

MADISON'S LUMBER REPORTER

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News & Updates

Madison's Timber Preview

The Forest & Marine Group's court-ordered three month extension for creditor protection expires Friday. The company has not been able to secure a source of financing therefore is not eligible for loan guarantees from Business Development Canada. Forest & Marine released a statement Wednesday that it expects it can no longer operate its business and plans to pursue self-liquidation initiatives to pay out its secured creditor Asset Engineering Limited Partnership.

Contact us any time for a subscription.

Forest Fires

Fire crews are busy with three separate fires in the Sea to Sky region—including one on Blackcomb Mountain which spread quickly and forced the evacuation of hikers and tourists near the Rendezvous Lodge. A lightning strike Thursday afternoon triggered the fire on Blackcomb, which is being called 'vigorous' by crews on the mountain, and had spread to 75 hectares on Thursday. Early Friday morning the Ministry of Forests and Range reported that aerial surveys determined the fire to be 30 hectares.

Two other forest fires could force people from at least 50 houses in an area north of Pemberton.

The forest fire at Mount McLean, west of Lillooet, first reported last week in *Madison's*, continues to burn out of control. That fire is now at 2,200 hectares and 0% contained, according to the Ministry of Forests website.

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Ainsworth Earthquake Test

OSB provided by Vancouver, BC's, Ainsworth Lumber Company was used in a full-scale seven-storey 40- by 60-foot condominium with 23 one and two bedroom living units and two retail shops on the ground floor for a simulated 7.5 magnitude earthquake.

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BC Labour Issues

After a long bargaining session on July 21, the United Steelworkers union and the CONIFER employer group decided to use the next day, previously scheduled for more bargaining, to caucus individually.

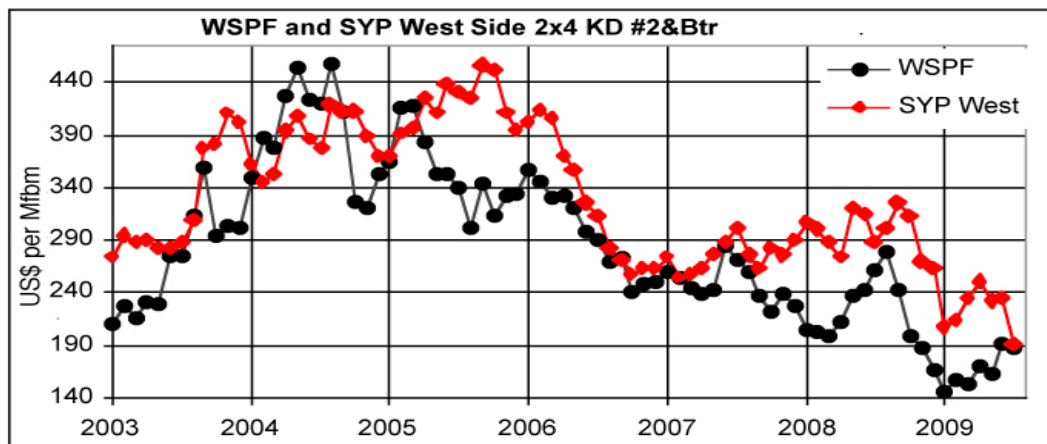
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BC Tree Species Migration Due to Climate Change

In a happy accident, researchers at the Centre for Forest Gene Conservation out of the UBC Forestry Department are able to use hard data gathered from an obscure silviculture study begun in 1974 by Keith Illingworth.

Using the information, researchers are able to design a computer model which shows how tree species' habitat will change over the next 65 years.

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Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	200	174	+26	200	0	266	-66
WSPF KD R/L 2x6	198	185	+13	208	-10	270	-72
WSPF KD R/L 2x8	220	215	+5	225	-5	280	-60
WSPF KD R/L 2x10	315	320	-5	322	-7	285	+30
WSPF KD PET 2x4 Stud	198	198	+3	210	-12	218	-20
Douglas Fir Green R/L 2x4	150	150	0	175	-25	185	-35
Douglas Fir Green R/L 2x10	250	250	+26	240	+10	230	+20
ESPF KD 2x4 8ft Stud	282	282	0	285	-3	325	-43
OSB Ontario 7/16" (CDN\$)	220	220	0	209	+11	205	+15

Weekly News

Fire Season

CONTINUED A 125 hectare fire was discovered Monday at Back Mountain, by Cache Creek, BC which is currently 0% contained. This fire is described as a "vigorous ground fire" by the Ministry of Forests.

