



## Toughing it out

**A resilient Manning Diversified Forest Products has toughed out the downturn in lumber markets, but the company believes the real opportunity going forward could be in bio-energy, which would help Alberta's forest industry to be more competitive.**

*By Tony Kryzanowski*

There's no questioning the tough spirit of management and employees at Alberta's Manning Diversified Forest Products (MDFP) who despite their distance to markets, have survived the recent industry downturn for softwood lumber and are eagerly awaiting what the bio-economy might bring for new opportunities.

"We're still here," says co-owner and mill general manager, Real Arseneault, with a note of resolve and pride. The softwood dimension sawmill located an hour north of Peace River started with nine shareholders about 17 years ago, and now has five shareholders. In addition to Arseneault, the owners include the Paddle Prairie Metis Colony, Alphonse Decant, Steve Kaufman, and Robert Schmidt. Kaufman is based in Vancouver, and has handled lumber sales for the sawmill since it opened.

MDFP produces between 90 and 95 million board feet of lumber annually, consuming about 350,000 cubic metres of softwood, consisting of about 75 per cent spruce and 25 per cent pine.

Over the years, the company has produced a variety of products depending on demand. They have produced anything from 2 x 4 to 2 x 12 in 16 foot lengths and are able to produce those large dimensions because their logs are quite large, averaging 2.5 trees per cubic metre. They also pull specialty products like 2 x 6 laminate stock for producers of glulam, as well as J-grade, and square edge lumber. The company even constructed a building where it primed and painted fascia that was produced in the sawmill. It has also dabbled in decking, trusses, truss components, and fence boards. But distance to market made it difficult to compete with remanufacturers for these products. At present, the company's highest volume product is 2 x 6.

Arseneault says what has really helped the sawmill remain competitive is its short log haul distance. That's why the sawmill was built in the town of Manning in the first place. The average haul is only 50 to 60 kilometres to the mill.

A recent major focus has been on harvesting wood infected by the mountain pine beetle, which has shown up in the area despite the high northern latitude of the sawmill's forest management area. Due to climate change, the beetle is showing up in areas where it has never been known before and its appearance in the Manning area is evidence of that.

Among the biggest challenges for the sawmill is the distance to market. MDFP has marketed its wood into several markets over the years, at one time shipping considerable amounts to Japan. More recently, they were shipping 70 per cent to the United States, but with the downturn in building construction in the U.S., the company now markets most of its wood in Canada, with a small amount going to China. They are testing the Chinese market with different products, and believe that there is potential for sales growth there.



Serving the Canadian market offers many advantages to the sawmill. “People like the quality of our wood and freight-wise, it is cheapest for us to stay as close to home as we can,” says Arseneault.

While he is pleased that the company has survived the worst of the downturn, he’s realistic about the future.

“I think it is going to be a really slow recovery,” he says. “I’m worried because the United States economy seems to be getting worse all the time and there may be no market after a while, period. There are still too many mills for the required lumber supply. There is not a lot of money going to be made in the lumber industry for a while but I think we will survive. That’s why I think we need to diversify a little bit.”

Arseneault believes that the real opportunity is in bio-energy because it would help the forestry sector, and help to project more of a green image for the province.

“An energy system can be a big part of the forest industry and if we intertwine all of our operations, I think we will be much more competitive,” Arseneault says. “We have all the resources in Alberta that we need, but we have got to get out there and start doing it. The forest industry can really help Alberta go green.”

MDFP has a number of long term employees and everyone has pitched in to help the sawmill survive. Overtime has been minimized among the 110 employees, and consequently, there has only been about a 10 to 15 per cent reduction in staff. Although Manning is a strong farming community and there is oil and gas activity in the area, the sawmill is an important contributor to the local economy. Logging also contributes about 100 important seasonal jobs to many local farmers.

The sawmill operates a small log line and a large log line, with the small log line running on night shift four days a week and the large log line running five days a week on day shift. The break point between the lines is six-inch diameter logs at the butt.

Originally, the sawmill operated with a single breakdown line, which featured some of the most advanced technology at the time. The heart and soul of the line is Swedish technology featuring a CSMI mechanical curved sawing system, which is now part of the USNR stable of products. Dealing with electronics, a scanning package and maintenance manuals written in Swedish has always represented a challenge for the sawmill, particularly when technical support is needed and it is day time here and night time in Sweden. However, the system continues to work well after more than 15 years in operation.

While all capital expenditures are on hold for the moment, MDFP has upgraded its equipment and expanded its capacity since that original installation. Among the first major installations was the small log line in 2000 featuring a HewSaw breakdown unit, and a new dry kiln because of the extra production from the small log line.

“We need fewer people to run that line, which helps us cost-wise,” says Arseneault. “Plus, we make a better product out of the small wood than we used to.”

In 2003, the planer line was automated to flip the green lumber mainly because of work-related shoulder problems being experienced by the graders. An automated Newnes lumber trimmer, sorter and stacker was also installed at that time.



“This mill is in pretty good shape because we have invested a lot of money back into it,” says Arseneault. “I don’t let the mill get run down. Some of the equipment might be old, but it is in good shape—and we want to make sure we keep it that way.”

The large log line starts with a 27” Nicholson debarker leading into the mechanical CSMI curved sawing breakdown unit that features twin band saws, a canter that processes the remaining two sides, and then a bull edger that uses a mechanical process to produce straight lumber. The boards are then processed through one of two PHL board edgers equipped with Autolog scanning systems and then into the trimmer, stacker and sorter system.

On the small log line, the logs are debarked through a Nicholson 17” debarker and then processed through the HewSaw and the PHL board edgers, merging with the back end of the large log line at this point.

The lumber is dried in three Wellons dry kilns, and then finished at the planer mill, which features a Waco planer and Gemofor moulder.

At the moment, MDFP is making use of some of its residual wood products, and would like to make better use of them in the future.