

WOOD N YOU LIKE TO KNOW

Elmsdale Lumber Company Limited

August 31, 2021

Issue # 304

Notes from the Editor

Typically, our newsletter is published on the last Friday of each month. This month, I intentionally held back publishing August's newsletter until the first day of September. I wanted to share with our readers the results of our annual summertime, lunchtime BBQ. For the past several years, we have hosted a summertime BBQ for our employees. This is a day we can all sit together and enjoy some good food and comradeship and then return to work with full bellies. This year's BBQ was accompanied by a surprise for our production workers.

A few months ago, Robin asked me to crunch some numbers for him. This is not an unusual request as number crunching is what I am paid to do. However, this request was different from any other asked of me during my time here at ELCO.

When Covid first hit, we were sitting on a comfortable order file and things were chugging along nicely and we were making plans for some reinvestment to upgrade some of our sawmill equipment. When our province went into lockdown, so did our shipments. Our customers were nervous, we were nervous, and we were clearly in unchartered waters.

As the weeks clicked by, demand for lumber increased. Folks were not able to travel, and they spent their travel money on home improvements. A shortage of lumber inventories at the retail level developed and the rule of supply and demand kicked in and prices started a steady upward climb. It is no secret we will end this year with a generous income. As the trend of rising prices continued, we jumped on the opportunity to reinvest in ELCO's future more heavily. We will be spending considerably more than we first planned and considerably more than we earned this year. It is extremely important that we not burden the future generation of ELCO with a heavy debt load. We must carefully consider each dollar spent.

Notes from the Editor, con't

Robin wanted to come up with a plan to express our appreciation to our production workers who work hard each day to keep things rolling forward. With the full endorsement and approval from our management team, Robin presented bonus cheques to our production guys in the amount of \$100 for each year they spent in service to ELCO. We have a few folks who have been with us for less than one year, so it was decided to round up their bonus to \$100. Several guys have more than 40 years of service so you can imagine their surprise when they received bonuses in excess of 4 grand!

A quick survey of the room following Robin's announcement revealed the production workers and the supervisors were equally delighted. It was a great day for sure.

Until next month, "Go Team ELCO!"

Gennie

Notes from the Safety Committee 2021 in Review

| | | |
|-----|-------------|---------------|
| Jan | 0 lost time | 0 medical aid |
| Feb | 1 lost time | 0 medical aid |
| Mar | 1 lost time | 0 medical aid |
| Apr | 0 lost time | 0 medical aid |
| May | 0 lost time | 0 medical aid |
| Jun | 0 lost time | 0 medical aid |
| Jul | 0 lost time | 0 medical aid |
| Aug | 1 lost time | 0 medical aid |

The minutes from our last safety meeting are posted on the bulletin boards around the property. Please take a moment to review them and be sure to ask your supervisor or any member of our safety committee about any questions you may have.

Notes from the Safety Committee, con't

The two-year term for our safety committee representatives has come to an end as of August 31, 2021. We would like to send out a huge thank you to Nick Miller, Don Isenor, and Darren Isenor for their contributions to our safety committee over the last two years.

In August we held our in-house elections for our new safety reps, and we are pleased to announce your new safety committee. Trevor Hare will be our representative from the yard, Brian Myers will be our representative from the sawmill, and Devin Castle will be our rep from the planer mill. Thanks for stepping up guys, and we look forward to welcoming you to your first safety meeting later in September.

As usual, we remind you about the inherent safety hazards you'll see when driving through our yard with all the construction. Also as usual, we ask you to drive slowly and carefully through the yard.

Until next month, Nick Miller, Don Isenor, Darren Isenor, Craig Isenor, Angie Kainola, Mark Wilber

Notes from the President's Corner

We all have mentors. For example, your parents guided you throughout your childhood. You may have had a favourite aunt or uncle who spent some extra time or energy pointing you in a direction they thought best for you. We just celebrated Downey's 90th birthday and 75th year with ELCO. He has literally known me for all my life and has been one of my mentors. Downey has also been mentor to many of our supervisors, most notably his son Stephen. The list is long and includes Jason Casey, Greg Grant, Craig Stewart, Stephen Molnar, Jason Molnar, Gennie Himelman, and my son Mark, just to name of few. You may not realize it, but mentors play a huge role in shaping you into the person you will become.

