

# MADISON'S LUMBER REPORTER

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## News & Updates

### Madison's Investment Rx

Subscribers will be pleased to receive another bonus issue of *Madison's Investment Rx* today, our last free sample. Vital information about the latest movements in the lumber industry including; timber supply, transportation, new demand from developing countries, puzzling indications out of lumber futures, and more, are examined.

Contact us any time for a subscription.

### The ABCs of NRO . . .

British Columbia's newly created Ministry of Natural Resource Operations is taking questions from stakeholders to help inform BC's forest industry about its function. Do you want to know:

What is the British Columbia Ministry of Natural Resource Operations?

Why was it created?

How will the new structure affect your day-to-day business?

Will it impact your timber supply?

If you have questions, the Ministry of Natural Resource Operations (NRO) wants to hear from you. Submit your queries to [nromedia@gov.bc.ca](mailto:nromedia@gov.bc.ca) by March 31 and we'll answer them in a future issue of *Madison's Lumber Reporter*.

If you're looking for more information now, check out the Natural Resource Operations website at <http://www.gov.bc.ca/nro>. It provides a quick primer on the ministry's structure, and includes a service plan outlining NRO's long-term goals and why the one-land manager model is good for business and the environment.

An article on the creation of NRO was also published in the Dec. 10, 2010 issue of your *Reporter*.

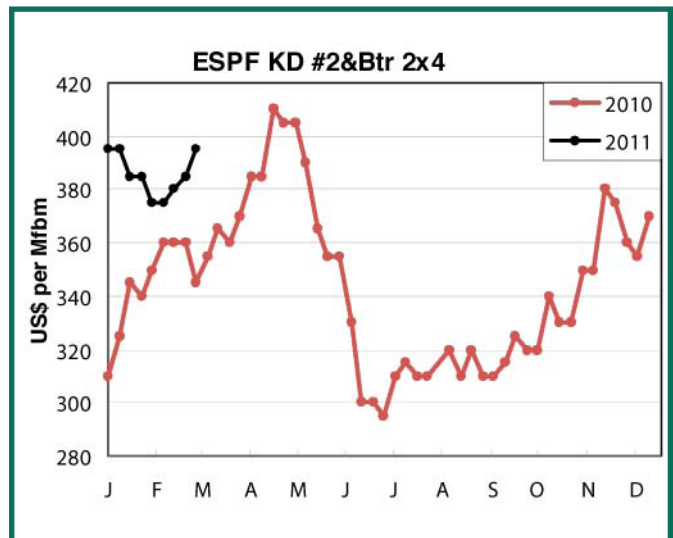
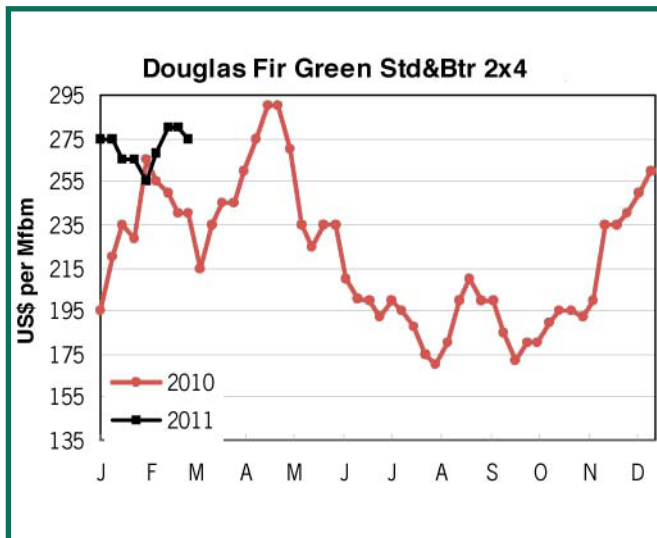
Our staff want to ensure it's business as usual for BC's forest industry. We look forward to hearing from you.

### Alberta Forest Products Association 4Q Results

The value of Alberta's forest products shipments increased 25 per cent from 2009 to 2010, said the AFPA in a press release Wednesday. Total shipments of lumber, panel-board, pulp and paper manufactured by Alberta Forest Products Association-member companies for 2010 increased from approximately \$1.9 billion to \$2.3 billion compared to one year ago. [READ MORE](#)

### Nine Storey Wood Building

The Cross-Laminated Timber Symposium held February 8 and 9 in Vancouver, BC, brought researchers and building experts from North America and Europe to discuss this exciting subject. Presented by Wood Works!, BC Wood, and FP Innovations, the symposium focussed on architectural and structural design, manufacturing, seismic resistance, connections, fire safety, acoustics, floor vibrations, durability, and environmental performance. [READ MORE](#)



## Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	306	288	+18	294	+12	270	+36
WSPF KD R/L 2x6	274	273	+1	270	+4	268	+6
WSPF KD R/L 2x8	280	278	+2	275	+5	255	+25
WSPF KD R/L 2x10	326	330	-4	338	-12	342	-16
WSPF KD PET 2x4 Stud	285	285	0	270	+15	270	+15
Douglas Fir Green R/L 2x4	275	280	-5	255	+20	240	+35
Douglas Fir Green R/L 2x10	290	295	-5	302	-12	240	+50
ESPF KD 2x4 8ft Stud	340	330	+10	320	+20	345	-5
OSB Ontario 7/16" (CDN\$)	205	205	0	200	+5	244	-39

## Weekly News

### Alberta 4Q 2010

#### Shipments

CONTINUED The improvements were due to both stronger prices and increased volume. The pulp and paper sector was particularly strong, with shipments of approximately \$1.3 billion.

