

Eco-Lumber Cooperative, Vancouver: From a bright idea to over A\$1.5 million turnover in four years

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Infocus:
The Newsletter of Plantations for Australia

Eco-Lumber cooperative, like so many other outstanding developments in the story of non-industrial private forestry (NIPF), is all about one person backing a hunch that something will work, despite the obvious hurdles and all the usual prophets of doom. In this case it was a member of Canada's Silva Forest Foundation, Cam Brewer, who saw that for the scattered private forestry cooperatives in British Columbia to make a real return for their timber, there had to be a marketing outlet in Vancouver, the province's population centre. All the talk about the need for Forest Stewardship Council (FSC) certification was pointless without these forestry cooperatives being able to actually sell their FSC certified timber at a profit.

In 2002 he began to gather supporters and, more importantly, commitments of money. He set up the Eco-Lumber cooperative, and dedicated a year unpaid to getting it rolling. An office and warehouse was set up in southern Vancouver in the industrial area of Richmond, on the north arm of the Fraser River.



Photo: Cam Brewer, Manager of Eco-Lumber, Vancouver with second growth Douglas Fir flooring from member cooperatives.

The cooperative had its one unpaid member of staff, and a membership consisting about equally of **advocate members**—such as the Silva foundation, the Suzuki foundation, other environmental groups and committed builders and architects, and of **production members**—such as the Harrop-Procter community forest cooperative¹.

In 2003, its first full year of operation, Eco-Lumber turned over about C\$185,000. To find wages for Cam, the manager, plus pay the overheads, it needed to be turning over C\$600,000. I visited at this time, while on a Churchill fellowship looking at NIPF association management and marketing. The financial outlook for Eco-Lumber and its member cooperatives was bleak, and the whole situation was being propped up by philanthropic funding and loans from the environmental group members.

At this time there was no real premium for FSC certified timber, and the member cooperatives were usually finding that, while they were committed to certification, the process was not viable economically. The products that Eco-Lumber was marketing were generally value-added material of the volume timber 'Douglas fir', as flooring and siding (cladding). This is akin to trying to sell small volumes of FSC certified 'radiata pine' at a premium into a capital city market with a glut of alternative timber. The cooperative was also selling some recycled material, and other slow moving manufactured product like doors, or niche product like thin sliced old-growth fir and cedar.

In 2005 I visited again, to find that the cooperative was financially healthy, and was on track to turn over about C\$1.25 million. The office that was a shell in 2003 was now well fitted out and full of demonstration product. The warehouse storage behind had now doubled in floor area with the addition of an adjoining building. Products had been rationalised. The cooperative has 25 members, being roughly equally split between advocate members and producing timber cooperatives.

1. Harrop-Procter was a recently created cooperative in the Kootenays area of British Columbia; at least an eight hour truck trip away from Vancouver. It was set up in about 2000 to thin and improve 20,000 acres of young forest that had been recently granted to the community. To be viable it had to value-add the second growth Douglas fir from the thinning process, and sell the FSC certified product at a premium.

Cam explained that the real boost to business had come about **through the introduction of a sustainably-sourced materials requirement in government buildings**. *"The Canadian Green Buildings Council has completely changed the market for FSC certified wood products, through the LEED certification—Leadership in Energy and Environmental Design. The government now requires that 50% of their buildings are registered with LEED."*

"Constructions for the Vancouver Winter Olympics will be all LEED certified. It is also apparent many builders are using LEED certification to differentiate their construction in the market place. In a building's eligibility for certification only one point is for sustainably sourced timber, but that single point has absolutely changed the market for FSC certified timber products. So far the biggest bang for that point in building for us has been FSC-certified plywood. While some of this is appearance grade, much is regular construction grade, using FSC certified Poplar and Birch."

Brewer stopped carrying recycled timber as it yielded too low a profit margin for the cooperative. There were just too many competitors. He carries on with the second-growth Douglas fir product from the member cooperatives, as its FSC certification now means he is able to sell it into the market for an adequate return. But his other major profitable line is of Western red cedar from an Indian community FSC-certified forest on the west side of Vancouver Island. He buys this in as green roughsawn standard grade, dries it and cuts clear wood out of it to order from architects and export clients.

"It's just a matter of doing it right. You can sell an awful lot of timber but make nothing out of it. With the cedar yesterday I sent out 80,000 board feet (216m³) defect-free material of 2m or longer. 80% of our cedar is going to Europe. We just don't do anything on consignment any more. There are just too many expectations."

Thus while Eco-Lumber still retails the timber from its developing member cooperatives, its present financial viability comes from the volumes and margins from buying bulk FSC material, value adding it or retailing it in smaller lots. Without turnover growing to exceed C\$600,000, no amount of good intentions would have kept this business there to provide its useful role as an outlet for community and first nation forests.

Brewer now has other office staff to handle most of the administrative tasks and warehousing, freeing him to build up the business. He continues to serve on the board of the Silva Forest Foundation. Conservation groups are being kept active in BC. The vast publicly-owned forests of BC (87% of the province's area) are being licensed out cheaply and without adequate oversight, for logging by multinationals. It is a familiar story for Australians. It is in this scene of vast volumes of cheap wood that Eco-Lumber is making its good profits from product sourced from certified sustainably managed private native forest.

Further information

For further information go to www.ecolumber.ca. For background on the Silva forest Foundation go to www.silvafor.org.

For renewable energy in British Columbia go to BC sustainable energy association at www.bcsea.org. For information on the Harrop-Procter community forest, one of the Ecolumber cooperative's members go to www.hpccommunityforest.org. The website of BC's Coalition for sustainable forest solutions is www.forestsolutions.ca.