A rash of dry lightning Thursday in the Watson Lake district resulted in 18 new fires in the southern portion of Yukon. The activity was in addition to three new fires elsewhere in Yukon Thursday. Hot and dry conditions combined with minimal precipitation and dry lightning activity early in the evening is what triggered the rash of new starts.

With the recent activity, there have now been 89 fires this season in Yukon burning more than 110,000 hectares of forest.

The forest fires which raged across the Mediterranean region of southern

Europe last week are currently largely contained.

There are 74 forest and plantation fires burning in various regions of Indonesia, in particular Riau Province, according to the meteorological, climatological, and geophysics office.

Forest fires in Indonesia have become an international concern as they release carbon emissions, which could worsen global warming, and haze.

Indonesia has received United States assistance to conduct a fire-fighting exercise and Malaysian aid to organize a course on tackling forest and plantation fires.

During the El Nino of 1982-83, fires burned about 3.7 million hectares of forest degraded by commercial logging and agriculture in Kalimantan. In 1987, another 2 million hectares of forest went up in smoke in Kalimantan, East Timor, Sumatra, Sulawesi, and Java.

Japanese Shake Table

CONTINUED The results of the test, conducted July 14 at the Hyogo Earthquake Engineering Research Centre in Japan, proved that wood-frame construction is suitable for higher mid-rise structures in areas subject to earthquakes.

Test results showed that the building could stand a load of 1.8 times greater than the seismic intensity recorded at the North Ridge, CA, earthquake in 1994 which had a magnitude of 6.7.

These latest results are in addition to another earthquake test conducted in September 2008, which was also very successful, and used OSB supplied by Ainsworth for a bearing wall. In that test the building proved safe to a seismic intensity 1.5 times greater than the Kobe earthquake of 1995, which had a magnitude of 7.3.

Ainsworth is one of the largest OSB suppliers to Japan.

BC Labour Negotiations

CONTINUED Bargaining is scheduled to resume August 11 in Williams Lake.

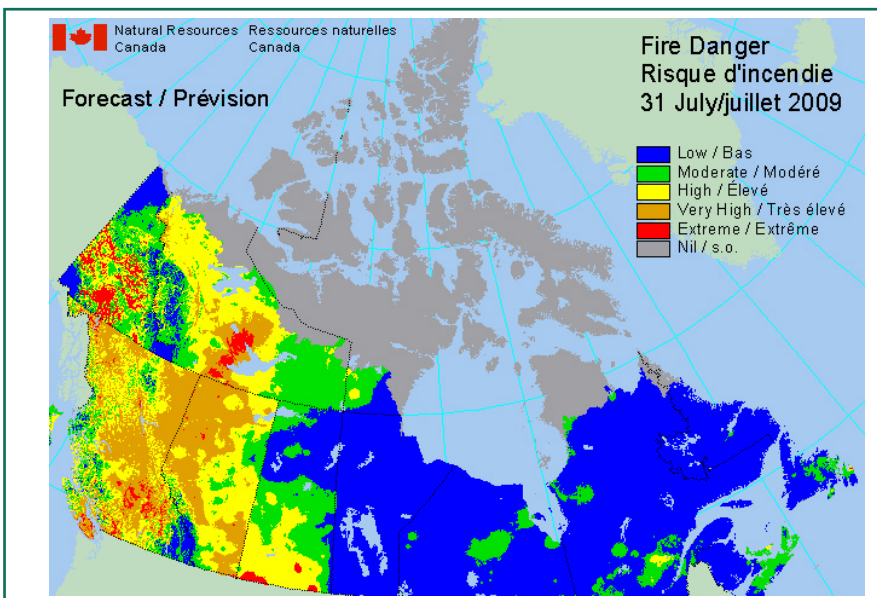
Frank Everett of the Steelworkers told *Madison's* Wednesday that the proposals of the union and employers were a "fair ways apart".

