Enhancing Canada's forest fibre

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In January 2009, leading thinkers from government, industry and academia joined together in Vancouver for the National Workshop on Enhancing the Economic Value of Canada's Forest Fibre to discuss how to better use Canada's forest fibre. At this workshop, 3 key messages surfaced: 1) there is agreement in the forest sector that value should be prioritized over volume; 2) Canada's research institutions are succeeding in adding value at each stage in the forest product value chain; and 3) the Canadian forest sector will succeed if a common and unified message is developed and broadcast that highlights its successes.

Although factors such as the downturn in the economy and biological infestations have recently been garnering media and government attention, the 3 messages highlighted above remind us that the forest sector is capable of continuing down the path of resiliency and reinvention to meet changing market needs. Focusing on the actions contained in these messages will not only help the Canadian forest sector maintain its position as a global forestry leader, but also to enhance it—a message worth celebrating.

1) Raw Material: Shifting From Volume to Value

The yardstick is moving on the value argument; there is now a collective understanding—from industry, academia and governments—of the necessity to concentrate on value over volume. The next challenge to overcome is how to adapt our forest management systems to meet this new paradigm.

Canada's forests are known internationally for their superior quality, and yet currently, its fibre is competing economically in volume-based markets. If the Canadian forest sector is to continue to be a global player in the forest products market, it must capitalize on those factors which make Canadian fibre unique—such as fibre strength and length—and market them at a premium. At the same time, it must avoid volume-based markets (in which growth rate is the driving factor)

since southern countries, like Brazil and New Zealand, will be able to easily outperform Canadian growth rates.

To transition towards the value paradigm, it is important to understand what Canadian fibre attributes matter, how they vary across species and geography, and how to locate them with inventory systems. Once this information is available, Canadian firms will be able to facilitate access to niche markets that value unique attributes, and develop new products that use these attributes. However, identifying these attributes is not simple. For example, despite the known imperative to seek value from our fibre, there is a gap between what wood and pulp experts regard as the most important attributes of our fibre. It follows then that marketing key characteristics on the world wood and pulp markets is difficult.

2) Transformation: Optimizing the Value Chain

The key to implementing the value paradigm is to optimize the forest product value chain. Value chains are used to conceptualise how resources are turned into market products by examining all the services and steps along the way in order to get the highest value at each stage. Optimizing the value chain, however, can be extremely complex. Canada's research institutions are working together to manage this complexity by pursuing strategies that add value at each stage in the forest product value chain—from developing mechanisms to derive a higher premium for Canadian fibre to developing specialised services and products.

More specifically, to optimize the value chain, industry, academia and government must invest in research around attributes, products, markets and services to ensure functionality, price and supply along the value chain. It is important to research new markets and to develop value-added products to ensure that products are being tailored to meet consumers' existing and future preferences and requirements. Next, it is important to direct attention on extraction techniques and government policies to ensure that optimal conditions exist to encourage industry to get the highest price for the product, and to ensure that the entire log is being used in production. Finally, it is important to start at the beginning of the value chain to examine the inventory and silvicultural practices that lead to high-quality fibre.

3) Marketing: Creating a Unified Message

While turning towards a value paradigm and optimizing the value chain will promote success, developing a common and unified message about the positive future of forestry will attract investment. Investment and innovation are attracted to enthusiasm; so rather than deliberating the problems that have been recently faced by industry, the forest sector must develop new products and market opportunities, and assess

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and market the increasing prominence of wood fibre in our daily lives. By promoting innovative wood uses, fibre could be to the 2010s what plastics were to the 1960s.

Acknowledging this prominence of wood fibre is the first step in creating a unified image. Like the agriculture sector, the forest industry must present an image to investors that focuses on the modernity, teamwork and innovation that has allowed forestry to flourish. Concurrently, the forest sector must celebrate its world class researchers and research institutions, and create a balanced and forward-looking research strategy that addresses today's problems, while also seeking opportunities to solve tomorrow's issues.

Moving Towards the Future

By understanding the variability and value of our raw material, transforming it into superior products and services that respond to market demand, and procuring investment by focusing on the positive future of the forest sector, Canada will not only maintain its position as a global forestry leader, but enhance it. While there is still an enormous amount of work to be done, fundamentally, most will agree that our assets and opportunities are incredible. Canadian wood fibre has distinct advantages, and with superior fibre and strong researchers, the opportunities to reposition the Canadian forest sector are boundless.