

British Columbia Coast Log Prices

JUNE 2019

North America Lumber Market Overview

Robust US home building activity and North America timber harvest

June 20, 2019

believably weak construction framing softwood lumber prices in the first half of this year. There were serious supply chain issues, mostly due to severe weather, in the winter. As well, the US government shutdown put a particularly bad crimp in the movement of goods, and at the border stopped it completely. Indeed, for products subject to duty, there was a total delay of transportation until the full-time people came back to the job.

Some say the lumber supply-demand balance appears well-stocked in June 2019, as inventories are replete and

delivery times are down to same-week. Most decay tragically low prices as incomprehensible.

Minuscule, especially for the season, order files at sawmills across all regions brought lumber prices crashing down from the soaring highs of this time last year. Indeed, after languishing for most of 4Q 2018, wholesaler prices of solid wood commodities started falling right from the beginning of this year until they flatlined at dangerous lows for most of May. Producers went off-the-market (refusing to quote prices) while secondary suppliers weren't sure at what levels to set their existing inventory.

By Keta Kosman Publisher and Editor *Madison's Lumber Reporter*

Canada

Prices are in CAD dollars per cubic metre (net FOB port)	May 2019	April 2019	\$ change	% change	trend	May 2018	\$ change	% change	trend
Douglas Fir, Standard	\$144.63	\$155.36	-\$10.7	-7.4%	▼	\$163.35	-\$18.7	-12.9%	▼
Douglas Fir, Gang	114.10	110.71	3.4	3.0%	▲	117.79	-3.7	-3.2%	▼
Douglas Fir, Chip & Saw	78.35	76.28	2.1	2.6%	▲	71.99	6.4	8.1%	▲
Douglas Fir, Pulp	47.70	47.23	0.5	1.0%	▲	45.36	2.3	4.9%	▲
HemBal, Standard	\$83.63	\$82.45	\$1.2	1.4%	▲	\$81.86	\$1.8	2.1%	▲
HemBal, Gang	69.62	75.96	-6.3	-9.1%	▼	76.90	-7.3	-10.5%	▼
HemBal, Chip & Saw	62.20	61.44	0.8	1.2%	▲	59.62	2.6	4.1%	▲
HemBal, Pulp	51.59	51.32	0.3	0.5%	▲	51.02	0.6	1.1%	▲
Western Red Cedar, Standard	\$279.73	\$266.55	\$13.2	4.7%	▲	\$256.96	\$22.8	8.1%	▲
Western Red Cedar, Gang	262.19	250.35	11.8	4.5%	▲	254.29	7.9	3.0%	▲
Western Red Cedar, Chip & Saw	135.92	137.35	-1.4	-1.1%	▼	156.89	-21.0	-15.4%	▼
Western Red Cedar, Utility Logs & Pulp*	121.81	133.63	-11.8	-9.7%	▼	142.71	-20.9	-17.2%	▼

International

Prices are in CAD dollars per cubic metre (net FOB port)	May 2019	April 2019	\$ change	% change	trend	May 2018	\$ change	% change	trend
Douglas Fir, Standard	\$178.30	\$172.01	\$6.3	3.5%	▲	\$190.00	-\$11.7	-6.6%	▼
Douglas Fir, Gang	146.47	158.90	-12.4	-8.5%	▼	160.72	-14.3	-9.7%	▼
Douglas Fir, Chip & Saw	94.14	104.71	-10.6	-11.2%	▲	121.30	-27.2	-28.8%	▼
HemBal, Standard	\$146.71	\$160.48	-\$13.8	-9.4%	▼	\$158.00	-\$11.3	-7.7%	▼
HemBal, Gang	133.16	132.74	0.4	0.3%	▲	141.08	-7.9	-5.9%	▼
HemBal, Chip & Saw	103.53	82.84	20.7	20.0%	▲	144.54	-41.0	-39.6%	▼
Western Red Cedar, Standard	\$357.61	\$307.28	\$50.3	14.1%	▼	302.77	54.8	15.3%	▼
Western Red Cedar, Gang	314.79	280.09	34.7	11.0%	▲	270.75	44.0	14.0%	▲
Western Red Cedar, Chip & Saw	139.08	155.19	-16.1	-11.6%	▲	165.70	-26.6	-19.1%	▲

Note: All prices represented are a statistical normalization to an approximate FOB point of sale Vancouver Log Market

Notes* The cedar utility log and pulp price reflects the aggregate market estimated price for cedar utility logs normalized over both pulp prices and utility log prices. (While that normalization best reflects the current market price for utility logs it does also reflect the pricing trends for cedar pulp).

