

3 COMMUNITY FORESTS AND VALUE ADDED ENTERPRISES

Harrop-Procter Community Forest – It's All About Local Values

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This is the third in a three-part series of stories on community forests and how they are supporting local value added manufacturing.

Part three tells the story of the Harrop-Procter Community Forest (HPCF) and their successful, values driven forest, to mill, to lumber operation.

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To learn more about Community Forests in BC please visit the BCCFA website at www.bccfa.ca

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THE HARROP PROCTER COMMUNITY FOREST

While each community forest reflects the individuality of their unique community, the Harrop Procter Community Forest (HPCF) is a shining example of management for community values. The independent, diverse rural community has long expressed concern for logging in consumptive use watersheds and industrial clear-cutting.

Since 1976, local citizens have been on the record calling for an alternative approach that culminated in the 90's with blockades and arrests over the building of a logging road into their watershed.

Today, many of the same people on the blockades are involved in the community forest, and are truly walking their talk.

The 11,300 ha community forest tenure, located on the west arm of Kootenay Lake, comprises 100 year old mixed forests, domestic watersheds and steep, sensitive terrain. The HPCF takes an ecosystem-based approach to management which is based on the principles of landscape ecology and conservation biology. From their beginnings

in 1999, HPCF took an approach to protecting water quality, wildlife habitat, old growth forests and structures, and biodiversity that restricted harvesting in many areas that traditional forestry would have considered operable. Additionally, certification of their operations under the strict Forest Stewardship Council (FSC) principles and criteria leverage the local social capital necessary to operate in the land surrounding the community.

They take direct responsibility for their operations with 100% of their planning, layout, and supervision conducted in-house.

The community forest is comprised of two organizations. The mandate of the H-P Watershed Protection Society (HPWPS) is general environmental stewardship, research, and education. Their role is to monitor the plans and activities of the community forest. The Harrop-Procter Community Co-operative (HPCC) holds the community forest licence and runs the business of the community forest. Harrop-Procter Forest Products (HPFP) is a subsidiary company of the HPCC.



David with large cedar log on mill

THE MILL

The 1999 business plan for the community forest included an emphasis on cultivation of local milling capacity. A small mill was already being operated locally and it was an inspiration for making more lumber available, while putting people to work. Today the HPFP is creating 6-7 jobs per 1,000 m³.

The mill is located on land owned by one of the members of the HPCC. Its operations focus on utilization of higher-value and unique logs from the community forest. Driven initially by idealism and naivety, according to HPFP manager Rami Rothkop, they have learned that a targeted approach yields better returns. The focus is on log supply for a finished product targeting cedar, pine and Douglas fir in specific sizes for their milling operation.

They are cutting timbers, trim, siding, flooring, decking, and panelling. Customers can select from kiln dried, rough sawn, moulded lumber (tongue and groove, etc) or smooth on all four sides lumber.

They work to ensure a good relationship with the local mills and have chosen to not attempt to compete with them on the commodity products such as 2x4s.

The operation includes 2 band saw mills, an edger, molder and a kiln. They also own a fork lift and delivery truck. A 2600 sq. ft. lumber storage facility was built in stages using local contractors.

The operation is run on electricity, except for the older, secondary band saw mill. Diesel generation is typical for these operations, but manager Erik Leslie says that electricity is better for them. All of their studies point to electricity being cleaner and lower cost, and the mill is also quieter than comparable diesel run operations.

Currently the mill is utilizing about 20% of the harvest from the community forest. Leslie estimates that the mill could probably do about 20-30% more output than it's doing now, so there's still some room for expanded sales, etc. They have bought some cedar from time to time, but 98% of what the mill cuts is from the CFA profile.



Erik, Kevin, David and Rami

LOCAL WORKERS ADD MORE VALUE

Local loggers are a critical part of the forest to mill to lumber process. They identify log characteristics and top size specifications that are well suited for the mill. The relationship between the mill and the loggers is based on mutual respect and dialogue. Regular debriefing of the operations points out what has worked and where improvements are needed.

Eric Martin, the mill yard manager, grew up in HP and is raising his family there. Eric works directly with the loggers to see that logs are

bucked to lengths for orders. The mill personnel works closely with the loggers. Sorts are set up in the bush. Logs are then resorted in the mill yard. Cutting is set up to maximize value and lumber recovery from each log.

The mill crew have all worked as carpenters, so they appreciate the value of a piece of lumber worthy for a building project and they have the capacity to regularly help customers with design and material estimates.

THE CUSTOMERS

Lumber sales go primarily to the local retail market, with some going to regional and wholesale markets. Local builders are 80% of their customer base - 50% are do-it-yourself builders and 50% are contractors. HPFP sales include some non-local sales.

They recently sent an \$80,000 order to an Albertan timber frame contractor. The buyer was of Austrian descent and was deeply impressed with the forest management approach after he spent a half of a day in the forest. Likely they have cultivated a return buyer.

FINANCIALLY SPEAKING

An \$80,000 grant from Columbia Basin Trust helped to purchase the equipment and has enabled the mill to operate with no debt. Given their business plan and priority to create local jobs and products, the mill is viable at a break even scenario. But they are doing better than that. In 2014 they conducted \$455,000 worth of business, up from 2013 sales at \$394,000.

Rothkop attributes the positive numbers to the quality of wood milled and to the level of customer service.

It was hoped that FSC certification would leverage a premium price and expand the market share for their logs and lumber. However, there has been little evidence of financial benefits from certification in sales. More recently, the family founded, medium sized Kalesnikoff mill has become FSC chain of custody certified and HPFP is their best source of FSC logs. The premium value from sales to Kalesnikoff are sufficient to cover the costs of certification for HP. Given the social license it has leveraged, FSC has been a worthy investment.

MILL WASTE

One of the greatest challenges in the lumber milling industry is waste management. At Harrop-Procter Forest Products all mill waste is used locally. Sawdust is hauled away to be used in horse arenas. A couple of local entrepreneurs collect the sawdust for use in their compost recipe. The slab wood is offered as firewood through a free ad in the local classified publication. Slabs are bundled and given to anyone who wants to pick them up for firewood.



Lumber on the ferry. Photo: Mulkey

IN SUMMARY

The Harrop-Procter community forest and mill creates a closed loop from forest to consumer. People in the community can make their lumber purchases without having to travel the ferry and drive the 30 kilometres to Nelson, the location of the closest retail lumber store. Deliveries are also part of the service. “I like the principles they use in management of the forest and Rami delivers to me. That is why I only buy from them,” reported Nelson based Vince DeVito.

Rothkop summarizes their management priorities this way –

“When challenged to choose between efficiency and their values, they measure success of the enterprise by their values.”

For more information on Harrop-Procter Community Forest and Forest Products go to www.hpcommunityforest.org/