

Yukon Wood Products Industry Overview

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Appendix I: Telephone Survey Instrument

I. Background

Responsibility for the administration and management of the Yukon's forest resources was transferred from the Government of Canada to the Government of Yukon on April 1, 2003. With newly achieved local control over all aspects of the forest resource, the range of potential development opportunities for Yukon's forest industry has increased significantly. One such opportunity is the expansion of the Yukon's valued-added wood products industry.

A wood products industry is already well established in the Yukon. For example, value-added wood products produced in the Yukon include log homes, roof trusses, cabinets, core sample crates, pine flooring, willow furniture and fuel wood. With Yukon-sourced wood fibre available only in fits and starts during the pre-transfer period, the wood products industry has made use of fibre from sources outside the Yukon. The potential for an improved supply of Yukon-sourced wood fibre presents an opportunity for new Yukon wood products businesses to start up and existing businesses to expand.

Wood products industry business start-ups and expansion will require new investment. Decisions to invest in the wood products industry will necessarily be made on the basis of up-to-date and accurate industry information. To date, however, the scale and scope of the Yukon wood products industry has not been described in a comprehensive manner. Accordingly, the purposes of this project are to undertake a survey of existing Yukon wood products industry members and, on the basis of the survey data, to formulate an overall assessment of the dimensions of the existing Yukon wood products industry.

2. Methodology

The primary methodology employed in the project was a structured telephone survey of existing Yukon wood products industry members. A list of potential survey respondents was assembled, with assistance from an experienced journalist, from a variety of print sources including:

- Yukon Business Directory - Department of Economic Development, YTG
- Northwestel Telephone Directory
- Yukon Phone Directory
- Yukon News
- Whitehorse Star
- Cranberry Fair Exhibitor List
- Art Adventures on Yukon Time Directory

The following organizations were also contacted by telephone and asked to identify potential wood industry members from among their constituencies:

- Dawson City Chamber of Commerce
- Watson Lake Chamber of Commerce
- Village of Haines Junction
- Dana Naye Ventures
- Nacho Nyak Dun First Nation
- Ross River Dena Council
- Council of Yukon First Nations
- Teslin Chamber of Commerce
- Whitehorse Chamber of Commerce
- Department of Tourism and Culture
- Dawson City Arts Society
- Selkirk First Nation
- Teslin Tlingit Council
- Haines Junction Chamber of Commerce

The near-final contact list was cross-referenced with Forest Management Branch permit information in an effort to identify additional potential respondents. The survey was carried out on subcontract to Vector Research. Standard telephone survey protocol was observed. Confirmation that the survey responses would be kept confidential was provided. The survey was conducted over a fourteen day period running from December 2, 2004 to December 15, 2004. A copy of the survey instrument may be found in Appendix I of this report.

A total of 113 potential survey respondents were identified. By design, the 'net was cast wide' to try and ensure that all possible industry members were included. Out of the 113 potential respondents, surveys were completed for 50 businesses.

Out of the 63 remaining potential responses, 8 businesses were found to be ineligible for the survey as the business does not make products out of wood.¹ For another 14, working contact numbers did not lead to successful contact. Within this group, as long as hope of successful contact remained, telephone numbers were attempted no fewer than 10 times. Five respondents declined to participate in the survey or to be included in the directory.

For the remaining 26 potential respondents, either no telephone number could be found, the business was not operational in the last 12 months (or was no longer operational altogether) or the business was found to be a duplicate of a business appearing elsewhere on the contact list. The survey populations are summarized in Table I on the following page.

¹ Note that while a business may be involved in the retailing of wood products made outside the Yukon, unless they are also involved in the making of one or more wood products they were not considered eligible for the survey and correspondingly were not included in the 2005 Yukon Wood Products Industry Directory.

Table 1: Yukon Wood Products Industry Survey Populations

No.	Survey Population Type
50	completed surveys
14	contact not successful
5	refusals
6	no listing per directory assistance
5	business not operational in last 12 months
1	business not operational in last 12 months/requested directory listing
9	no longer in business
5	duplicates
18	ineligible for survey (business does not make products out of wood)
113	total potential respondents

A directory of industry members has also been assembled as part of this project. The directory includes business contact information and type of wood products produced for the 45 survey respondents who indicated that they would like their business listed in the 2005 Yukon Wood Products Directory.

3. Survey Findings

This section of the report presents the findings of the Yukon Wood Products Industry telephone survey.