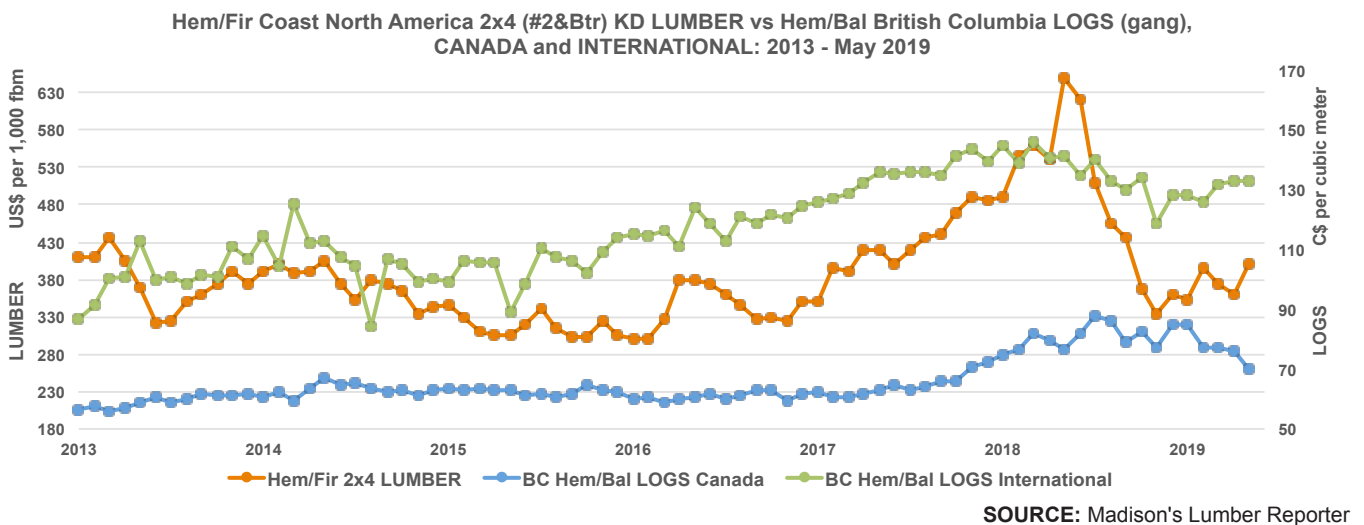
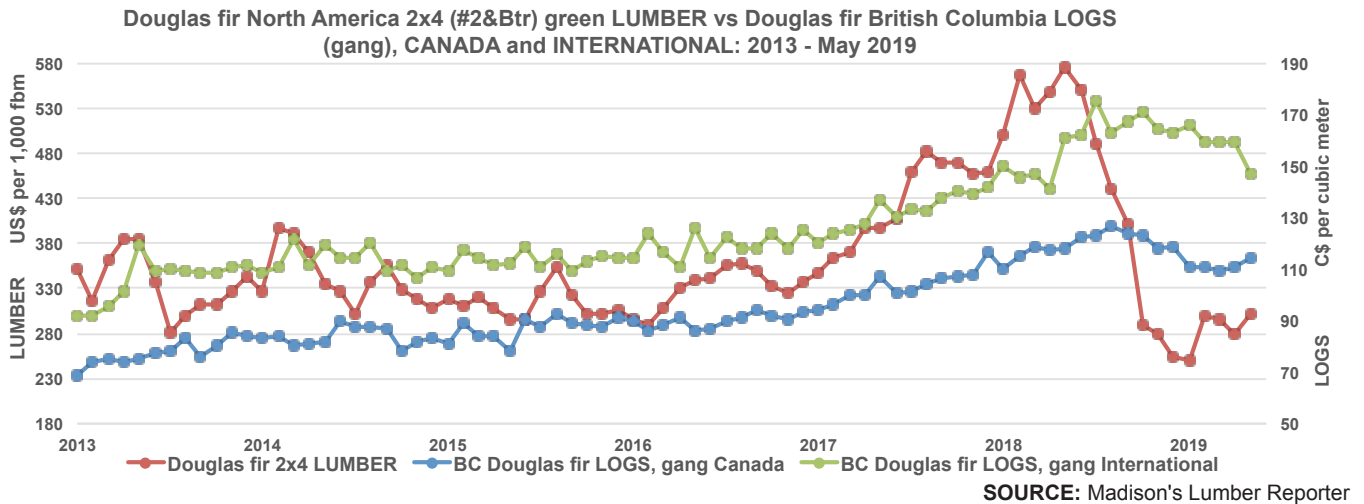
MADISON'S MONTHLY LUMBER AND FORESTRY DATA TABLE

