



**Teal Jones Group**

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## **TEAL JONES CURTAILS 2<sup>ND</sup> GROWTH HARVESTING ON VANCOUVER ISLAND**

Teal Jones announced that, effective immediately 2<sup>nd</sup> growth harvesting will be shutdown at its Honeymoon Bay – TFL46 operation due to excessive stumpage rates.

Stumpage rates, derived from a history of log export premiums and speculative bidding, are well in excess of what would be an economic rate for a 2<sup>nd</sup> growth harvesting operation focused on providing logs for domestic saw mills. These high rates are incurring significant losses for the company, at a time of weak markets for lumber, shakes and shingles in Canada, the U.S. and abroad.

The provincial government, as part of its Coastal Revitalization initiative, has recognized that while log exports will be addressed by changes to the fee-in-lieu rates, stumpage rates should be adjusted to be more in line with harvesting for domestic consumption. However, the changes to the stumpage system to reflect this reality will not come into place until 2020. In the interim, the mounting losses are requiring the company to curtail the 2<sup>nd</sup> growth harvesting operations.

The impact of the harvesting curtailment will result in immediate reductions in harvesting employment and, in short order, will result in lost mill time and employment at the Surrey mills of Teal Jones. The impacts will be particularly severe on our employees, most with long term service, especially in light of the fact that the Surrey mills have already lost 4 weeks of mill run time this year due to log shortages.

For further information, please contact:

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