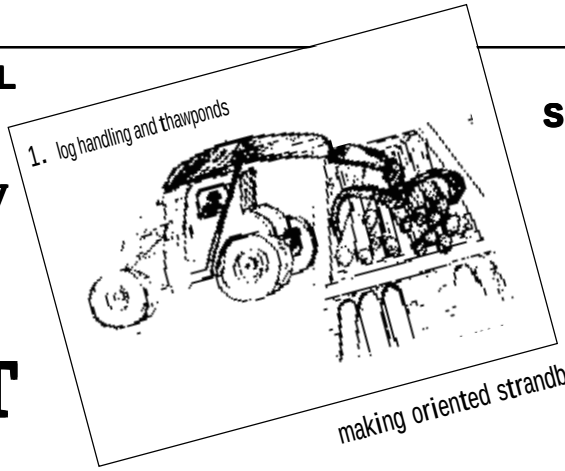
Ontario's Forest Products Industry

A NEW APPETITE IN THE FOREST



making oriented strandboard . . .

This is the third in a series of fact sheets addressing the vital connection between economically viable communities and healthy forest ecosystems in Ontario. We hope the series will encourage and contribute to constructive, community-based dialogue on forest sustainability.

Ontario's forest products industry is changing its focus in the 1990s — from pulp and paper and lumber to the manufacture of pressed panel board construction materials. This change has been heralded by some members of government, industry and local communities as a solution to current wood supply problems. But far from offering innovative and sustainable new solutions, this shift actually accelerates long-standing forest industry patterns — patterns of increased wood consumption and intensified logging pressure on remaining wilderness areas with fewer jobs for every cubic metre of wood processed.

Softwoods (pine, spruce and other conifers) have long been the dominant source of wood for Ontario's commercial forest sector, comprising 80% of the timber harvest in 1993[1]. However, past and present harvesting practices have contributed to developing shortages in the softwood timber supply. Red and white pine, formerly a large component of Ontario's wooded landscape, have been reduced to less than 3% of the remaining productive forest cover[2]. Spruce, a mainstay of the province's pulp-and-paper industry, has suffered a significant decline within the northern boreal forest as a result of large-block clearcutting[3].

An increasing proportion of the forest landscape in Ontario is now occupied by "pioneer" tree species

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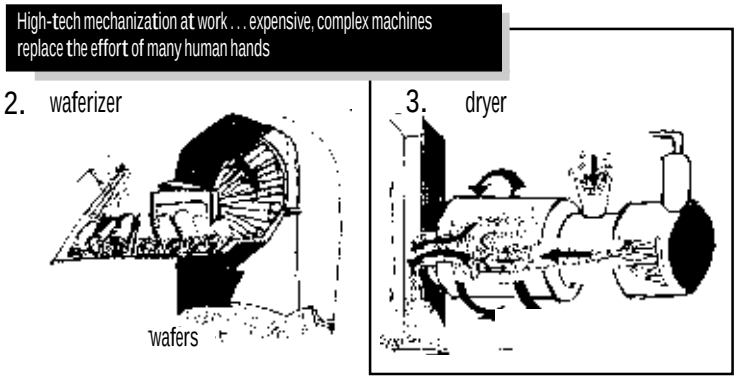
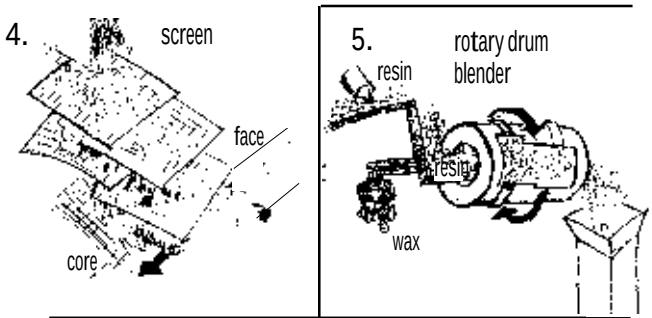
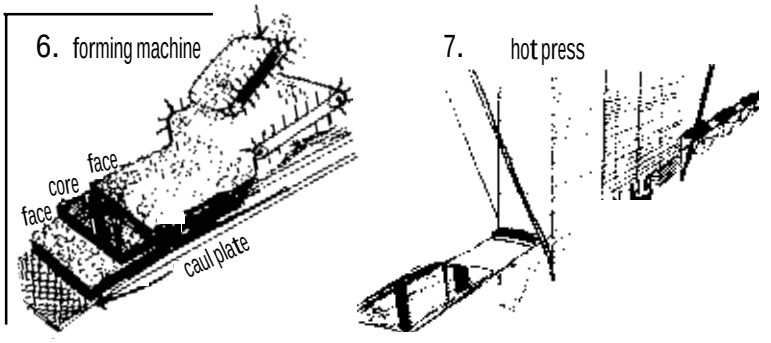
making strandboard continued . . .