Shipments dipped slightly from 3Q 2010 to 4Q, declining about \$18 million or 3 per cent. Brady Whittaker, AFPA President and CEO, attributed the decline to a softening of the pulp market. "The pulp market has been performing very strongly, but it backed off a bit in 4Q. That has put our numbers down slightly for this quarter."

AFPA-member companies shipped 698.9 million board feet between October and December 2010 with a value of \$188.6 million. Part of this production came from the secondary manufacturing sector. Total shipments were down 33.6 mmfbm or 7.1 per cent from 3Q 2010, but stronger prices pushed values up by \$19 million or 10.1 per cent. Compared to 4Q 2009, shipments were up 46.7 mmfbm, or 7.2 per cent, and values increased \$50.8 million, or 36.9 per cent. For the year of 2010, lumber shipments increased by 247 mmfbm, 9.6 per cent and values were up \$219 million, 42.3 per cent, as compared to 2009. Total lumber shipments for 2010 totalled 2.8 billion board feet valued at \$740 billion.

AFPA-member panelboard operators produced 264.8 million square feet of 7/16 inch equivalent product in 4Q 2010 valued at \$64.7 million. Production was down 19.4 million square feet, 6.8 per cent, and the value declined \$7.7 million, 10.6 per cent compared to 3Q 2010.

When looking at 4Q 2010 versus 4Q 2009, production was up 10.3 million

square feet, 4 per cent, but value declined \$2.8 million, also 4 per cent. For 2010, panelboard shipments dropped 29.1 million square feet, 2.6 per cent, but values increased \$23.8 million, 8.5 per cent. Total panelboard production for 2010 was 1.1 billion square feet valued at \$303.5 million.

### Russian Timber into Japan

Imports of Russian logs to Japan in 2010 was 447,300 cubic metres, according to the *Japan Lumber Journal*, only two-thirds of the volume received in the previous year, that amounted to 693,100 cubic metres.

The arrival of Russian logs in December 2010 was 25,900 cubic metres, down by 7.9 per cent from the previous year. The arrival of larch logs, whose demand as plywood materials has been declining, was still low. Imports of fir logs was large, exceeding 10,000 cubic metres for the first time since August. The usage of larch logs at the plywood factories declined while most of factories stopped sawing up red pine logs in Japan, says the *Journal*.

Month-by-month fluctuation in the arrival of Russian logs has been becoming larger with its demand-supply scale shrinking.

Compared to the previous month, the price of Russian larch logs in Japan made a large increase of 13.3 per cent, but prices of pine and fir logs went down by 2.7 per cent and 0.1 per cent respectively. However, prices of larch and fir increased by 11 per cent and 5.1 per cent respectively from the previous year while the price of pine was down by 5.7 per cent from 2009.

As for imports of lumber products from Russia, the arrival of pine and fir that are main products remained good, up by 1 per cent from November and up by 23.8

per cent from the previous year.

Imports of laminated lumber for structural use was low at 1,700 cubic metres, down by 35.1 per cent from November and also down by 15.2 per cent from the previous year.

Among lumber product prices, the price of largely traded pine and fir items increased by 3.5 per cent from November and also up by 4.3 per cent from the previous year.

The price of pine and fir was stable throughout the year, ranging from upper 31,000 yen to lower 33,000 yen. The price of laminated lumber for structural use was 47,217 yen per cubic metre, down by 2 per cent from November and up by 22.6 per cent from the previous year, maintaining its recovery trend.

### Calendar

March 2011

#### 2011 WWPA Annual Meeting

March 14 – Portland OR  
<http://www2.wwpa.org/ABOUTWWPA/AnnualMeeting/tabid/870/Default.aspx>

#### 2011 Timberland Investment Conference

March 23 & 25 – Greensboro, GA  
<http://www.ugacfb.com/timberland-asset>

April 2011

#### 53rd Annual ILA Conference and AGM

April 28 & 29 – Kamloops, BC  
<http://www.interiorlogging.org/convention.php>

#### 2011 IWPA Convention

April 13 to 15 – New Orleans, LA  
<http://www.iwpawood.org/>

# Cross Laminated Timber

## New Wood Technology

Cross-laminated timber (CLT) panel, also commonly known as a solid wood panel, provides an innovative massive building system for single- and multi-family residential buildings, multi-storey residential and commercial buildings, buildings for business and industry, and for special applications in structural timber constructions. Cross-laminated timber is commonly applied for external and internal walls, ceilings and roofs. The building system offers a minimum of assembly time at the building site due to its prefabricated elements. There is no break in the insulation layer and no need for a moisture barrier in walls. Production of the elements with single layer boards provides a lot of advantages: air tightness, fire resistance, thermal insulation and acoustic insulation.

