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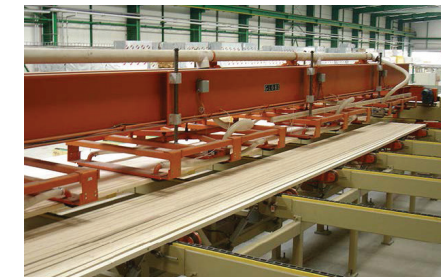
Opportunity Knocks

A CASE TO BE MADE FOR

3 Forestry-Related Businesses

Bark Mulch | I-Beam Floor Joists | Tree Seedlings

In 2022, the Regional Economic Development Initiative (REDI) commissioned Municipal Experts—an Alberta-based consulting company that specializes in economic development and other municipal projects—to research the feasibility of 10 business opportunities tailored for the REDI Region.



Andrew O'Rourke, REDI Manager

Thomas Simpson, REDI Board Member and Fort Vermilion Board of Trade Director, says it's exciting to have the REDI group exploring and supporting new initiatives in secondary and value-added products.

"The Mackenzie region has vast primary resources in the lumber, oil and gas and farming industries. Our distance from markets and end users creates huge transportation costs. Obviously, anytime we can send a finished product downstream, we increase the economic value of our region," said Simpson.

Of the 10 local business opportunities identified, the



Paul Salvatore, CEO of Municipal Experts

following are three forestry-related cases that could benefit the region: coloured bark mulch, I-beam floor joists and tree seedlings.

Paul Salvatore is the CEO of Municipal Experts. His team researched and prepared these business cases for REDI, so they could present them to local entrepreneurs and investors to gauge interest.

"There are unique opportunities and challenges business prospects could encounter during the planning and preparation. We hope aspiring local businesses can get excited about moving forward on these opportunities," said Salvatore.

Coloured Bark Mulch

According to this business case, the REDI Region would be a good fit for a coloured bark mulch business because of the proximity to five local lumber mills—where bark mulch is often a disposed of byproduct.

The cost would be relatively low to obtain the mulch, customers often pay a premium for sustainable landscaping products and, depending on the size of the operation, one could enter the market with a small capital investment.

"The opportunity for forest mulch is a great example of a product that can be a source of expense for lumber processors and converts those costs into another revenue opportunity," said Salvatore. "As we continue to emphasize ways to conserve water and grow produce using organic farming methods, mulch could play an important role by continuing these trends."

The REDI Region is home to several lumber processors including Tolko and West Fraser in High Level and Evergreen Lumber Inc., La Crete Sawmills and Crestview Sawmills in La Crete.

"There is also a good chance to add value and have market differentiation by adding vegetable dyes to the mulch for landscaping as well," said Salvatore.

I-Beam Floor Joists and Engineered Laminated Wood Products

The production and manufacturing of structural I-beam joists made from wood could potentially add value to the existing forest and lumber industries in the REDI Region, which would strengthen the local economy, according to the business case.

"Recent improvements that include the addition of fire-proofing coatings ensure that I-beams have superior structural characteristics while reducing the volume

of lumber compared to conventional beams," said Salvatore. "This is another example of a value-added product that would create jobs and more economic opportunities in the area."

According to the business case, these types of floor beams are the most popular form available in the market today. And, they require less material and energy to manufacture than aluminum or steel products with similar applications.

A potential investor would want to consider an overview of the global market for structural I-beams as well as the suitability of local products that are used in their production.

"Whether local sawmills decide to add a new I-beam production line, or a new local company chooses to take on this opportunity, I-beams are a preferred type of

structural material. And, these lumber products are already being produced in the REDI Region," said Salvatore.

Tree Seedling (Silviculture)

Silviculture is the process of growing tree seedlings that can later be used for replanting in forested areas for reclamation. Forestry companies require millions of seedlings each year to meet reforestation goals.

This demand makes silviculture a good potential business in the REDI Region. The proximity would be much closer to replanting sites than current suppliers in Medicine Hat, Bonnyville, Smoky Lake and communities in BC.

"With such an incredible reforestation program in the REDI Region, the idea of developing facilities to grow seedlings for replanting just makes sense," said Salvatore.

Demand for seedlings is expected to increase in the future, and depending on the size of the facility, the local supplier could service other markets in North America.

"The right operation could not only supply seedlings for the REDI Region but well beyond in markets in other areas in Alberta, BC, Washington and Montana," said Salvatore. "It would make it more cost competitive for local companies that use REDI grown tree seedlings while creating a range of great jobs in the region."



For more information, please follow the QR Link or visit REDIREGION.CA

REDI Investment Showcase Event

"REDI is excited to showcase these opportunities to pave the way for local investment," said REDI Manager, Andrew O'Rourke. "We want to appeal to the local entrepreneurial spirit and present the 10 business case opportunities, which all have local potential and fall under \$5 million dollars in capital investment."

The REDI Investment Showcase Event will take place at the Best Western Mirage Hotel in High Level on April 18 and 19, 2023.

"Building off our regional strengths and reducing the knowledge gap, this event will entice local entrepreneurs to gain a foothold in new industries," said O'Rourke. "The event will include presentations by experts and entrepreneurs who have set up similar enterprises."