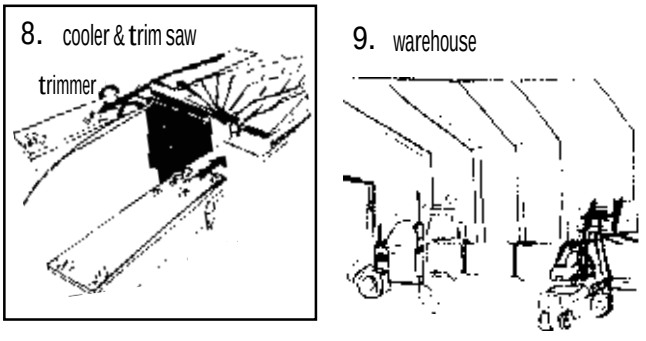
High-tech mechanization at work . . . expensive, complex machines replace the effort of many human hands





Ontario's three new OSB mills will cost a total of $316 million to build . . . that is $823,000 for each production worker the mill's will employ.





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A new appetite in the forest
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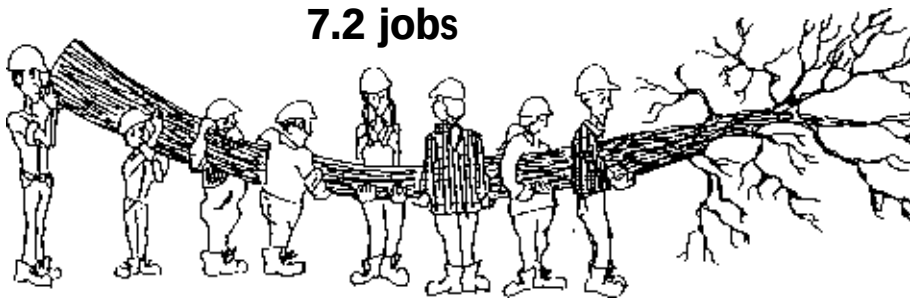
such as poplar and white birch — species that have a particular ability to grow on disturbed sites[3]. These "soft" hardwoods have traditionally been considered "weed species," rejected or ignored by the forest industry because their fibres are weaker than spruce or pine and are considered to be of much lower quality for wood products [see Fact Sheet #2 for details].

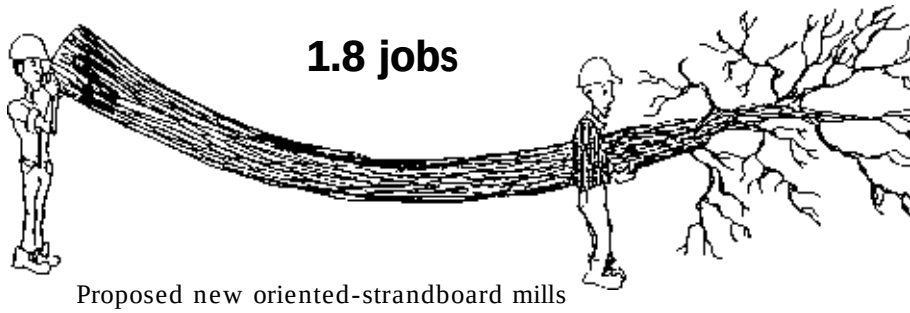
The decline in spruce forests after logging has forced a response from government and the forest industry. However, rather than strengthening protection for forest resources or the enforcing more sustainable logging practices, government and industry have shifted their attention to the potential of the province's newly identified "surplus of hardwood"[4].

The Ministry of Natural Resources (MNR) has actively encouraged the forest industry to retool its mills and introduce new technology capable of utilizing large amounts of poplar and white birch. The carrot for reorganization has been government allocations of huge volumes of timber to supply proposed new mills as well as to support the expansion or restructuring of some existing mills.

As a result of these incentives, Ontario is leading the country in new forest-industry investments[5]. In 1994, these investments totalled $800 million, with an additional $1 billion slated for new operations in 1995. Seven new or converted mills — all of which will consume primarily poplar and birch — have been approved for additional wood allocations in northern and central Ontario[6].