Product Types

Table 2 demonstrates the diverse range of wood products currently being produced in the Yukon wood products industry. The survey data indicates that the top three product types are furniture, millwork and cabinets. Seventeen businesses produce furniture, 12 businesses produce millwork and 12 businesses are involved in the production of cabinets.

Table 2: Number of Wood Products Businesses by Type of Product

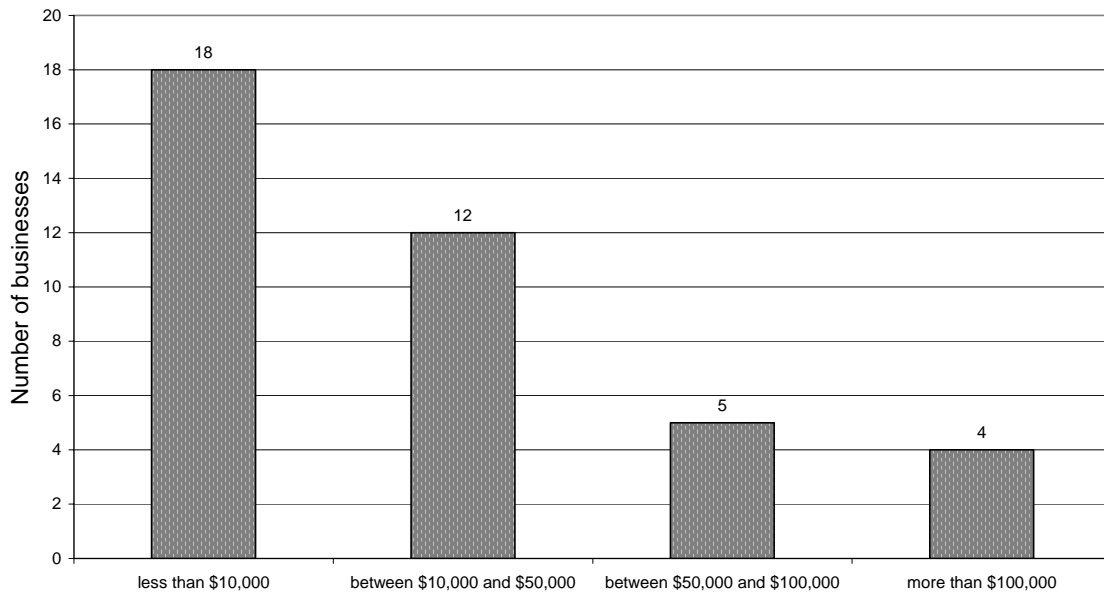
Type of Product	No. of Businesses
furniture (household, commercial, institutional, outdoor)	17
cabinets (kitchens, countertops)	12
millwork (moldings, cladding, flooring)	12
engineered wood products (trusses, log homes, prefab buildings)	9
log products (firewood, beams, railway ties, posts)	7
remanufactured products (custom sawing, paneling)	5
craft products (turned items, sculptures, holders)	6
lumber (dimension and rough sawn)	5
containers (core boxes, flower boxes)	3
other (boats, snowshoe repair, instrument repair)	5

Note: The number of wood products businesses sums to more than 50 (the number of survey respondents) since the same business can produce more than one type of wood product.

Value of Wood Inputs

Survey respondents were also asked to identify the total value of the different kinds of wood (from both Yukon and non-Yukon) sources used to make wood products during the last 12 months. A total of 39 businesses responded to this question. As shown in Chart 1, slightly less than half (46%) of all businesses who responded to this question reported using less than \$10,000 worth of wood. Twelve businesses reported using between \$10,000 and \$50,000 worth of wood and five businesses reported wood input values ranging between \$50,000 and \$100,000. A total of four businesses reported using more than \$100,000 worth of wood inputs in the last 12 months.