He did, however, say that there is "genuine understanding on both sides", which "bodes well".

When asked about the delay in bargaining, Everett said that it was due to previously scheduled holiday time on the part of various bargaining committee members.

Everett explained that "it is better to have good substance" to an agreement than to set a "quick pace".

Both parties are currently reviewing the respective proposals.



Assisted Migration Climate Change

In an amusing twist of fate, an obscure lodgepole pine silviculture study in British Columbia started 35 years ago is serving to assist scientists in building models for the future health of tree species threatened by climate change. The lodgepole pine provenance testing program, established by Keith Illingworth in 1974, includes 140 sources of lodgepole pine grown at 60 locations in 12 regions of the province. This initial attempt used 3-year to 20-year height and diameter measurements taken from five test sites representing the Kootenay region.

by Kéta Kosman

When a digital climate model becomes available for BC, it will be possible to specify a modified target climate and generate appropriately modified seed-suitability areas. In this way forest managers will be able to predict where genetically improved seed from today's orchards will perform best under tomorrow's predicted climates.

A partnership study out the the BC Ministry of Forests and Range and the UBC Department of Forestry is using data gathered from the Illingworth provenance test to study the future of tree growth in the province and the effects of climate change. Expectations are that by 2060, temperatures in British Columbia will rise to the point that current tree species would have to move north by 100 km per decade in order to remain healthy. There is concern that more adaptive species, like Douglas-fir, Ponderosa

pine and many small broadleaves are expected to benefit, while commercial species and many high elevation or boreal species are expected to lose substantial portions of suitable habitat/climate.

On another front, the Assisted Migration Adaptation Trial (AMAT) is a long term Research Branch field trial that examines the climatic tolerance of 40 of BC's most important tree populations (seedlots) from 16 species. It also includes 9 USA seedlots that may become important in southern BC in the future. According to a joint report produced by the Saskatchewan Research Council, the Canadian Forest Service and the BC Ministry of Forests, "Trees that are adapted to the climate at the time of establishment may be considerably maladapted to the climate at harvest time, displaying reduced productivity and increased frequency of pest attack." Meaning, by the time native trees grow to full size, usually 80 years, their species may no longer be adapted to the climate. By experimenting with planting some southern species, and planting native species further north than they currently grow, researchers hope to find the best silviculture practices for the future of BC's forests.

The AMAT report goes on to say that, "Assisted migration will probably be an important management response to species-level impacts, increasing the likelihood that future populations are established in locations in which the future climate will be suitable." To this end, the Centre for Forest Gene Conservation (CFGC) out of the UBC Forestry Department is involved in research related to climate change and its impact on forests. According to the CFGC website,

"The mountain pine beetle epidemic has provided an early warning signal of the speed and magnitude with which climate-related disturbances can strike."

Tongli Wang, Ph. D., Associate Director at the CFGC provided *Madison's* with some fascinating graphics generated by the model predicting the effect of climate change on BC's native tree species. While White Spruce does not fare well, losing an estimated 68 per cent of its habitat and 77 per cent of its overall frequency by 2085, Douglas Fir is expected to gain 124 per cent of habitat and 77 per cent of frequency over the same time period.

Also of interest is Western Red Cedar, which is expected to gain 124 per cent of new habitat, and 32 per cent overall frequency by 2085, spreading much further north and into the centre of BC than it has traditionally grown.

Grand Fir, Hazelnut and Western Larch are all expected to gain 500 per cent or more new habitat, according to Wang's 2006 report.

Since then, Wang has been able to create a more accurate model using data from the Illingworth provenance test. Wang explained to *Madison's* that "the predictions for Douglas-fir is a bit too aggressive based on our new predictions. As the new ones have not been released yet, I could not send them to you now. A better modeling approach has been developed and more precise predictions will be available soon."

As this information about the future growth of tree species in BC will be critical for forestry companies to plan their business, *Madison's* will publish the update upon receiving it.

