

Herald Business

Market Watch

DOLLAR
\$0.0008
\$0.8121 US

EURO
\$0.0022
\$01.3520

POUND
\$0.0011
\$1.9049

GOLD
Closed

SILVER
Closed

OIL
Closed

GAS
Closed

S&P/TSX
13.36
15,187.40



Nova Star ferry
gets second chance
to prove worth

B2

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Foresters in northern Nova Scotia are warning that the loss of Northern Pulp would devastate their industry. Pictured are Mark Bannerman and Calvin Archibald of Next Generation Forest Management Ltd. AARON BESWICK • Truro Bureau

Foresters urge survival of pulp mill

Northern Pulp closure seen as fatal to province's forest industry

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There was free fried chicken deep in the woods on McLellans Mountain on Monday.

The chicken came with the brand new \$450,000 forwarder delivered to Next Generation Forest Management Ltd.

The eight-wheel-drive machine, which picks up logs cut by a harvester and delivers them to tractor-trailer trucks waiting at roadside, is the third new purchase by the Pictou County forest management company.

"If I'd known when we ordered what was going on now, I might not have bought it," said company founder Calvin Archibald.

Archibald was referring to the impasse between the provincial government and Northern Pulp over the kraft pulp mill's industrial approval.

The five-year industrial approval issued by the province this spring demands that the Boat Harbour effluent treatment site used by the mill — but owned by the province — be shut down by 2020. As well, there are demands for the mill to decrease its water usage and the amount of waste water it produces.

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Andrew West
Forester with H.C. Haynes Ltd.

invested in upgrades at the mill, such equipment modifications will not achieve the requirements of the approval," reads an appeal of the industrial approval filed by the mill and released under a freedom of information request.

"The approval, therefore, essentially prohibits Northern Pulp from operating the current mill."

Clean Pictou Air, a group of concerned citizens, has also appealed the industrial approval, saying it doesn't go far enough.

Meanwhile, the forest industry of northern Nova Scotia is watching with bated breath.

"I'm very concerned," Andrew West said of the possibility that Northern Pulp's parent company, Paper Excellence Corp., may pull up stakes in Pictou County.

"If they were to shut down, log

prices drop immediately, pulp prices would crash and land prices would drop 30 to 50 per cent."

West, based in Truro, is a forester with H.C. Haynes Ltd., a Maine forest-wood broker and wholesaler.

The fear in the forest industry, said West, is that if Northern Pulp, environmental groups and the province remain at loggerheads, then mill owner Paper Excellence may decide it's not worth continuing to invest in a nearly 50-year-old mill.

And if the mill closes, West warns that much of this province's forest industry would go with it.

Since Bowater Mersey closed a few years ago, there are only two destinations for pulpwood in Nova Scotia — Northern Pulp and Port Hawkesbury Paper.

But Port Hawkesbury Paper, which produces high-quality glossy paper, requires almost entirely fir and spruce. Northern Pulp, which produces kraft pulp — a strengthener used in many paper products — also buys rotten wood and species such as hemlock, pine and poplar.

All these species often grow together in mixed stands, said West, and in an industry with tight margins, buyers must be found for all the products.

"If Northern Pulp closed, you'd see at least two of the major sawmills in this province shut," said West.

"And the ones that remained would have a problem."

Back on McLellans Mountain, Archibald's 10-man crew was cutting for Northern Pulp.

"If the economics were good, we'd have competitors," said Archibald.

Next Generation has been buying second-hand gear from contractors who have been getting out of the industry since the 2008 world economic downturn caused lumber and pulp prices to tank.

With the recovery of the American housing market and increasing demand for paper products in Asia, demand is recovering across the board for forest products.

But so many harvesters got out

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during the hard times that now there is a shortage of harvesting capability compared with market demand and what the Natural Resources Department says can be cut annually.

"What many in the general public don't seem to understand is

that we provide good jobs in areas that need them and contribute to the provincial government through stumpage rates and the taxes we pay," said Archibald.

"This is an industry that has a lot of opportunities for the future. We wouldn't be investing in it if we thought it didn't."

But that future in Nova Scotia requires Northern Pulp, he said.