Chart 1: Total Value of Wood Used to Make Wood Products in Last 12 Months

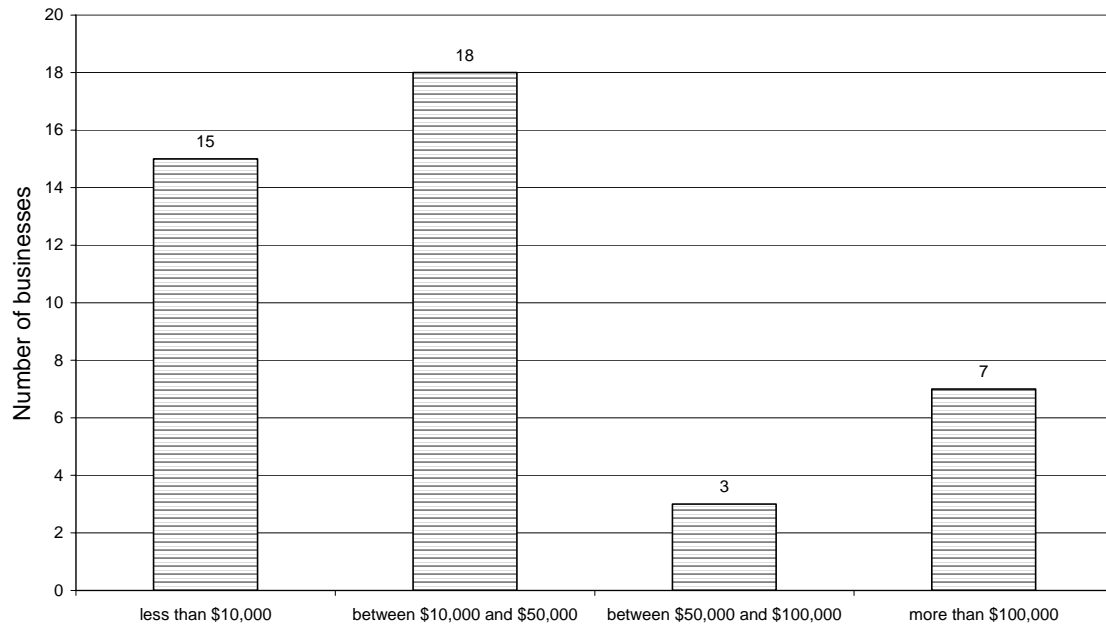


Note: Total number of businesses reporting for this question = 39.

Value of Wood Product Outputs

A total of 43 businesses responded to a question asking for an estimate of the total value of wood products sold by their business during the last 12 months. As shown in Chart 2, slightly more than a third (15) of businesses responding to this question reported sales less than \$10,000. Eighteen businesses reported sales ranging between \$10,000 and \$50,000 and three businesses reported sales of between \$50,000 and \$100,000. A total of seven businesses reported sales of more than \$100,000 during the last 12 months.

Chart 2: Total Value of Wood Products Sold in Last 12 Months



Note: Total number of businesses reporting for this question = 43.

Use of Yukon Wood

Survey respondents were asked to list the different types of wood they used in the last 12 months, how much of each type of wood was used in the last 12 months and what percentage of each kind of wood was Yukon grown. A total of 31 (or, 65%) respondents indicated that they used at least some amount of Yukon wood (spruce, pine, poplar/aspen, birch, larch, alder and willow). Seventeen respondents (35%) did not use any amount of Yukon wood in the production of wood products.

It is interesting to note that businesses typically reported sourcing a particular type of wood from either Yukon sources or outside sources but not both. For example, if a business reported using spruce as an input to the production of a wood product, all of the spruce used would be secured from a Yukon source or an outside source.

While respondents were readily able to indicate the different kinds of wood used and whether the wood was Yukon grown or not, responses to the question asking for estimated volumes (using their usual unit of measure) were much less forthcoming. Usable responses for estimates of wood volumes were received from only 15 of 31 potential respondents. As a result, the scope of analysis related to volumes of Yukon wood is quite limited.

Table 3 presents the estimated volumes of Yukon-grown wood used to make wood products during the 12 months preceding the time frame of the survey. Given the low response rates for the estimated volume question, the figures shown in Table 3 should be used only for illustrative purposes.

