Ready for the UPTURN

With increasing demand for wood products, Nova Scotia’s Consolidated Forest Owners Resource Management (Conform) stands ready to meet an increase in activity in the woods, with its high level harvesting and forest management services.

By George Fullerton

Increasing market demand for wood products is improving the prospects for Conform (Consolidated Forest Owners Resource Management), a forest management company located in the Musquodoboit Valley east of Halifax, Nova Scotia.

Conform was established with 15 shareholders in the late 1970s, providing woodlot management services and aggregate marketing capacity for the group. The business operates out of their headquarters in Middle Musquodoboit, serving shareholders and doing contract work in a geographic radius of 35 to 40 kilometres.

Over the past eight years, Conform shareholders, along with other regional woodlot owners, had reduced their harvesting and management activities, as the lumber business slowed considerably and mills across Nova Scotia cut back on production, many closing permanently.

But Conform General Manager Ed MacDonnell says the demand for wood products has increased in the last several years, and mill production has picked up markedly. As a result of the upturn, shareholders and other woodlot owners are looking for woodlot services and putting more wood on the market. MacDonnell says Conform is ready to serve the improving market, and they have the talent and the technology to meet the demand.

Conform’s forest management and harvesting kit includes John Deere 1070 and 770 harvesters, an eight wheel TimberKing 458 forwarder and a four-wheel Fabtek 344LB forwarder. In addition, it has a crew of up to five chainsaw operators handling unique silviculture needs and a pre-commercial thinning crew operating from March through to the beginning of snow season, sometime around Christmas.

Conform recently underlined the sense of optimism in the industry by taking delivery of a new double tandem Western Star truck, complete with loader and tri-axle pup.

MacDonnell said the John Deere harvesters provide proven versatility and performance. “The 770 is a smaller thinning harvester which is targeted to commercial thinning dominated by smaller diameter stems. The 1070 is a bigger, more powerful machine and is directed to either thinning or final felling with larger diameter trees.”

Conform’s chainsaw crew runs with at least three operators in summer, and typically increases to five operators for the winter season.

“We direct the chainsaw crew to primarily harvest blocks with a lot of big hardwoods. hardwoods are difficult for harvesters to handle because of size, weight and large spreading crowns and we find our chainsaw crew handle those sorts of operations very effectively,” said MacDonnell.
During the industry slowdown, Conform had cut back their operation to match demand and rotated only three operators through the four machines, operating on a single shift basis. Since 2013, all of the machines have been operated simultaneously, on single shift, with the forwarders adding to their regular shift schedule if wood needed to be cleaned up.

Commenting about the transition to mechanical harvesting, MacDonnell said: “Mechanization was a necessity. A lot of our operations are partial cuts, carrying out some sort of silviculture where a lot of low grade, small diameter wood is produced. Practically speaking, it is very challenging for a chainsaw operator to make a living in that type of wood.”

Since its establishment in the 1970s, Conform has expanded their shareholder base to around 200 landowners which represents some 40,000 acres.

Harley Redden was the first Conform general manager, beginning in 1977, and is credited as being a key force in establishing the organization. When the time came for Redden to retire, Keith Elwood, who had worked as a forester for Conform, stepped into the general manager boots.

At the end of Elwood’s tenure in 2013, Ed MacDonnell came to the general manager position and brought with him a strong background in forestry and years of experience as a mechanical harvesting contractor. MacDonnell graduated from Maritime Forest Ranger School in 1993, and after five years working for DNR, began managing silviculture for Ledwidge Lumber. He later did contract commercial thinning for Ledwidge with a Valmet tractor equipped with an Arbo head. Following Hurricane Juan, he upgraded to a Daewoo excavator conversion, with a Viking head, and later upgraded again to a John Deere 2054 harvester with Waratah head.

MacDonnell says that Conform’s high standards for harvesting and technical forestry services continue to attract new shareholders. New members buy a share in the company and agree to put a minimum of fifty acres of woodlands under management, which includes preparation of a woodlot management plan.

“We are seeing a number of second generation shareholders who have inherited woodland and are continuing their family’s relationship with Conform. It seems that a good portion of the new generation of woodlot owners have less hands-on connection with woodlot management, but they understand the values associated with the woodland and want to continue to have it well managed and productive,” said MacDonnell.

The landowner has final say on what activities will be carried out on their property, he added. “When a harvest is scheduled on any property, including contract harvesting for non-shareholders, a detailed operating plan is developed and agreed to prior to any work getting started.”