Particleboard and waferboard mills established before 1978



Proposed new oriented-strandboard mills

GERARD LOBO

Oriented Strandboard

New Pressures on the Forest

The mill developments currently under way include a variety of wood-processing operations — from veneer and plywood to specialty hardwood to medium-density fibreboard (or MDF, a construction panel board made by gluing together sawdust and other small wood fibres). However, the largest investments and the majority of the new wood allocations have been directed to the four mills producing oriented strandboard (OSB)[6].

OSB is a construction panel, similar to plywood, consisting of four layers of glued wood flakes. The flakes or strands are aligned lengthwise in the outside layers, crosswise in the two core layers and pressed into a panel, giving the panel the dimensional stability needed for flooring and sheathing. As a building material, OSB's primary appeal is its relatively low cost; it can be produced from small diameter trees and lower-quality wood fibre — including poplar and birch -which would otherwise have been rejected for commodity lumber or panel products[7].

Ontario's four OSB proposals (three new mills and one conversion) are expensive and highly mechanized. Though representing a short-term boom in employment (both in the mills and in plant construction), such "high tech" plants will consume enormous quantities

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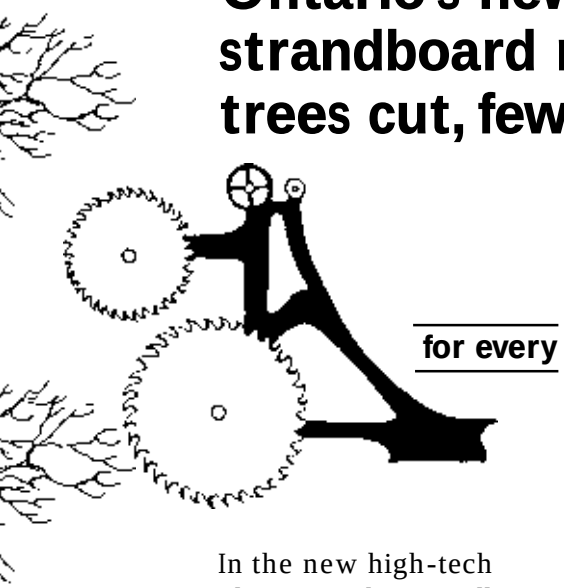
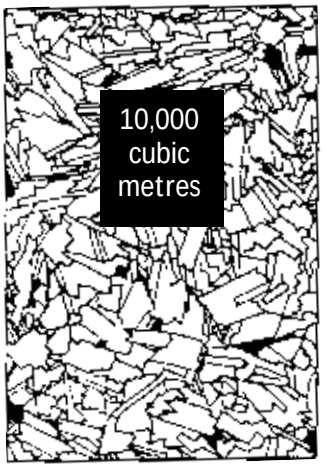
1. The State of Canada's Forests 1993. 1993. Natural Resources Canada/ Canadian Forest Service, Ottawa, Ontario.
2. Interim Report on Conserving Old Growth Red and White Pine. 1993. Old Growth Policy Advisory Committee. Ontario Ministry of Natural Resources. pg. 10
3. Hearnden, K.W. Millson, S.V. Wilson, W.C. A Report on the Status of Forest Regeneration. The Ontario Independent Forest Audit Committee. Oct. 1992.
4. Pearsall, K. Minister Promises Improved Use of Natural Resources Table. Faxed from MNR, Feb. 1995

Ontario's new oriented strandboard mills — more trees cut, fewer jobs





In the new high-tech plants, machines will cut the proportion of jobs to wood consumed by 75%.

of trees while employing relatively few people (see the chart on this page)[8].

"Surplus" Wood

Shaky Foundation for a Big Commitment

With no public review, the MNR has committed 2,345,000 m^3 in new annual allocations of poplar and birch to these OSB mills[6]. Yet the estimates of available "surplus" hardwood in the province are based on forest inventories that even Ministry reports have called often outdated, inaccurate and incomplete[9].

Throughout North America, OSB production has increased more than 700% since 1980, with 28 new OSB plants due to come on line between 1994 and 1996[7]. However, a 1994 report from Wood Based Panels International identified a growing global wood-fibre supply problem and questioned whether there would be enough available wood fibre to supply all of the existing, upgraded and new oriented-strandboard plants[7].

That same question has been raised by forest industry representatives at the provincial level. *The Logging and Sawmill Journal* reports that, " according to [Martin] Kaiser [Policy Manager of the Ontario Forest Industries Association] ... the [poplar] inventory was not particularly accurate. Now, there is the question of whether or not the amount of poplar the government says is there actually exists. There is a concern in some quarters that the government may have overcommitted the hardwood supply"[13]. The report further quotes Martin Kaiser: "From the standpoint of using the productive land base, [the MNR is] trying to get every last stick of wood out there into the mills".

