Forestry
Sector Profile

Sector Facts and Figures	
Total GDP *Share of Canadian GDP*	$19.0 billion *0.96%*
Exports	$46.2 billion
Imports	$14.4 billion
Foreign Trade Balance *5-year change*	+$31.8 billion *+48.8%*
Total Employment (2021) *Change since 2011*	165,200 *-7.9%*
Real wage growth (2011-2019)	+5.4%
Labour Productivity (2019)	$54.7/hr
Average Work Hours/Week (2019)	38.8
Greenhouse Gas Emissions (2019) *Change since 2009* *Share of Canadian industry total*	58,477kt *+7.3%* *9.29%*
Union Coverage Rate	35%
Unifor Members in the Industry	22,100
Share of Total Unifor Membership	7%
Number of Unifor Bargaining Units	282
Average Bargaining Unit Size	78

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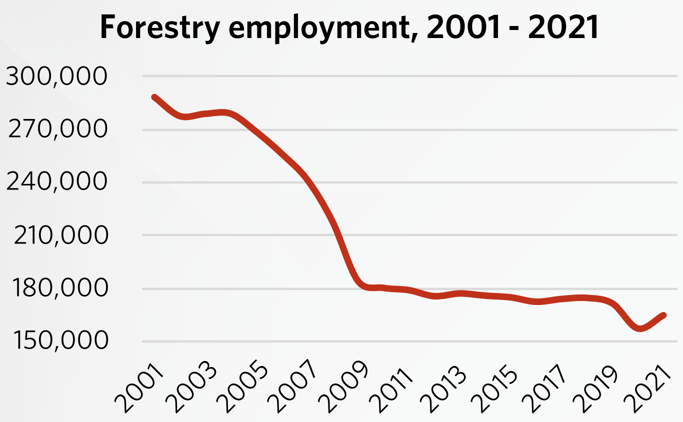
Source: Statcan; Unifor Research Department.
Data refers to 2021 except where indicated.

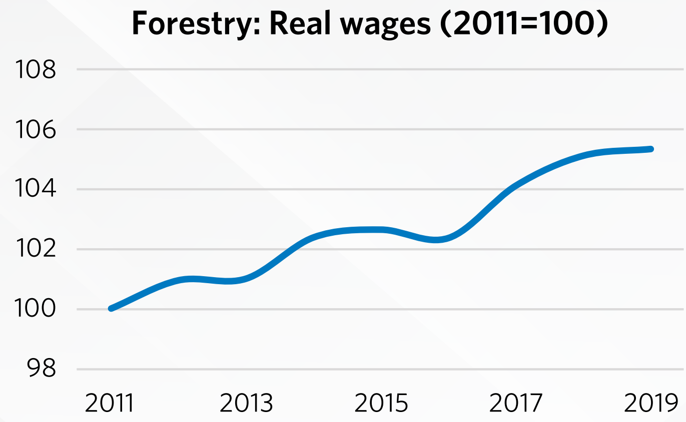
Current Conditions

Canada's forestry sector generates a GDP of $19 billion, representing close to 1% of the country's total economic production.

Following years of struggle, real wages in the sector increased by 5.4% between 2011 and 2019, only 0.2% shy of the average wage growth across the overall labour market. The forestry industry is highly unionized, standing at 34% union density, compared to 31% for the overall Canadian workforce. With more than 165,000 workers, many of whom are based in rural communities, the forestry sector continues to be a critical creator of good, union jobs that support local economic development.



The story of Canada's forestry sector continues to be one of difficult transition. Even before the global economic crisis in 2008, the industry had entered a period of wrenching decline and transformation, but the meltdown on Wall Street spelled further disaster for the forestry sector. The industry suffered multiple bankruptcies, closures and a wholesale restructuring of the corporate landscape.