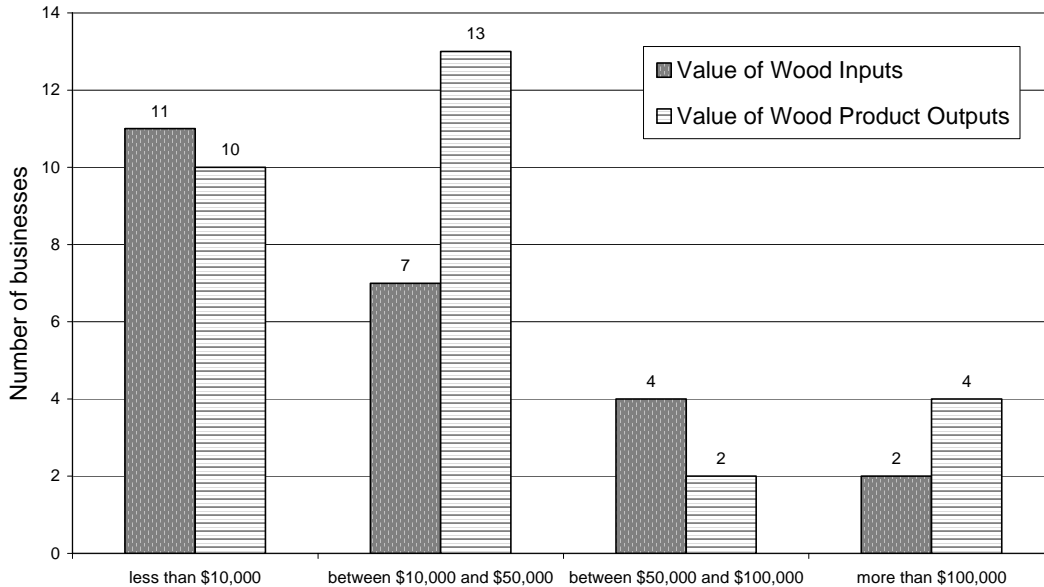
Table 3: Type and Estimated Volume of Yukon Wood Used to Make Wood Products by Reported Unit of Measure

	cubic metres	board feet
Spruce	4,770	105,000
Pine	290	114,000
Poplar/Aspen	131	17,000
Birch	75	2,500
Larch	10	-
Alder	-	-
Willow	-	-

Notes: (1) Column on the left shows the various types of wood reported used for making wood products. For nil cells, use of a particular type of wood was indicated but a volume was not specified. (2) Total number of businesses reporting for this question = 15.

Chart 3 below shows the number of businesses that used Yukon wood by value of wood inputs and value of wood product outputs.

Chart 3: Number of Businesses Which Use Yukon Wood - by Value of Wood Inputs and Value of Wood Product Outputs



Note: Total number of businesses reporting for this question = 31.

Seasonality

Survey participants were also asked if they operate their businesses year-round or seasonally. Three quarters (76%) of respondents indicated they operate on a year-round basis and one quarter (24%) on a seasonal basis. Businesses operating on a seasonal basis operate, on average, for six months of the year.

Barriers to Expansion

Out of the 50 businesses that participated in the survey, a total of 30 respondents (60%) felt that their business faces barriers to expansion. Qualitative analysis of the survey responses which describe those barriers indicates that the barriers faced are of eight general types: restrictive government policies (e.g., access, tenure, permitting delays), financial constraints, shortage of skilled labour, marketing constraints, high input costs, high freight costs, problems with shop space, government red tape (e.g., workers' compensation).

Among those respondents who felt they are facing barriers to expansion, the most often cited type of barrier was 'restrictive government policies' (23%). The verbatim responses received in answer to the question "what are the barriers faced by your business?" from those respondents who feel they face 'restrictive government policies' are reproduced below:

- government won't release any more wood blocks
- government should come up with Yukon policies (too close to BC policies)
- long waits for permits
- no long term commitment/tenure for wood supply
- unsecure access to wood (unable to hold long-term tenure on local pine)
- small permit volumes make planning difficult
- government policies are restrictive; could help support forest industry more
- can't get local wood
- forestry won't give out wood - hard to get wood in the Yukon
- availability of wood
- stumpage fees too high

The next most cited types of barriers were 'financial constraints' (15%) followed by 'shortage of skilled labour' (11%) and 'marketing constraints' (11%). Table 4 presents the types and frequency of citation of the various barriers faced by wood products industry members.

Table 4: Barriers to Expansion - Type and Frequency of Citation

Type of Barrier	Citation Frequency
restrictive government policies (e.g., access, tenure)	23%
financial constraints	15%
shortage of skilled labour	11%
marketing constraints	11%
high input costs	9%
high freight costs	9%
problems with shop space	9%
government red tape (e.g., workers' compensation)	4%

Exports

When asked if they had exported any of their wood products outside the Yukon during the last 12 months, 35 (or, 70%) respondents stated that they had not exported any of their products while 15 (or, 30%) indicated they had. Businesses reporting export sales shipped between 1% and 90% of their total value of wood product sales during the last 12 months. The 15 exporting businesses shipped, on average, 29% of their total wood product sales.