The plan includes detailed maps of the operating area, condition of roads pre- and post-harvest, condition of the timber, stumpage prices to be paid and a stated time period in which the harvest will take place. The operating site is also flagged, to identify watercourse buffers and any special features or reserves in the operating area.

Conform offers either a full-suite harvest and silviculture contract or it may handle only one or two aspects of a harvest or silviculture operation. For example, a woodlot owner may wish to cut their own wood, and contract Conform to forward wood to roadside. Conform also contracts forestry services to non-shareholders in their operating region.
MacDonnell explained that their mandate is to provide good service to shareholders and to woodlot owners or other businesses they contract with. That philosophy extends to Conform’s Dresser road grader, which is primarily used to maintain the roads of shareholders. But it also contracts the machine out to other woodlot owners for road maintenance and in 2014, it was contracted out to do snow plowing for Northern Pulp operations.

Silviculture is an important piece of the total forest management picture, says McDonnell.

“We encourage landowners to direct wood to markets that give best value, and silviculture must be included in that equation,” he explained. “Different mills have different silviculture focuses, so we juggle the different support from different mills to do the specifically desired silviculture that the landowners want done on their land.”

Destination mills include Port Hawkesbury Paper, Taylor Lumber, and Ledwidge Lumber. Conform also supplies some hardwood to an export chip plant and low grade roundwood is delivered to the Scotia Atlantic pellet mill in Musquodoboit. Conform also maintains a strong working relationship with the Association of Sustainable Forestry which funds (Category 7) Acadian Forest - partial cut silviculture that supports multi-age/multi species type management.

“Marketing low grade wood is critical to our capacity to carry out good silviculture. Conform has competitive markets for low grade wood from pellet and pulp producers, in addition to a regional eight foot fuel wood market,” said MacDonnell.

“The fuel wood market has been very strong, and we have been marketing around 1000 cords. But in 2014, with the increase in overall harvest activity, we may increase fuel wood production towards 2000 cords.”

Conform continues to be directed by a seven member board of directors, elected by shareholders at their annual meeting. All shareholders are supplied a package in advance of the AGM reviewing the past year, financial statements and issues for discussion and decision.

MacDonnell says that in addition to guidance from the board, he also relies on the knowledge and abilities of field supervisor Brett Decker, and office manager Karen Miller, both of whom are long term Conform employees. John Westalla, a forest technology graduate from Sir Sanford Fleming College, came on board this year, and takes on forestry duties including updating woodlot management plans and mapping.

While MacDonnell enjoys the benefit of guidance from the management and administrative team, he says it is the people in the equipment seats and on the saws who meet the clients in the woods—and carry out the demanding, technically challenging work—that keep Conform a progressive and profitable forest management company.

John Tilley is a farmer and woodlot owner living in Middle Musquodoboit, and has been a member of Conform since the 1970s and a director for the past eight years.

“All Conform was built on the concept that the company would be profitable, and own equipment and provide services to its shareholders,” said Tilley. “The founders were a very entrepreneurial and innovative group of individuals. They knew hard work, and had made their living from the woods and farming.”

Tilley explained that the company grew slowly and cautiously over the years, but always adapted to changes in industry and technology. While they were profit driven, the shareholders were also guided by deeply held stewardship values. He
said that while clearcutting might be considered a route to maximizing profits, Conform members very early on recognized it was not the way to go in every instance.

“With certain stand conditions, and situations such as the aftermath of Hurricane Juan, clearcutting is clearly the right harvest choice,” said Tilley, adding that with diverse forest stands and conditions, landowners have many choices for harvesting and silviculture. He went on to commend Conform’s talented staff and commitment to providing good forestry.

“We have a great staff, whether meeting them in the office or working with them in the woods.”

Looking to the future, Tilley is convinced that quality wood products will drive profitability, but also recognizes that low quality wood products make up a significant part of the product mix. As such, he recognizes the need to support a mix of wood-using industries in the region. He adds that it is a responsibility of government to develop policy in the drive toward quality, and to support silviculture investment by woodlot owners.

While Conform continues to change and adapt, John MacDonnell says one thing remains consistent, and that is the AGM agenda. “The financial statements and the bottom line are critiqued thoroughly. We might see cash down, but the equipment assets will be up because we are investing in providing services. We are investing to serve our shareholders and maintain profitability.”