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News & Updates

Storms, Wildfires

More disturbing evidence that extreme weather conditions may become the norm materialized this week in unseasonably early wildfires and another round of severe storms across the US.

In Canada, the government of Alberta has already begun prescribed burns in an effort to stave off a potentially dangerous wildfire season. The province has already seen 15 wildfires since the beginning of this year, which have burned slightly more than 16 hectares, said Geoffrey Driscoll, spokesperson for Alberta Sustainable Resource Development.

Parts of California were hit by a huge hailstorm Thursday that caused damage to many crops - mainly in Tulare and King's Counties. The hail was part of two cold late season storms.

Weather forecasters Friday warned of a very robust and strong storm system in the western US that will push eastward Friday and Saturday to produce a possible tornado outbreak across the Great Plains in the states of Oklahoma, Kansas, and Nebraska.

Wildfires scorched Tennessee as blazes in New Jersey and on New York's Long Island were largely brought under control and some were investigated as possible arson, said *Reuters* Wednesday.

In Florida, most of which is in drought, 89 wildfires were burning as of Tuesday, according to the Florida Forest Service.

Eighteen fires were larger than 100 acres and the largest, a lightning-sparked blaze in the Osceola National Forest near the border with Georgia, more than doubled on Tuesday to 25,000 acres burned.

Five large wildfires and several small ones were burning more than 14,000 acres across Virginia Friday. [READ MORE](#)

Housing Starts, Canada

Canada Mortgage and Housing Corporation said Wednesday that housing starts rose to 215,600 units, or 5 per cent, on a seasonally adjusted annualized basis in March, up from 205,300 units in February.

The upward movement in March was largely due to an increase in multiple starts, particularly in Ontario and the Prairies. [READ MORE](#)

Japan Housing Starts

In February, Japan's housing starts were 66,928 units, up 7.5 per cent from the same month in a year earlier, and total floor area was 5,940,000 square meters, up 6.8 per cent, the first increase in six months for both measures. [READ MORE](#)

Government Forest Resource Management

Legislation proposed by several US states is aimed at handing control of government-owned timber resources over to state officials. The US Department of Agriculture has announced land purchases by the US Forest Service. A huge debate has broken open in British Columbia after Members of the Legislative Assembly suggested protected forests may be made available for timber harvest in the Lakes District. [READ MORE](#)

CANADIAN HOUSING STARTS

Actual and Seasonally Adjusted Annual Rates

	March 2012		February 2012	
	Actual	SAAR	Actual	SAAR
Canada, all areas	14,517	215,600	12,136	205,300
urban ctrs with >10,000	13,761	192,100	11,498	184,300
singles, urban centres	4,030	68,000	3,487	69,700
multiples, urban centres	9,731	124,100	8,011	114,600
rural areas	756	23,500	638	21,000
Atlantic urban centres	333	7,600	256	7,400
Quebec urban centres	2,571	35,000	1,939	41,800
Ontario urban centres	6,062	85,200	4,202	65,400
Prairie urban centres	3,173	43,400	2,789	40,800
BC urban centres	1,622	20,900	2,302	28,900

Source: Canada Mortgage and Housing Corporation

JAPANESE HOUSING STARTS

Month	TOTAL	Non-Wood	Wood	%Wood
Jan-12	66,928	31,363	35,565	53
Jan-12	65,984	30,867	35,117	53
Dec-11	69,069	28,531	40,538	59
Nov-11	72,635	32,507	40,128	55
Oct-11	67,273	29,198	38,075	57
Sep-11	64,206	27,525	36,681	57
Aug-11	81,986	35,085	46,901	57
Jul-11	83,398	35,238	48,160	58
Jun-11	72,687	32,438	40,249	55
May-11	63,726	29,600	34,126	54
Apr-11	66,757	31,475	35,282	53
Mar-11	63,419	27,994	35,425	56

Source: Japan Wood Products Information and Research Center

US Foreclosure Filings RealtyTrac

First-quarter foreclosures declined 16 per cent in the US from a year earlier, falling to their lowest quarterly total since 2007, according to market researcher RealtyTrac Wednesday.