A total of 12 businesses reported that Alaska accounted for the largest part of their exported wood product sales in the past 12 months, 2 reported their primary export location as British Columbia and 1 respondent indicated that the Northwest Territories accounted for the largest share of their export sales. Exports to locations other than Alaska, British Columbia or the Northwest Territories were not reported by any respondents.

Employment

When asked if their business had any employees in the last 12 months, 25 (or, 50%) reported they did have employees and 25 (or, 50%) reported that they did not have employees.

Survey respondents were also asked how many weeks of full-time and part-time employment was provided by their business in the last 12 months. The responses received for this question were, unfortunately, not of sufficient quality to allow for a calculation of total employment in the wood products industry to be made.

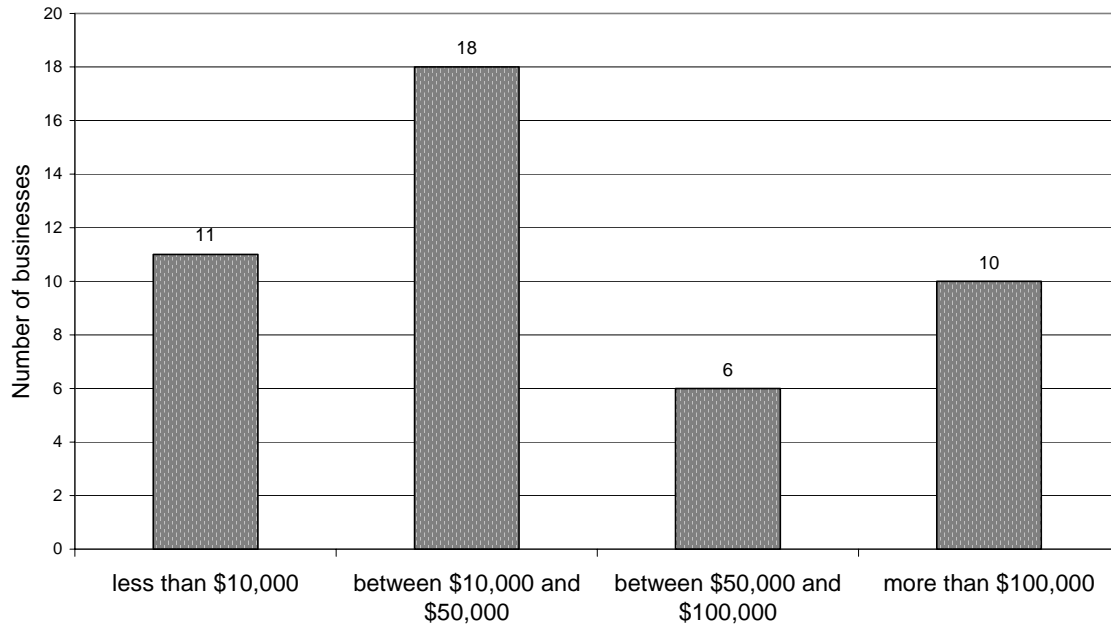
Value of Capital Stock

In order to describe the capital stock of the wood products industry, survey participants were asked to estimate the total value of the machinery and equipment used to make

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wood products. Responses were received for this question from 45 businesses. The results for this question are shown in Chart 4.

Chart 4: Total Replacement Value of Machinery and Equipment Used to Make Wood Products



Note: Total number of businesses reporting for this question = 45.

Open Ended Comments

The final question in the telephone survey asked: “Are there any comments you would like to make about the Yukon Wood Products Industry or this survey”. The responses below are reproduced verbatim from the completed surveys.

- consultations and reports are soft money being blown up into the air that isn't doing nothing
- create a new designation in the yellow pages - need a "cabin category" in the directory
- firesmart is a waste - could be managed by commercial operators with logs as payment
- firesmart takes jobs away from locals
- for all the talk around supporting small business still waiting for government to do something positive around keeping small business supported (not grants)
- glad someone is asking these questions - hope the government addresses the data collected
- government has to make some investment to industry in order to utilize wood properly - get best market
- government is not listening
- government needs to amend and adopt new policies to help industry survive - not pro-business
- government needs to do something about all the dry wood in the Yukon

