



Policy Brief: Value-Added Forestry

Overview

Value-added forestry in B.C. involves transforming timber into higher-value products such as flooring, furniture, cabinets, bioproducts, carvings, and even artwork. This maximizes the use of harvested trees, reduces waste, supports sustainable practices, and generates more jobs and revenue—strengthening both local and provincial economies. Increased investment in value-added forestry is essential for improving international competitiveness and securing the future of B.C.'s forest sector.

Shifting the BC forestry industry towards increased value-added manufacturing has been the focus of government and policymakers for many years. While raw log extraction and exports play an important role in supporting BC forestry, now more than ever, there is a need to diversify.

Since 2023, the B.C. First Nations Forestry Council has been working with First Nations, industry, and the provincial government to enhance Indigenous participation and leadership in this sector. During this time, the province has introduced several policy initiatives, including the Value-Added Accelerators (VAA), the B.C. Manufacturing Jobs Fund, and updates to the Manufactured Forest Product Regulation.

Policy Context and Existing Approaches

In 2024, changes were made to the [Manufactured Forest Product Regulation](#), to require mills in the Interior to fully manufacture cedar and cypress wood that has been harvested. This was built on previous amendments introduced in 2020 for mills in the coastal region, and these regulatory updates support work to get more value from every tree harvested by strengthening the wood manufacturing industry. In the coastal region, these export requirements have reduced the volume of minimally processed cedar leaving the province.

The [Value-Added Accelerators](#) (VAA) is an initiative that brings together First Nations, government, and industry in a partnership to increase the flow of fibre to value-added manufacturers, foster collaboration between primary and secondary wood manufacturers, and promote the production of high-value wood products. This work helps support local businesses, creates jobs, and builds stronger regional economies. The BC First Nations Forestry Council is a partner in the VAA and continues to work on increasing First Nation opportunities and participation in this space.

HIGHLIGHTS

Squamish First Nation:

Received a grant for early-stage planning for a capital project related to forest-sector manufacturing.

[Read Story](#)

Stuwix Resources Joint Venture (SRJV) & Valley Carriers:

First Nations-owned and operated fibre management companies are collaborating to utilize leftover forest materials, also known as forest residuals, more effectively.

[Read Story](#)

KEY RESOURCES

- [Value-Added Accelerators](#)
- [BC Manufacturing Jobs Fund](#)
- [Manufactured Forest Product Regulation](#)

The [BC Manufacturing Jobs Fund](#) was introduced in 2024 to help manufacturing companies modernize, innovate, and grow by providing funding for capital projects in all regions in B.C., particularly in communities affected by economic impacts or downturns. The program focused on helping the forestry sector retrofit and develop new, sustainable value-added business lines that reduce dependency on old growth logging and make innovative use of biomaterials.

Opportunities

There is an increasing amount of funding opportunities and support available to communities, businesses and organizations who are looking to pursue or expand their participation in the sector and diversify forestry in their communities. Some examples of potential projects include converting forest biomass 'waste' into bioproducts; retrofitting machinery and converting old mills into manufacturing facilities; producing engineered wood products like mass timber; and producing specialty wood products and other value-added products such as composites and essential oils. Participation in the VAA could be beneficial to a First Nation to enhance understanding of available opportunities, create new contacts, explore partnerships, and learn from others' successes.

Challenges

- Lack of access to fibre (wood). Many value-added manufacturers do not hold forest tenures and do not have access to a stable and economical source of wood for their products.
- Understanding the flow of wood fibre in BC is complicated and difficult to successfully navigate
- The forest tenure acquisition process in BC is complicated and expensive, requiring significant amounts of invested time, capacity and funding.
- Until recent years, First Nations have largely been excluded from being able to acquire forest tenures; however, First Nation tenure acquisition is now increasing.
- Even with access to a stable source of wood, creating a value-added business requires significant capital investment, an understanding of the market and a solid business plan.
- Competing business priorities within a First Nation/community
- Lack of awareness of the possibilities and opportunities available.

Recommendations

- To secure the future of B.C.'s forest sector, First Nations, the province and industry must commit to accelerating value-added forestry together. This requires improving fibre access for value-added manufacturers, simplifying the forest tenure system, and increasing targeted investments in regional innovation and infrastructure.
- First Nations have a responsibility to seek out opportunities in this sector but must be supported—and empowered—to take on leadership roles by acquiring tenures, building capacity, and forming strategic partnerships that align with their economic, cultural, and stewardship goals.
- To help drive a shift toward a more diverse, inclusive, and high-value forestry economy in BC, increased support and participation in key initiatives such as the Value-Added Accelerators is needed from all partners of the forest industry.