The number of foreclosure filings in the first quarter fell 2 per cent sequentially. Default notices, scheduled auctions and bank repossessions were reported on 572,928 US properties in the latest quarter, the lowest level since the fourth quarter of 2007, when 527,740 properties with foreclosure filings were reported.

A surge of foreclosures was started between August and November of 2011, and with legal delays it now takes an average of 370 days to finish the repossession process, Daren Blomquist, a RealtyTrac spokesman, wrote in an e-mail to *Bloomberg*.

"We'd expect many of those foreclosure starts from last year to become completed foreclosures around the same time period this year," he said.

Estimates of the number of homes that will be lost to foreclosure or distressed sale range from 1.6 million currently in the pipeline -- the forecast from Santa Ana, California-based CoreLogic -- to 8 million homes over the next five years, according to Oliver Chang, a housing analyst with Morgan Stanley in New York.

Filings totalled 198,853 in March, down 4 per cent from February and 17 per cent from a year earlier. It was the first time since July 2007 that the number fell below 200,000.

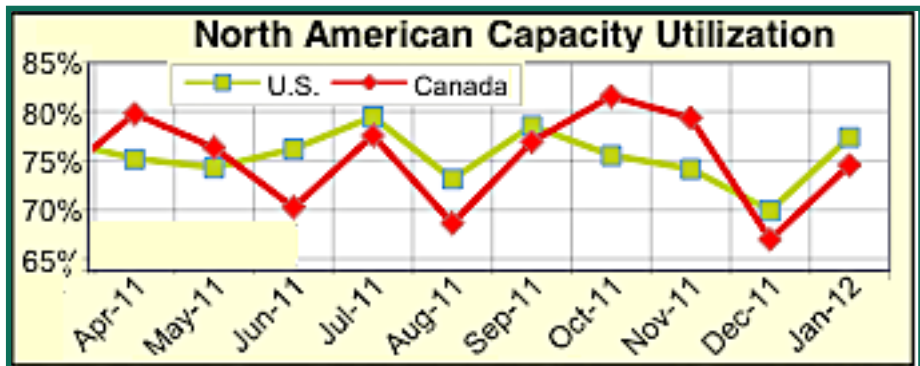
The largest decreases occurred in states with no court supervision of repossessions, led by Arkansas with a 79 per cent decline from a year earlier and Nevada with a 62 per cent drop, RealtyTrac said. Both states passed laws that "disrupted the normal foreclosure process," according to the data firm.

Filings fell 55 per cent in Washington, 41 per cent in Arizona, 31 per cent in Texas and 21 per cent in California.

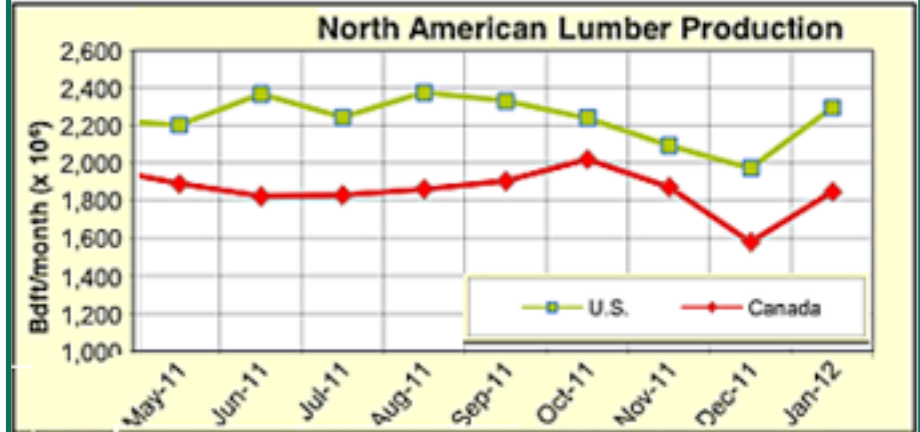
Ron Peltier, CEO of Berkshire's HomeServices of America, said Thursday, also to *Bloomberg*, he expects a rebound in US home sales as banks liquidate seized properties after settling foreclosure-misconduct claims. Five banks paid US\$25 billion to end probes by state and federal authorities.