.../continued

- government should consider the amount of timber being harvested
- government should stay current with public opinion in wood products industry
- happy to see the government involved with this field - happy to see the survey being done
- hopes to get access to birch logging; wants to get more Yukon birch
- make rules that can be assured of
- make things smoother for those in the forestry industry
- more cooperation by bureaucrats with wood industry is needed
- need to come up with ideas and implement their ideas about the dried wood out there that people bring in
- price of local wood exorbitant; therefore all their wood is shipped up ("lots of price gouging happening" in wood sales)
- promote local product development - survey is a good way to get things rolling
- respondent believes nothing comes of consultations and "does not serve the working man"
- respondent feels there is no reason why a small business can't grow and maintain 8-15 employees holding permanent jobs from stump to finished product.
- respondent is happy with the situation on a personal basis, but doesn't see the industry growing
- start-up costs are too high and government lacks a long-term vision for the industry.
- strives to use sustainably harvested wood
- survey is a good idea
- the biggest problem is opening the markets outside the Yukon - costs are high to get out of the Yukon to market products
- too many government people
- use the standing green timber and the dried timber before you lose it to fire
- windstorms last fall - and fire last season - wood should be made readily available to smaller operators
- would like to see a 5 year plan for permit holding - guarantee a certain amount of wood entitlement
- would like to see a more active wood industry - re: forest management
- would not support large scale harvesting
- would support small scale harvesting that would support ecological considerations
- Yukon Government should severely limit quantities available for harvest
- Yukon lumber is not of the quality that is acceptable for cabinet making or building construction
- Yukon timber is not developed like BC or Alberta - hope it doesn't get used to that level

Business name: _____

Phone number: _____

Respondent code: _____

	Monday	Tuesday	Wednesday	Thursday	Friday
Morning					
Afternoon					
Evening					
(for each attempt at contact, insert date e.g., D3 = December 3)					

A. Introduction

Hello, my name is _____. I'm calling from Vector Research, an independent Yukon-based research company. We're conducting a survey of the wood products industry in the Yukon on behalf of the Government of Yukon's Department of Economic Development.

In order to establish if your business should be included in the survey, I need to ask if your business makes products out of wood such as....[read list and mark all that apply]

- Millwork** (e.g., doors, windows, moldings, etc.)
- Cabinets** (e.g., kitchens, countertops, vanity cabinets, etc.)
- Furniture** (e.g., household, commercial, institutional, ready-to-assemble)
- Engineered wood products** (e.g., trusses, log homes, prefab buildings, etc.)
- Containers** (e.g., boxes, bins, crates)
- Remanufactured products** (e.g., finger jointing, fencing, panels, etc.)
- Log products** (e.g., posts, poles, firewood etc.)
- Craft products** (e.g., turned bowls, willow baskets, novelties, etc.)
- Other** (*specify*) _____

No [If No, terminate interview]

Now, are you an owner of the business or responsible for making major decisions about business operations?

<input type="checkbox"/> No - [If No, can I speak to someone who is, please?	
<input type="checkbox"/> Yes [if Yes, continue...]	
Can I go ahead with the questions?	
If not, is there a better time when I could call you back?	participation refused
call-back time: _____	

There are two parts to the survey.

Part A asks for information that will be used to put together a business directory of the Yukon Wood Products Industry.

Part B asks for information that will be used to estimate the structure and size of the Yukon Wood Products Industry. Your answers to Part B will be kept strictly confidential – they will not be provided to the Government of Yukon, or anyone else, in a form which would allow the identification of an individual business.

Your input is very important for the results of the survey to be accurate. The survey has about 20 questions and will take about 15 minutes.

PART A: Wood Products Industry Directory

A.1 Would you like your business listed in the 2005 Yukon Wood Products directory?

<input type="checkbox"/>	Yes [if Yes, continue....]
<input type="checkbox"/>	No [if No, go to question A.8]

A.2 Is the name [insert business name from contact sheet] _____ the name under which your wood products business operates and is best known?

<input type="checkbox"/>	Yes, same as above
<input type="checkbox"/>	no, what is the name under which your wood products business operates and is best known? (specify)

A.3 What is the complete mailing address of the business?

Street/PO Box	
Community	
Territory/Province	
Postal Code	

A.4 Is the street address (or location of the business) the same as the mailing address?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No, what is the street address? (specify)
Number	
Community	
Territory/Province	

A.5 Does your business have a fax number?

<input type="checkbox"/>	No	<input type="checkbox"/>	Yes, what is the fax number? (specify)
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A.6 Does your business have an email address?

<input type="checkbox"/>	No	<input type="checkbox"/>	Yes, what is the email address? (specify)
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A.7 Do you have a website for your business?

