

## Temrex invests \$8M in Nouvelle sawmill

Gilles Gagné

NOUVELLE: – Temrex Forest Products is currently investing \$8 million to increase the lumber drying capacity of the Nouvelle sawmill from 26% to 100% of its production. The choice to opt for dried lumber solely was gradually dictated by the changing market conditions.

The plant, the largest sawmill in the Gaspé Peninsula, specializes in selling green lumber but that market has been shrinking over the last years.

“Over the years, we saw the market for green lumber diminish by 10 to 15% every year. We were losing customers yearly. It was a Canadian market. Our increased drying capacity project was under study for years. We analyzed it from top to bottom before approving it,” explains Michel Bigaouette, director general of Temrex.

For the past six years, Temrex had been considering the addition of new kilns for the Nouvelle plant. Even though Temrex is the exclusive property of *Investissement Québec*, a public society with ample financial means, it was necessary to prove the profitability of the venture before giving it the green light.

“Temrex is managed autonomously. We are subjected to the same constraints as the other enterprises. We must have profitable operations in order to land projects.” He mentions that it isn’t any easier for them to get funding from *Investissement Québec*.

Dried lumber brings in a price that is 15% to 25% higher than green wood “but above the price, the market dictated the investment,” he



Photo: G. Gagné

*Temrex director general Michel Bigaouette and company board member Jean-Pierre Grenon are confident that the new kilns will greatly improve the Nouvelle sawmill’s capacity to compete with other plants. Two cells are currently being tested. The two other cells will be functional at the end of March.*

adds.

The four new kiln cells will be heated by liquefied natural gas. The new kiln complex is equipped with a unit that will take liquefied gas and turn it into its gasified form. The installation of a wood residue boiler would have brought the cost of the project from \$8 million to \$15 million. The construction time would have increased as well and that added period was taken into consideration in the decision process, since a cost was also attached to it.

Two years ago many Quebec sawmills were experiencing difficulty in selling their sawing residues, or by-products, but the context has changed since then.

“Temrex sells 100% of its

by-products to pulp and paper mills or plants which make other types of “added-value” products, including

wood chips, sawdust, shavings and bark. It is cyclical, like the lumber market,” specifies Michel Bigaouette.

Due to those cycles, Temrex opted for kilns that can one day be adapted to burning wood residue. The three initial kiln cells burn wood residues. They were built in 2010.

Two of the four new kiln cells were already tested. They were manufactured in Quebec, by MEC, a Victoriaville-based company. The last two cells will be put in production in March.

The investment will create only one or two jobs, “but it consolidates 140 direct jobs at the plant, including management jobs, and twice as many indirect jobs,” adds Mr. Bigaouette.

The Temrex plant is the largest industrial employer in the Bay of Chaleur area, in weeks per year worked, along with the Port Daniel cement plant.

Its annual wood supply reaches 500,000 cubic metres of logs. Its annual output stands at 130 million board feet of lumber. The company does not divulge its financial statements but its annual sales reach between \$80 million and \$100 million annually.