Transactions will probably rise to about 5 million this year from 4.3 million in 2011, Peltier said.

"The banks still have very large numbers of distressed or foreclosed real estate inventory," Peltier said. "They are now going to be making those properties available, and given the low inventories across markets, it's probably a good time to be selling."



Source: USDA Profile: Softwood Sawmills in the United States and Canada. WWPA



Source: Southern Forest Products Association, U.S. Census Bureau, Council of Forest Industries-CAN, WWPA



Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	275	275	0	280	-5	257	+18
WSPF KD R/L 2x6	284	283	+1	288	-4	232	+52
WSPF KD R/L 2x8	272	267	+5	272	0	255	+17
WSPF KD R/L 2x10	314	309	+5	314	0	295	+19
WSPF KD PET 2x4 Stud	280	285	-5	280	0	255	+25
WSPF KD PET 2x6 Stud	300	310	-10	245	+55	280	+20
Douglas Fir Green R/L 2x4	240	242	-2	250	-10	265	-25
Douglas Fir Green R/L 2x10	240	270	-30	310	-70	295	-55
ESPF KD 2x4 8ft Stud	350	350	0	365	-15	325	+25
OSB Ontario 7/16" (CDN\$)	215	205	+10	222	-7	195	+20
CSplywood Toronto 3/8" (CDN\$)	350	340	+10	350	0	305	+45

Weekly News

North American Storms and Wildfires

CONTINUED Weather conditions favour strong thunderstorms in Kansas and Oklahoma Saturday, with a few “supercell” storms with rotating updrafts, Steve Weiss, science support branch chief for the National Storm Prediction Center told *MSNBC* Friday.

“The potential is that some of the supercells could be long-lived, so if they produce tornadoes they could be on the ground for a while,” explained Weiss.

In California, San Joaquin Valley growers and agriculture officials on Thursday said damage from a punishing storm that dropped half-inch sized hail on the region was more severe than expected – and financial losses could reach into the millions of dollars. Among the hardest hit were farmers in the Traver area near Highway 99 south of Kingsburg, where hail blanketed the ground after nearly a 20-minute downpour.

The Tulare County Agriculture Commissioner’s office said that 500 to 800 acres of tree fruit received some sort of damage ranging from 20 to 80 per cent of the fruit. One 200-acre block of tree fruit, north of Avenue 360 and west of Highway 99, suffered at least 80 per cent damage.

There also are about 150 acres of lettuce in Huron that received 75 per cent damage from the hail. Some damage also is likely among processing tomatoes.

A second storm is forecast for today that could bring rain and possibly more hail to the Valley.

Twenty-five states, all east of the Rockies, posted their warmest January-March periods on record, and many Northeastern states have had their driest starts ever.

“Those two factors, and recent wind, is a perfect recipe for fire” in the eastern US,

Weather Channel meteorologist Mike Seidel told *NBC News* Wednesday.

Humidity also also been low, and there’s lots of fuel in the form of brush to burn.

On Wednesday, the immediate threat shifted west as “red flag warnings” advising of severe fire potential were posted for parts of Arizona, Colorado, New Mexico, Utah and Wyoming.

The Tennessee, New York, and New Jersey wildfires follow an unusually dry winter and what the National Oceanic and Atmospheric Administration said was the warmest March in the contiguous United States since records began in 1895.

Ted Dailey, district forester for the Tennessee forestry division, said that efforts to control the fire, on English Mountain near the resort communities of Sevierville, Gatlinburg and Pigeon Forge, were being hampered by the steepness of the burning slopes that prevented the use of bulldozers to clear out fire lines to prevent the fire spreading further.

On New York’s Long Island, two brush fires merged into one that consumed three homes and nine business properties across 1,000 acres before firefighters got the upper hand.

