



Supply Chain and Labour Issues Impacting Concrete Delivery Timelines in BC

June 2022 - The ready mixed concrete industry in British Columbia has been experiencing supply challenges in 2022 related to the availability of raw materials required to produce concrete. Demand for construction materials remains high, both in B.C. and neighbouring jurisdictions. This, combined with global supply chain issues, equipment availability and labour issues, are having a negative impact on our industry's ability to meet all the concrete needs in the B.C. marketplace.

Concrete production challenges for the industry were hindered in 2022 by downtime for specialized maintenance at different cement plants servicing the B.C. marketplace, leading to unexpected temporary shutdowns, aggravating current shortages. These tight market conditions were further exacerbated by a fire at one of the plants in late May, resulting in production delays to implement the repairs required. The other cement suppliers to the region, based in the US, have been impacted by planned maintenance and global supply chain issues in the face of strong demand. As a result, some concrete producers have been placed on cement allocation as the demand for cement was exceeding the ability of the cement plant's capability to supply. This has resulted in some temporary plant closures due to supply issues.

In addition, since late May, concrete ready-mix drivers and plant operators have been on strike at one major concrete producer which has disrupted a significant amount of concrete supply across the region. Concrete BC understands that both sides are engaged in negotiations, and we hope the two sides bargain in good faith to reach an agreement as soon as possible.

While other BC Concrete Producers work hard to meet this increased demand, they are also impacted by a shortage of qualified concrete delivery drivers as many open positions go unfilled.

As some of the above supply factors are unlikely to change quickly, we expect supply constraints to continue in the second half of 2022. Concrete BC encourages the construction industry to work with their concrete supplier to achieve realistic supply schedules and coordinate deliveries of large concrete placements or placements with significant quantities of supplementary cementing materials (SCMs).

Improved project coordination should include:

- Detailed communication with your suppliers about specialty raw materials or high volumes of SCMs. Lead times have increased significantly.
- Minimum weekly coordination with your concrete producer for critical path concrete placement items.
- Identify if the concrete plant has reduced service hours due to supply of raw materials and if this may impact your construction schedules.

Open communications and realistic expectations will be required over the coming months to address the challenges facing the industry. However, our experience over the last few years shows us that short-term challenges can be addressed as we work together to build a better B.C.

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