<input type="checkbox"/>	No	<input type="checkbox"/>	Yes, what is the web site address? (specify)
--------------------------	----	--------------------------	--

A.8 What are the different products that your business made out of wood in the last 12 months?

[refer to list on page 1 for examples]

A.8	A.9 (%)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
	100%

A.9 Now, for each of the products your business made out of wood, can you tell me how much each product added, in percentage terms, to the total sales for your business in the last 12 months. [...for (product 1) what was its contribution to your total sales in the last 12 months...? (indicate in column A.9 above)]

PART B: Wood Products Industry Structure and Size

That's the end of Part A of the survey. The first question in Part B is....

B.1 What are the different kinds of wood that your business uses to make wood products?
[e.g., pine, spruce, birch, cedar, medium density fibreboard, etc].

	B.1	--- B.2 ---	
	Kind of wood	How much wood does your business use? [note unit of measure]	Yukon wood? (%)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

B.2 For each of the kinds of wood you just told me about, I would like you to tell me how much you used in the last 12 months and whether you used wood grown in the Yukon. Let's go through them one by one.

OK, for (first kind of wood), using your usual unit of measure, how much (first kind of wood) did your business use in the last 12 months? [Note: usual unit of measure could include cubic metres, board feet, number of logs, cords, etc.]

Now, what percentage of the (first kind of wood) used to make wood products was Yukon grown?

...and repeat for second kind of wood, etc.

B.3 Did you export any of your wood products outside the Yukon during the last 12 months?

	No [go to B.4]
	if Yes, approximately what percentage of your total wood product sales did you export? ____%
	if Yes, which export market accounted for the largest part of your wood product sales? [mark only one]
	British Columbia
	Alberta
	Alaska
	Other (specify) _____

B.4 Did your business have any employees in the last 12 months?

	No [go to B.5]
	if Yes,
	How many weeks of full-time employment did your business provide in the last 12 months? [Full-time employment is 30 or more hours per week]. e.g., 1 employee working 35 hours/week year-round = 52 weeks of full-time employment 1 employee working 35 hour/week for 4 months = 13 weeks of full-time employment
	How many weeks of part-time employment did your business provide in the last 12 months? [Part-time employment is less than 30 hours per week]. e.g., 1 employee working 20 hours/week year-round = 52 weeks of part-time employment 1 employee working 20 hours/ week for 4 months = 13 weeks of part-time employment

B.5 Does your business operate year round or seasonally?

<input type="checkbox"/>	year-round?
<input type="checkbox"/>	seasonally
<input type="checkbox"/>	if seasonally, what was the busiest time for your business in the last 12 months? (specify) from _____ to _____

B.6 Do you feel that you business is facing any barriers to expanding its operations?

No [go to B.7]

if Yes, **what are the barriers faced by your business?** (specify)

1. _____
2. _____
3. _____
4. _____
5. _____

B.6.a Out of the barriers you just listed, which barrier is the biggest to expanding your business operations?

(specify) _____

B.6.b Which barrier is the next biggest to expanding you business operations?

(specify) _____

B.7 What was the total value of the different kinds of wood that your business used to make wood products in the last 12 months?

<input type="checkbox"/> less than \$10,000	<input type="checkbox"/> don't know
<input type="checkbox"/> between \$10,000 and \$50,000	<input type="checkbox"/> refused
<input type="checkbox"/> between \$50,000 and \$100,000	
<input type="checkbox"/> more than \$100,000	

B.8 What is the total value of wood products sold by your business in the past 12 months?

<input type="checkbox"/> less than \$10,000	<input type="checkbox"/> don't know
<input type="checkbox"/> between \$10,000 and \$50,000	<input type="checkbox"/> refused
<input type="checkbox"/> between \$50,000 and \$100,000	
<input type="checkbox"/> more than \$100,000	

B.9 What is the total replacement value of the machinery and equipment you use to make wood products?

<input type="checkbox"/> less than \$10,000	<input type="checkbox"/> don't know
<input type="checkbox"/> between \$10,000 and \$50,000	<input type="checkbox"/> refused
<input type="checkbox"/> between \$50,000 and \$100,000	
<input type="checkbox"/> more than \$100,000	

B.10 Are there any comments you would like to make about the Yukon Wood Products Industry or this survey?

B.11 Would you like a copy of the 2005 Yukon Wood Products Industry directory sent to you?

Yes No

Thank you for your time!