In the southern New Jersey fires, there were no injuries or damage to property reported. Authorities were investigating whether the fires were started deliberately.

Canadian Housing Starts

CONTINUED Urban starts rose 4.2 per cent to 192,100 units in March, driven largely by an 8.3 per cent jump in multiple urban starts, while single starts were up a more modest 2.4 per cent, the CMHC said.

Unusually mild weather in March likely played into that rise.

The insanely hot condominium market in Toronto, ON, is largely responsible for the increase in multi-family starts.

Housing Starts, Japan

CONTINUED The seasonally adjusted annual rate for Japan housing starts in February was 917,000 units, according to the *Japan Lumber Reports* and *Japan Lumber Journal*.

This measure has exceeded the 900,000 unit mark for the first time since August 2011.

Condominium starts rose by almost 20 per cent, and are expected to keep up that pace for the next two years. New building of rental units also increased, for two straight months.

In the earthquake damaged prefectures of Iwate and Miyagi, new building figures jumped by 27 per cent and 69 per cent respectively.

Of all new units, wood-based buildings were 35,565, or a 53 per cent share of the total. This is a 6.1 per cent increase over January.

Sawmill Fire

A massive fire on April 8 caused about \$2 million in damage at the Cedar Creek Sawmill and Tree Farm just east of Sarnia, Ontario. No injuries were reported in the Sunday evening blaze.

Although investigators said an electrical problem could be to blame in both incidents, North Dumfries, ON, fire Chief Robert Shantz said a definitive cause may never be known for either fire, according to *TheRecord.com*.

At least a dozen fire trucks and about 35 firefighters from three departments — North Dumfries, Cambridge and Wilmot — responded, says *Metro*.

Government Managed Timberland

US and Canada

Recent suggestions by British Columbian Members of the Legislative Assembly about opening up previously protected forest resources in the Lakes District timber

by Kéta Kosman

supply area have prompted many responses. The loss of a major sawmill in Burns Lake, BC, to fire has caused an immediate employment crisis in that small town. Babine Forest Products owner Hampton Affiliates, out of Salem, OR, has indicated a desire to rebuild a mill, depending on the outcome of an insurance investigation and on the future timber supply.

It is not only in BC that questions are being raised, and demands are being made, about management of the publicly-owned forest resource base.

In the US, at the State level, a series of formal demands that the federal government hand over title to tens of millions of acres of forests, ranges and other public lands have been issued. If the federal government fails to comply by the end of 2014, the States say they will begin sending property-tax bills to Washington, according to USA Today on March 27. Supporters of the push say federal agencies have mismanaged the land and blocked access to natural resources, depriving the States of jobs and revenue from businesses ready to develop those resources. With individual states in control, the backers say, loggers could return to forests where endangered species halted work decades ago.

But States are ill-prepared to oversee so much land with the roads, recreation areas, and management needs that go along with it, critics charge.

Utah Governor Gary Herbert, Republican, signed a package of bills March 23 spelling out his state's intent to reclaim the land, and members of Utah's congressional delegation have pledged support for the battle in Washington.

In Arizona, a nearly identical bill passed the state Senate and awaits final action in the House. Lawmakers also are weighing several other proposals that attempt to undercut federal influence in land management.

Arizona Senator Al Melvin, Republican, said Washington has done a terrible job managing public lands, resulting in damage to industries such as ranching, farming, timber, and mining. Melvin and other supporters also blame the federal government for over-regulating Arizona's public lands, leading to overgrown forests that helped fuel last year's Wallow, AZ, fire, which burned more than 538,000 acres.

"We can't wait any longer," said Utah Representative Ken Ivory, also a Republican, to *USA Today*. "We value these open lands and open spaces, but certainly we're able to manage the multiple use for a sustained yield of natural resources. Utah will show the nation what it means to be self-reliant."

Legal experts say the States' demands of the federal government lack legal merit, partly because the States were allowed to join the Union on the condition that the federal government would control some land.

