

WSN Forestry Sector – Key Observations

Economic	
1.	The forestry sector appears to be improving since the economic downturn in 2007. In 2014 we saw a 5 percent increase in softwood lumber sales compared to 2013; with U.S. sales up by 11 percent, European sales up by 4 percent, while Asian sales fell. New high-efficiency mills are opening in northern Ontario to support emerging demands. Wood grinders, which produce material for biofuel, show a slow down in business with pulp mill closures in northwestern Ontario. The hardwood lumber industry continues to see low demand, so some mills are only running one shift.
2.	Stabilizing lumber prices have resulted in concerns over access to wood supplies and trucks to transport unfinished and finished products. Due to previously poor prices for product and reduced forestry sector activity over the past few years, there are fewer suppliers and trucks available. Reduction in mill and logging activity has created greater competition between contractors and resulted in reduced prices for a limited number of tenders. In positive news, Ontario announced \$60 million in funding over 2015-16 for the construction and maintenance of public forest access roads, which support forest harvesting activity.
3.	Increasing demand for wood products especially in the U.S. and Europe has created an opportunity for Canada to expand market share. Many countries are exploring new sources for a cost-effective supply to meet their current and emerging needs.
4.	The pulp and paper industry in Ontario has the highest power rates in Canada; the recent announcement of the Northern Industrial Electricity Rate Program in Ontario will help level the playing field. Uncertainty about the softwood lumber agreement is also affecting the industry's perceptions of the economic picture.
5.	Although the economic picture may look like it's improving, there are still challenges: remaining contractors have asked for increased wood prices; fuel prices continue to rise; difficulty finding labour to fill jobs left by experienced operators; finding contractors willing to invest in forestry to replace those who have left; and banks unwilling to lend money to a recovering industry.
Social/Demographic	
1.	The significant downturn over the past nine years has negatively affected communities with forestry as the primary local industry. With the current upturn, we see some increase in new employers entering the industry, and medium-sized firms show modest increases in the number of full-time employees. The industry continues to have a large number of senior, highly experienced workers. With increasing demand for workers, significant retraining will be necessary for the younger, emerging workforce. Language issues continue to create challenges for industry. Rate group 33B Tree planting is the only exception to this rule as it continues to draw young workers interested in short-term employment.
2.	Emerging employment opportunities in some communities, along with an increased demand for roundwood, and the introduction of new mills, has resulted in a demand for new or young workers. This creates an opportunity for WSN to provide services including orientation packages to assist firms in bringing workers up to speed quickly on health and safety requirements. Unfortunately a limited number of new and young workers choose the forest industry for employment. In many cases, skilled labour opts instead for higher paying jobs in the mining industry.
3.	After the lengthy economic downturn, new contractors began to enter the sector in 2014 and early 2015, creating an increased demand for training and for experienced workers with technical skills to operate newer equipment. Contractors also continue to see increased contractual demands as stakeholders expect them to develop and maintain their own health and safety program. This has created a corresponding increase in the use of third party auditing sources, such as WSN, to ensure requirements are being met.

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4.	Due to its uncertainty, the younger generation isn't interested in the forestry industry; companies may only hire for a limited number of months; this means a growing trend of workers who continue to work beyond age of 65.
Legal	
1.	<p>Provincial legislative changes introduced several new employer training obligations for workers and supervisors. These changes include: Working at Heights training for Construction Projects; Ministry of Labour (MOL) Mandatory Worker and Supervisor training; and Health and Safety representative training. WSN has kept the industry advised of these training requirements and provided necessary guidance, support and training in introducing these changes. Proposed legislative changes introduce updates to Joint Health and Safety Committee training requirements and workplace accreditation, and create additional opportunities for WSN to continue to be the provider of choice in the development and advancement of health and safety management systems.</p> <p>Legislation introduced in 2011 modernized the forest tenure and pricing systems and created opportunities for small northern communities and native communities, allowing them to gain more control over the allocation of forest resources. These changes negatively affected employers, their mills idled due to loss of access to wood allocations historically tied to these mills.</p>
2.	The Ministry of Training, Colleges and Universities (MTCU)'s provincial Forestry Tripartite Committee (FTC) is in discussions with MOL to consolidate Industrial Establishments regulations. Currently Industrial Establishments regulations 104 to 106 training certification requirements are being scrutinized with a goal of creating one simplified regulation. In summer of 2015, FTC will meet with MOL to discuss potential changes to streamline and simplify this reference information.
Technology	
1.	The opening of tight lumber markets in 2014 may allow forestry operations to cautiously expand while maintaining a tight control on costs and efficiency. This may allow for selected new key equipment purchases while maintaining current equipment in good repair. Some new harvesting equipment has onboard (GPS) navigation systems for greater efficiency.
2.	Increased demand for biofuels and landscaping materials has created new markets for logging and milling activity by-products. This has opened up opportunity for new technology to enter the forest operations, including the use of wood grinders.
3.	The emerging biofuels industry has resulted in a number of proposals for the development of pellet plants throughout Ontario. As most of these plants are currently in the proposal stage, the construction and ramping up of the plants will be based on consumer demand. The Atikokan OPG operation has been the first on stream.
4.	The changes to trailers and haul trucks with the SPIF (Safe Productive Infrastructure Friendly) legislation through MTO will take effect in 2015, with a five-year phase-in period. This could affect as many as two out of every three haul trucks and result in a significant reduction of available trucks and trailers, which would have a major impact on the industry.
Health & Safety	
1.	Injuries continue to decline overall within the forestry sector. The logging industry represents 27 percent of the forestry sector workforce however it accounts for the highest percentage of total injuries at 47 percent. Lost-time injury claims within the forestry sector showed the logging industry's "Contact with objects and equipment" as the highest instance of workplace injury, exceeding all other injury types including musculoskeletal disorders

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	(MSD). The sawmill sector saw “Falls” move ahead of “Contact with objects and equipment” at 27 percent of all workplace injuries, second only to MSDs which remained high at 35 percent of injuries. MSDs are consistently the most frequent injury type for all forestry sector rate groups except logging.
2.	Newly revised Safe Workplace Ontario (SWO) and Small Company programs for medium to small business were introduced April 1, 2015. Promoted beyond the forestry sector, these programs have been adopted by most Sustainable Forest Licence holders throughout northern Ontario to help contractors meet health and safety requirements.
3.	Although vehicle-related incidents are less frequent in forestry rate groups, the severity of these incidents remains extreme. Between the logging and silviculture rate groups and including a schedule 2 employer, the forestry sector has experienced a total of eight fatal incidents in the last six years.
4.	With the anticipated increase in production activity through 2015-2016, WSN expects increased demand from firms for help with training and program development for orientation of new and young workers.
5.	Industrial illness in the forestry rate groups continues to be primarily: noise exposure and respiratory reaction to wood dust in mill applications; exposure to vibrating tools and equipment is also an issue.