The new mills' high fibre requirements will create powerful incentives to overcut the forest, while ignoring the impacts on soil health and on the plants and animals that are dependent on fully functioning forest ecosystems. Increased demand for wood also poses a major obstacle to completing a government-promised system of protected areas in Ontario — a system required to maintain the province's biological diversity. By utilizing small diameter trees and "weed" species, the new technology undermines industry's motivation for reversing spruce forest decline and introducing workable alternatives to unsustainable logging practices.

Overfishing our Forests?

In Ontario, wood cutting and processing technologies have been adapted to exploit the changing state of the province's forests — a situation that has grown out of mismanagement and overcutting. With the decline of the once-abundant spruce, the forest industry in Ontario is now turning its advanced technology to the processing of poplar and white birch, the equivalent of switching from fishing for now-scarce cod to fishing for turbot.

And while the species focus may have changed, the pattern con

continued next page

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7. In the Eye of a Panels Whirlwind. Wood Based Panels International. July 1994. ISSN: 0144-7238.
8. Ministry of Natural Resources. Ontario Forest Industry: Response to Request by the Wildlands League. March 21, 1995. Based on MNR Directory, Primary Wood-Using Industries in Ontario, 1988.
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Complete references available upon request

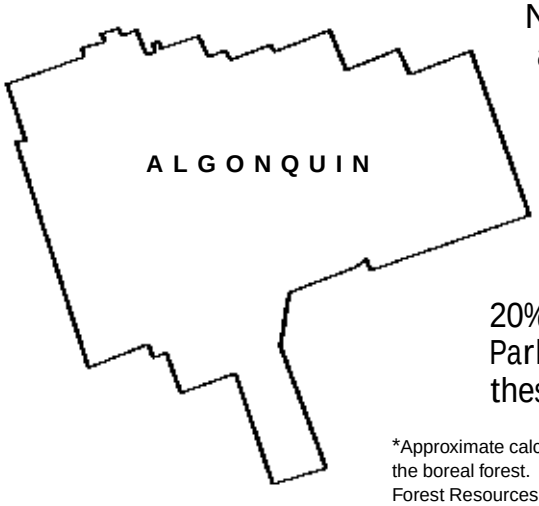
Overfishing our forests?

from page 3

tinues: a declining ratio of short-term jobs servicing an intensifying rate of wood consumption.

Canada's declining fish stocks are a good example of what happens when the technology of production grows beyond the ability of a natural resource to renew itself. Forests, like ocean environments, can fail if they are overexploited. If they do fail, the loss will be devastating — both to the economic survival of human communities who depend on the resource and to the richly diverse communities of plant and animal life that rely on fully-functioning forest ecosystems.

Unlike the cod stocks, there are still healthy forest ecosystems remaining in Ontario. The people of this province still have an opportunity to halt the "overfishing" of our remaining tree stocks. We still have a chance to demand input into how our valuable forest resources are allocated and to develop and implement sustainable alternatives for ensuring the future of our communities and our forests.



New poplar and birch allocations for Ontario's proposed mill developments total 3,040,200 m^3 per year.[6]

Over a 10-year period, a forest area 20% larger than Algonquin Park could be cut to supply these new mills.*

*Approximate calculations applying average site conditions in the boreal forest. Sources: MNR Normal Yield Tables; The Forest Resources of Ontario 1986; SFMM Method 1 Yield Calculator Spreadsheet, Boreal Version 2.1.

Produced by the **Wildlands League** through its Forest Diversity ◆ Community Survival Project, this series seeks to promote constructive dialogue between resource-dependent communities and forest conservation advocates (see Fact Sheet #1 for more details). We hope the information will be useful in developing economically sound approaches to forest stewardship in Ontario that can help to ensure sustainable economies and sustainable communities. Topics in this series will include:

- ***Jobs and production in the logging sector***
- ***Private/Public forest lands***
- ***Ontario's forests: Are they changing?***
- ***Economics of forest protection***
- ***Economic alternatives for sustainability***
- ***Alternative models for forest management***

Forest Diversity ◆ Community Survival is a project initiated by the **Wildlands League**, and financially supported by the Richard Ivey Foundation and Ontario Hydro. For more information, mail or fax this coupon.

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*The **Wildlands League**, an Ontario chapter of the Canadian Parks and Wilderness Society, has been working for more than 25 years to promote forest protection and sustainable forest management practices in the province.*