This Year VS Last Year

	This month	Last month	Change %	Trend	Last Year	Change %	Trend
Movers & Shakers 2x4 Lumber Prices: US\$/mfbm Aggregate: WSPF, ESPF, SYP East, Hem-Fir Inland KD, and Doug Fir green	\$358	\$364	-1.5%	▼	\$643	-44%	▼
Benchmark Panel Prices: C\$/msf Aggregate: Canadian Softwood Plywood 9.5mm, OSB Ontario 7/16"	333	344	-3.3%	▼	\$620	-46%	▼
Benchmark Log Price, Canada: C\$/cubic metre Douglas fir, gang	114.1	110.7	3.0%	▲	117.8	-3.0%	▼
Benchmark Log Price, International: C\$/ cubic metre Douglas fir, gang	146.5	158.9	-8.5%	▼	141	+4.0%	▲
	To Date 2019				To Date 2018	Change %	Trend
VOLUMES							
Canada Lumber Production: softwood, million m3	Jan-Mar	15.06			16.48	-9.4%	▼
VALUES							
US Sawmill Products Imports from World: million US\$	Jan-Apr	\$1,770			\$2,162	-22%	▼
US Sawmill Products Imports from Canada: million US\$	Jan-Apr	\$1,434			\$1,786	-25%	▼
US Coniferous Log Exports to World: million US\$	Jan-Apr	\$ 335			\$ 497	-48%	▼
Canada Coniferous Log Exports to USA: million C\$	Jan-Apr	\$ 197			\$ 225	-14%	▼