Notes from the President's Corner, con't

I have been extremely fortunate to have many great mentors. I remember my mother saying, "Your word is your bond". In other words, be honest! My dad taught me not to spend every dollar made because I might need a "third line of defense" someday. Dad was not a religious man. His church was the forest and he and I went to his church every Sunday to cruise timber. Some of my other mentors included:

Dad's first partner, Fred Miller, was from Elmsdale. Fred lost his son at a very young age. Fred took me under his wing and, like my father, was pointing me in the direction of becoming a businessman. I was still young when Fred retired, and Luther Anderson became my dad's new partner. Luther became an unbelievable mentor to me.

Jim MacDougall, our controller for about 40 years, and whose memorial service I attended recently, could always spare some extra time with me going through our financial statements and teaching me the difference between assets and income.

Rose Ashley, a war bride who was on a ship heading toward Pier 21 when peace was declared, and my future mother-in-law. Rose was a British lady with a great education. You could not help but learn things just being in her presence.

So, my message to you is, we all have mentors, and we may not recognize the positive impact they have on our lives. Take a moment to think about the folks who have invested time guiding you and say thank you and a thumb's up before it is too late.

Production Update

The foundation for the boiler room addition is nearing completion. Next week the old boiler will be craned out and the new infeed system will be set in place, followed by the placement of the new boiler. The building addition will begin and by this time next month, you should see the completion of the new building addition.

Notes from the President, con't

In the meantime, we are running a portable boiler to keep the kilns in operation. In the transition, the process of drying lumber is now behind schedule. So, on top of everything else, Rob and Warren have some catching up to do and as they have demonstrated in the past, they are up to the challenge!

The log infeed portion of the foundation for the sawmill should be started this time next month. As previously reported, the logistics of the planning has been extensive, but the bottom of the list is in sight.

Until next month, Robin

Notes from Sales

Hello, my name is Austin Nixon. At 28 years of age, I am the newest and youngest member of the Eacan team. I am originally from Dartmouth and continue to live there today with my partner Karlee and our English Mastiff puppy named Nova.

I graduated from StFX with a degree in Human Kinetics back in 2015, and after travelling across the world and bouncing around several different jobs I ended up back home in this crazy industry. I began work as an inside sales rep for an Eacan competitor in 2018, and quickly moved up the ladder to Commodity Trader, and spent 2 years in that position honing my skills before coming over to Eacan earlier this spring.

The transition has been great, as I really enjoy the team here, along with the personnel at Elmsdale Lumber that I have dealt with thus far. I take pride in supplying premium Nova Scotia products to consumers throughout the Maritimes and beyond.

Notes from Sales, con't

The market this past year and a half has certainly been a crazy ride but I am glad I saw the worst of the ups and downs this early in my career. Everything else that comes my way should be easy from here on out! The favourite part of my job is the everyday banter and dealings with some of the great customers we have the pleasure of doing business with, along with securing large orders of course.

To touch quickly on current market conditions; I never expected to see pricing fall back to pre-pandemic levels in the year 2021, however here we are. The tone, pace, and inquiry has been much stronger the last 2-3 weeks and I believe we are poised for a strong end to the building season. Many retailers are still trying to rid themselves of higher priced inventory, but those that are stepping in see very little risk at current levels and committing to volume that we haven't seen since April-May.

The months of June and July were certainly rough as we experienced an unprecedented down market, but I believe as I write this we are firmly at bottom. Additionally, I expect a small bump in pricing to come most likely in mid-September, as I believe the DIY market will come back strong this fall. Like me, many in the Maritimes spent the duration of the summer months travelling, camping, visiting family, etc. and not so much worrying about home projects.

I anticipate getting up to the mill one day soon and meeting some of you, as well as seeing the operation. Until then I hope you continue to stay safe and have an enjoyable end to your summer. Looking forward to many years of success!

Austin Nixon
Commodity Trader



Notes from Woodlands

We are in the middle of completing a road upgrade contract in Ellershose which will support forest management activities next year. This work includes a bridge install, along with road resurfacing and brushing. Greg has been working closely with the road building crews while supervising the operation and he predicts this work should be complete next week.

We purchased a drone a few weeks back. This idea has been kicked around our woodlands department for a while and we finally made the jump. It is a very small drone (weighing less than 250g) and for the relatively low cost, is quite capable of capturing high quality images and videos. We plan to utilize this technology for ariel views of completed harvest treatments, as well as some planning duties such as assessing forest stand conditions in areas hard to access by foot. Drones have been around for a while and are used, as I am sure everyone is aware, in many industries and spaces. However, we look forward to using it for our own applications and expect it will be very useful.