Dimension lumber is assembled and bonded in various ways according to the design specifications of the intended building. The SPF mix, as well as Hemlock/Fir, are ideally suited to CLT production due to adherence and stiffness (modular of elasticity) properties of the wood. There are some restrictions on the visual quality of the lumber, there must be limited wane but, with selection, #2&Btr and even #3/Utility grades are acceptable for design values established to predict performance.

"CLT has been used in non-residential construction in Europe for about 15 years," explained Brad Wang of FPIInnovations to *Madison's* in a phone interview this week. "Also known as 'jumbo plywood', CLT is structurally similar to plywood except the element is lumber rather than veneer. CLT is thicker, and can be prefabricated for walls, ceilings, and floors based on the dimension required. The product is then assembled at the building site for installation. At the moment there are nine storey demonstration buildings in Austria, the UK, and elsewhere."

Please refer to the January 9, 2009 issue of your *Madison's Lumber Reporter* for details.

"There are two CLT grades; appearance for walls, and structural for floors and roofs. Standards are being drafted in North America, which FPIInnovations has submitted to APA - The Engineered Wood Association to be finalized," de-

tailed Wang. "North American CLT standards are about 75 per cent complete, and will specify grade requirements and how to make it."

When asked about the possibility of using beetle kill, Wang replied, "As long as there is not too much check and wane, and recovery is slightly lower (than non-beetle kill wood)."

"In the near future revised building codes in North America to allow for taller building made with wood will bring mixed-use, or commercial, institutional, community centres, schools, parking lots, and more built using CLT."

Asked for costing details, Wang concluded, "The current selling price in Europe is around US\$800 per cubic metre, while production costs could be up to US\$700 per cubic metre but are often lower."

Structurlam Products Ltd, out of Penticton, BC, is already running with this promising new product as the first big western manufacturer to invest in a plant.

"Our CLT manufacturing plant in Okanagan Falls, BC, is expected to be complete in June," said company CEO Bill Downing to *Madison's* in a phone interview Wednesday. "Sizes produced will be up to 40' x 10' x 12" (9 layers thick), and we will generally be using fingerjoint 2x6 for input, sometime 1x6."

Asked about Wang's pricing estimates; Downing generally agreed, "Margins in Europe might be different, there is more automation in the plants there which makes for higher production capacity therefore lower production costs. Then again fibre costs are higher in Europe."

"Once the universal standards are in place we should be able to export CLT anywhere, although we are expecting our customers to be largely domestic. We see this as primarily a BC product. We'll have to see who the adopters are. Likely they will be institutional; schools, recreation centres, city halls. The new six-storey wood building is an interesting market. Just as glulam replaces steel, CLT replaces concrete. It is ideal for use in stairwells, elevator shafts, for sheer walls, as flooring and multi-slab, not in the least because it is much faster to build with."

In reference to beetle kill, Downing said, "We're using beetle kill like crazy. Actually its better because it's drier. Usually we can use #2&Btr, but with a maximum 14 per cent moisture count, 12 per cent is the target. The thing is

our suppliers have to sort after the planer, for the grade and moisture, or else we would have to put the wood back into a kiln."

Given that this new product, strong, durable, and easy to build with, is a lumber product hybrid that is not complicated to make and is less expensive to use than concrete, it seems that there should be a big push from government to use it.

"CLT could revolutionize the lumber industry," said Pat Bell, BC's Minister of Forests, Mines and Lands to *Madison's* in a phone interview Thursday. "Species on the coast and the interior can be used, including SPF and Hem-Bal. CLT replaces concrete in tilt-up construction, is cost competitive, and building with it is faster than with concrete and steel. There are so many benefits; for example when using concrete for an elevator shaft, builders must shim every floor to make the tracks true but with CLT only the bottom floor needs to be shimmed. CLT is very true."

"Each piece of wood consumed to make CLT has specific qualities, depending on what qualities are desired from the resulting panel."

There would have to be some pilot projects, demonstration buildings, constructed before building codes would be changed, explained Bell.

"In the meantime builders would secure an engineer's permit from the relevant authority. We will likely include CLT in building codes; that is not a huge barrier. CLT would then be incorporated in government buildings as part of our Wood First initiative. In a few years, CLT will consume a huge volume of lumber in a new kind of wood building."

Pilot projects using CLT are already underway in BC, for Prince George's new Wood Innovation and Design Centre and at the UBC bio-mass facility, as well as in a house at Whistler.

The \$27 million UBC Bioenergy Research and Demonstration Project is a partnership with Vancouver-based Nexterra Systems Corp. and General Electric Co. When it opens in 2012, it is projected to be the first biomass-fueled, heat-and-power generation system of its kind in the world.

In addition, the four-storey, 1,886-square-metre facility will be the first North American commercial application of CLT.

For more information visit <http://www.wood-works.org/BC/Timber>.

The CLT Handbook is available on Amazon here .