NORTH AMERICA 2x4 LUMBER VS BC COAST LOG PRICES

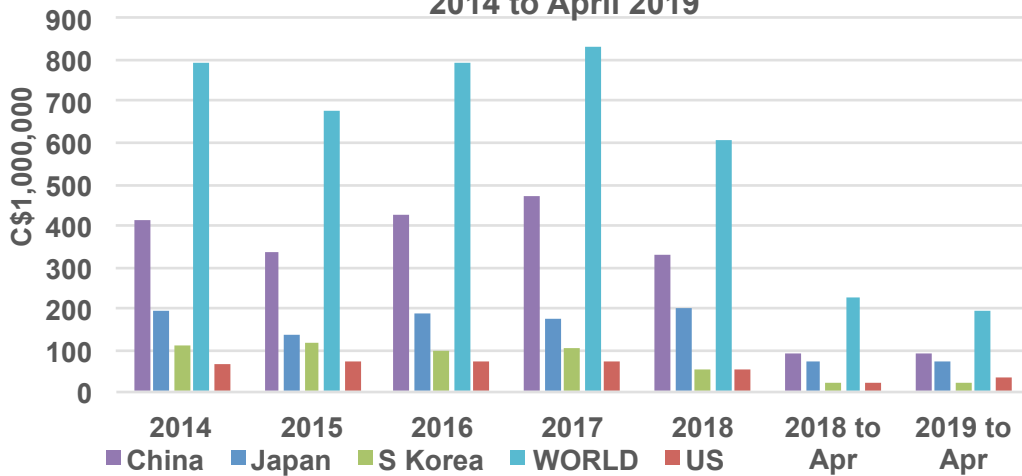
FIVE YEARS



CANADA LOG EXPORTS, VALUES

2014 to APRIL 2019

Canada Logs, poles, coniferous - Exports by Value
2014 to April 2019



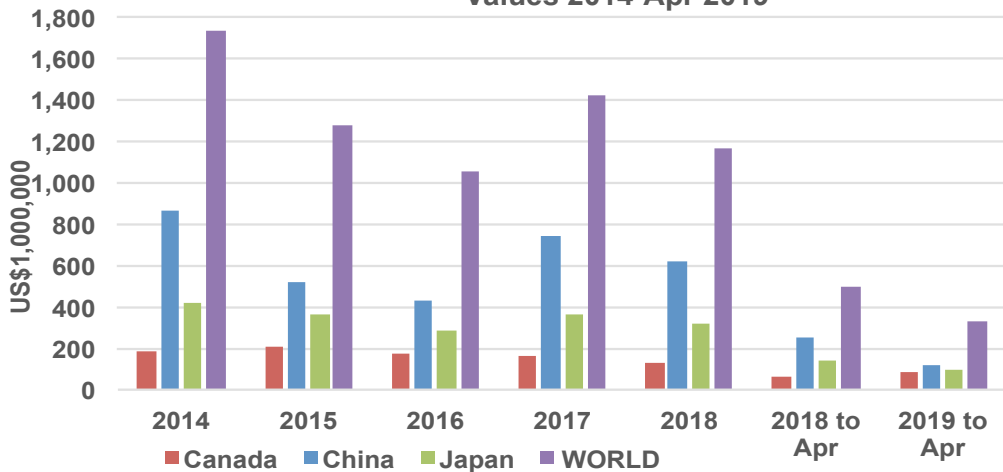
2018/2019 To APR	
US	+ 36%
Japan	+2.6%
S Korea	0.0%
China	-4.3%
World	- 14%

SOURCE: Statistics Canada

US LOG EXPORTS, VALUES

2014 to APRIL 2019

US Coniferous Wood In The Rough, Not Treated Exports:
Values 2014-Apr 2019



% chg 2018/2019 to APR	
China	-104%
Canada	+ 34%
Japan	- 46%
World	- 48%

SOURCE: US Census Censtats

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TECHNICAL SPECIFICATIONS OF LOG PRICE INFORMATION

BC coastal log prices, sales price from supplier, aggregated and reviewed by 3rd party
 Prices reflect FOB Vancouver Island, net distributed to dealer (Canada west coast).

B.C. coastal log prices (both domestic and international) were obtained by anonymously surveying B.C. coastal log suppliers through a third party who reviewed and aggregated the data. Pricing contained in this report is based on prior month's sales data and reflect FOB Vancouver Log Market.

BC COAST LOG PRICES FOR:

SPECIES: Western Red Cedar, Douglas Fir, and Hemlock/Balsam
GRADES: Standard, Chip & Saw, Gang, and Pulp
SALES: Canadian and international markets

SIZES	Douglas fir	Standard – 12" + sawlog
	Douglas fir	Gang – 8" - 11" sawlog
	Douglas fir	Chip & Saw – 4" - 7" sawlog
	WR Cedar	Standard – 12" + sawlog
	WR Cedar	Gang – 8" - 11" sawlog
	WR Cedar	Chip & Saw – 4" - 7" sawlog
	Hemlock/Balsam	Standard – 12" + sawlog
	Hemlock/Balsam	Gang – 8" - 11" sawlog
	Hemlock/Balsam	Chip & Saw – 4" - 7" sawlog

Note: These log dimensions are top (or small end) diameter cutoffs

UNITS OF MEASUREMENT CONVERSIONS:

1 Tons (US short ton) = 1.7116693207547 Cubic Metres
 For substance with density: 530 kg/m³ (Douglas fir)

The cubic metre (symbol m³) is the SI derived unit of volume. It is the volume of a cube with edges one metre in length.

Definition: Cord
 unit of wood equal to about 128 cubic feet
 1 cord = 3.62455636327191 cubic metre [m³]

SOURCE: <https://www.thecalculatorsite.com/conversions/substances/wood.php>

MADISON'S BC COAST LOG PRICE REPORT

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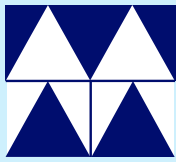


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