Drone aside, it is quite amazing when we look back on forestry specifically and marvel at how technology has changed the way we conducted practices over the last couple of decades. Aside from the switch to mechanized harvesting equipment in the 80's and 90's, most of the technological advancements have happened in the last 20 years. I was recently in the field discussing a harvest plan with a group that included multiple generations. The discussion revolved around the current planning process which includes the use of apps for data collection, shared portal servers for information transfer and geo referenced imagery and mapping to keep things straight while in the field. One individual in our group that represented an earlier generation took a moment to explain a time not long ago when a string box, a compass, some paper, and a pencil were all the items needed to assess and measure forest operations. This individual was quite surprised at the time saving ability of the current tool set.

Notes from Woodlands, con't

Even when I started working in forestry in 2001, when basic tools such as GPS and GIS were introduced, it is amazing to see what has developed since and how efficiencies have improved because of such tools. I think, as forest managers, it is very important to take advantage of any opportunity to increase efficiencies and accuracy with operations as our forest management practices continue to be looked at with a more detailed lens and there will likely be an expectation to consider and collect data on an ever-increasing list of forest values. I have a feeling we are just scratching the surface on this tech stuff, and it will be interesting to see what is next.

Until next month, Jason and the Woodlands Team

Notes from Peter Dillman's Corner

School is in!

Charlie Leblanc (MLB Lumber Grader Inspector) was in last Thursday to do a grade check. He comes in once a month to check our lumber and make sure everything is on the up and up and answer any questions we might have. In Charlie's spare time (which is very limited), he instructs grading courses which run about 2 weeks and those attending come out on the other end of that course with a Graders License, if they are paying attention that is. (LOL).

Who You Gonna Call?

Whenever we hear sirens we ask, "Was that the police, an ambulance or a fire truck?" If the answer is fire truck, then we know it is volunteers who are on the way to a fire, accident or what have you. These are the people we call and rely on when we are having one of our worst days. They give unselfishly of their time for us. Sometimes putting themselves at risk on our behalf. Liam Noble is one such person of the many who do this for our communities. This month Liam answered several calls, including a car fire on highway 2, a house fire in Oldham and a fire at the Eastern Embers pellet plant (which had an effect on us), just to name a couple of instances. So, thanks to Liam and all the men and women who give to our community.

Notes from Peter Dillman's Corner, con't

Champion

I was invited to a golf tournament in July at Fox Hollow. When I arrived at the course, there was my old buddy Robbie Himelman in the parking lot. After chatting with Rob for a couple minutes I told him that I didn't know he knew our tournament host and birthday boy, Wade Lake. Robbie told me that he and Wade went way back (LOL). We drew for partners and the 24 of us were off for our round of golf. Everyone throws 10 dollars into the pot for prize money. As I dropped mine into the pot, I said goodbye and said I hope you find a good home wherever you end up. To nobody's surprise, Robbie and his partner blazed a trail on the course that no one could follow. They wound up in first place and took home \$160 big ones, which I'm sure he split with Doreen. I'm happy for you Rob because you don't really have a winning record when it comes to gambling on sports. If you hang onto your winnings until October 12th when the Habs and Leafs begin their season maybe we could make a friendly wager.

Timber

The boys working the floor this week had a good workout on the run of 6x6. We incurred a lot of short ones as they keep making adjustments at the sawmill trying to find the right balance. The boys on the floor wish you all the luck in the world with that. (LOL)

Aug 50/50

| | |
|----------------|--------|
| Nick Miler | Aug 6 |
| Stephen Molnar | Aug 13 |
| John Ashley | Aug 20 |
| Angie Kainola | Aug 27 |



August Anniversaries

| | |
|-------------|----------|
| Trevor Hare | 32 years |
| Bret Lively | 1 year |
| Liam Noble | 2 years |



Notes from the Sawmill

They grow up fast! It seems like just yesterday Jaimee Preeper (Joey Preeper's daughter) was sitting on Santa's knee at an ELCO Children's Christmas Party! And look at her now! On July 31, 2021, Jaimee said "I do" to Johnny Moore! Wishing you both health and happiness!

September Birthdays

| | |
|-----------------|---------|
| Craig Isenor | Sept 23 |
| Gavin MacDonald | Sept 09 |
| Shawn Preeper | Sept 20 |
| Corey White | Sept 22 |
| Chris Wilber | Sept 27 |



HAPPY 90th BIRTHDAY DOWNEY

On August 13, 2021, ELCO's Ambassador started his 91st year as a great citizen of this planet.

We were there to help celebrate this special day!

