current commercial forestry markets.

With increasing multinational competition and consistently rising production costs, it's difficult to be optimistic about Nova Scotia's conventional forest products markets. Many Nova Scotia mills are constantly seeking ways to improve efficiency but cost cutting and technological improvements are reaching their limits. Inevitably, global markets combined with higher production costs and share holder profit expectations are creating lower prices for wood. So what can be done?

If we can't control market prices, maybe one solution (also a reoccurring theme at our meetings) is to look at changing where and what we market. Primary forest product producers (sawmills, pulp & paper mills, veneer mills...) have traditionally been the driving force behind Nova Scotia's forest industry; they are still a vital part of a sustainable forest industry today. What's important to realize is that primary production is only one part of the diverse possibilities for wood fiber utilization in Nova Scotia.

Strong-growing markets currently exist for value added products. Engineered building components, pre-fabricated houses, cabinets and specialty items are only few examples of products that are in demand. They are also products that can be produced domestically. North American production of Glulam timber, I-beams, and laminated veneer lumber reached record levels in 2004.

Although investment in manufacturing infrastructure is still an issue, value added production in Nova Scotia is not only feasible; it will soon be an essential part of sustaining our forest industry.

With any business, much like nature, diversity appears to thrive. An industry that relies on a small-focused group of markets is not likely going to last in today's global village. In Nova Scotia, forestry is often compared to the cod fisheries. If we do not focus more attention towards diversifying the products we create, our forest industry could easily become part of history repeating.