Meanwhile, the US Department of Agriculture on April 6 announced the Forest Service is reversing a lengthy period of inaction in the arena of forest management, making changes to existing guidelines which date to the Reagan administration. The USDA will finalize important and long overdue rules for the management of 155 national forests covering nearly 200 million acres, according to an agency press release. The rules will guide individual forest managers as they decide which parts of the forest can safely be opened to logging, mining, and recreation, and which parts must be set aside to protect wildlife and the health of the forest.

The clear focus is on conservation and restoration. Science will be respected, streams will be protected (the national forests supply one-fifth of the nation's drinking water), excessive logging and other environmental abuses will be prohibited, says the press release.

Agriculture Secretary Tom Vilsack in the statement announced that the US Forest Service will dedicate US\$40.6 million for 27 exceptional land acquisition projects in 15 states that will help safeguard clean water, provide recreational access, preserve wildlife habitat, enhance scenic vistas, and protect historic and wilderness areas.

28 different purchases from North Carolina to Oregon will protect clean water and fish and wildlife habitat, absorb private inholdings within wilderness areas, and support outdoor recreation spending, that contributes US\$14.5 billion annually to the economy.

The money comes from the Land and Water Conservation Fund, which was created in 1964. The fund receives the majority of its money through royalty payments from offshore oil and gas revenues to mitigate the environmental impacts of those activities. The fund is capped at US\$900 million a year, and other federal agencies besides the Forest Service use it.

In a further complication, since 2000, timber counties across the US have been getting a subsidy from the federal government to make up for timber revenues that plummeted when logging on federal lands was cut more than 80 per cent to protect habitat for the northern spotted owl and for salmon. But those subsidies have run out.

On the west coast, a proposal to increase logging on certain federal lands in Oregon to help struggling timber counties is before a vote, but the idea's future in Congress remains uncertain.

Oregon Representatives Peter DeFazio, Greg Walden, and Kurt Schrader have pushed a proposal to help Oregon counties that set up a special trust to allow increased logging of some of the 3 million acres overseen by the US Bureau of Land Management in western Oregon.

DeFazio has been trying to attach the proposal to a bill offered by House Resources Chair Doc Hastings, a Republican in Washington State, which requires the Forest Service to sell enough timber to generate US\$500 million for timber counties and gives the secretary of agriculture the power to ignore environmental laws to do it. If the bill passes, the US Forest Service and Bureau of Land Management would have to sell 33.2 billion board feet per year and send the money back to the counties.

However, there has been no official estimate on how much money the federal government would have to spend to hold timber sales that would generate that much revenue. Counties with national forests within their borders get 5 per cent of the revenues from selling timber off those lands.

At a Town Hall meeting in Medford, OR, Tuesday, Oregon Senator Wyden, Democrat, said, "I think we're going to lose Oregon communities in parts of this state. In rural communities we're going to see school three days a week. It's just that serious."

According to the Senator, it could happen if Washington doesn't act quickly.

"The first and foremost thing that has to happen is the House of Representatives has to pass the Senate transportation bill."

That piece of legislation would extend federal timber payments for one year. If passed, Senator Wyden said Oregon would get US\$102 million.

The senator said his three goals are to extend timber payments, get people back to work in the woods thinning forests, and pass an agriculture bill allowing Oregon produce into schools.

Industry sources say that what's driving rural US timber-dependent county officials to the brink of bankruptcy is they no longer have the ability to harvest federal timber.

No timber sales means fewer jobs, which leads to congressional handouts. Which themselves are not exactly brimming with excess funds.

DeFazio is proposing a similar measure, offering long-term leases on up to 1 million acres of federal timber land in western Oregon managed by the Bureau of Land Management.

Back in British Columbia, there are similar issues of long underfunded forest management practices, potential massive wildfire hazards, and a lack of revenue to the province from lowered stumpage rates in the race to harvest the mountain pine beetle killed trees before they completely degrade.

Each side of the border can learn lessons from the other, despite the differences in political systems.