Even as the sector underwent this period of transformation and economic hardship, there were some positive signs of stabilization and even recovery. Employment levels stabilized, and have begun to increase following a dip during the COVID-19 pandemic. The industry has continued to transition from graphic paper production, as demand for newsprint and other printing paper has declined, especially in mature markets. Meanwhile, increased demand for cardboard, containerboard and other packaging products, driven by the ongoing e-commerce boom, has continued to drive investment in these growth segments. Tissue products, already a recession-proof segment, saw demand and investment increase by public health measures stemming from the pandemic. Finally, lumber and wood products have been the primary profit generator for many of our employers, though a slowing housing market and the potential of a recession could signal an end to recent boom times.

Unifor in the Forestry Industry

Select Unifor Employers	Approx. # Members
Resolute Forest Products	2,400
J.D. Irving Ltd.	1,200
Paper Excellence	1,100
Rayonier	1,100
Cascades	800

With 22,100 members spread across 10 Canadian provinces, Unifor is Canada's forestry union. Unifor's members work in a variety of forestry and logging occupations as well as wood product and paper manufacturing facilities. The forestry sector makes up about 8% of Unifor's total membership.

Quebec has the highest concentration of forestry membership, accounting for 55% of overall sectoral membership, while Ontario and British Columbia account for 22% and 14%, respectively.

Approximately 37% of sectoral membership work for the five largest employers, with the single largest employer—Resolute Forest Products—accounting for 12% of members.

Moving Forward: Developing the Forestry Industry

The COVID-19 pandemic struck while the forestry sector was still recovering from more than a decade of incredible challenges, including rapidly changing markets, a shift in consumer demand away from newsprint and other papers in the digital age, wild swings in housing and construction demand, the devastation of an over-valued Canadian dollar on exports, and a global financial crisis and recession.

Thankfully, the rapid and devastating job losses of the early 2000s appear to have tapered off, and employment levels in the sector seem to have levelled off, despite the pandemic. In fact, the corporate transformations undertaken by a number of forestry companies, with a renewed focus on lumber, wood products, pulp and tissue production, positioned those companies to survive and thrive during the pandemic.

Our employers have benefited from a rebound in lumber and pulp prices, as well as a boom in new home construction and DIY business. However, uncertainty continues to loom on the horizon, including the ongoing softwood lumber dispute, the threat of a post-Covid recession, staggering inflation and rising interest rates, and new provincial and federal policies that could under-value the critical role that the sector plays in creating good jobs and supporting rural communities.

Over the last few decades, we have seen increasing awareness of – and concern over – the related issues of climate change and the increasing frequency of climate-related natural disasters, habitat loss and the need for conservation, and the call for reconciliation and justice for Indigenous people across the country. Canada's forestry industry exists at the nexus of these important issues, and the next decade will be full of challenges and opportunities for positive transformation.

We will have to build a path forward for the sector based on the idea of a sustainable "working" forest, founded on a commitment to reconciliation with Indigenous people, and guided by science-based principles of sustainability and habitat protection. We will continue to fight for improved sustainability standards here at home, and around the world, and we will advocate for stronger public investment to support higher value-added production, the transition to new markets and green innovation.

Looking ahead, there is reason to be optimistic about Canada's forest sector. New and promising opportunities lay ahead, including increased biofuel activity from forest residue and wood chips, modernizing building codes to integrate and mandate the use of wood, and more focus on second and third transformation of higher-value engineered wood products.

Major Sector Development Issues

- Ensure Canada negotiates a new and fair softwood lumber agreement with the United States.
- Prioritize reconciliation with Indigenous communities and work in partnership for forestry sector development.
- Strengthen sustainability of forestry at home and pursue stronger standards around the world, with an emphasis on the viability of a sustainable "working" forest.
- Stronger public investment to support higher value-added production, transition to new markets and pursue green innovation.
- Support new and promising opportunities, including increased biofuel activity from forest residue and wood chips, modernizing building codes to integrate and mandate the use of wood, and more focus on second and third transformation of higher-value engineered wood products.
- Establish a National Forestry Council for sustained dialogue among all stakeholders.