

MADISON'S LUMBER REPORTER

Publisher
KetaDesign Productions

Editor
Kéta Kosman

Market Analyst
Earl Heath

Annual Subscription Prices
E-mail/Fax: C\$389
Discounts available for multiple
subscriptions
Published 50 times a year

www.madisonsreport.com
madrep@shawcable.com
604 984-6838

PO Box 2486 Vancouver, BC
V6B 3W7 Canada

In Canada, add GST or HST
ISSN 0715-5468

Printed in Canada © 2013

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News & Updates

Madison's Timber Preview

This week's issue of *Madison's Timber Preview* examines the latest timber harvest data in the US, as well as log prices and projections for log supply issues in the near future.

Contact us any time to receive this timely and vital information.

Canfor to Invest in South Carolina Mill

Canfor Southern Pine, a division of Canfor headquartered in Vancouver, BC, Wednesday announced that it will expand its existing lumber production facility in Horry County, SC. The US\$3.6 million investment is expected to generate 56 new jobs.

Canfor plans to install a continuous kiln system to increase its lumber drying capacity at the facility by 50 per cent. The expansion is expected to be complete by mid-July of this year.

Canfor is currently taking applications to fill the new available positions. Canfor is in need of truck drivers, electricians and qualified machine operators. Interested applicants are asked to go to the Conway facility to apply.

Canadian Housing Starts

Canadian housing starts slowed in December but more gradually than expected as an increase in single-family starts in urban areas softened the sting of a slowdown in multiple-unit and rural ground-breakings, the Canada Mortgage and Housing Corp said Wednesday.

Seasonally adjusted, the annual rate of housing starts was 197,976 units in December, down 1.7 per cent from 201,376 in November. On a real basis, CMHC said there were 16,352 actual starts in December, with condo construction falling 4.7 per cent and single-unit dwellings rising by 8.6 per cent.

The seasonally adjusted annual rate of urban starts dipped 0.1 per cent to 178,870 units, with single urban starts climbing 8.6 per cent to 67,419 units and multiple starts dropping 4.7 per cent to 111,451 units. [READ MORE](#)

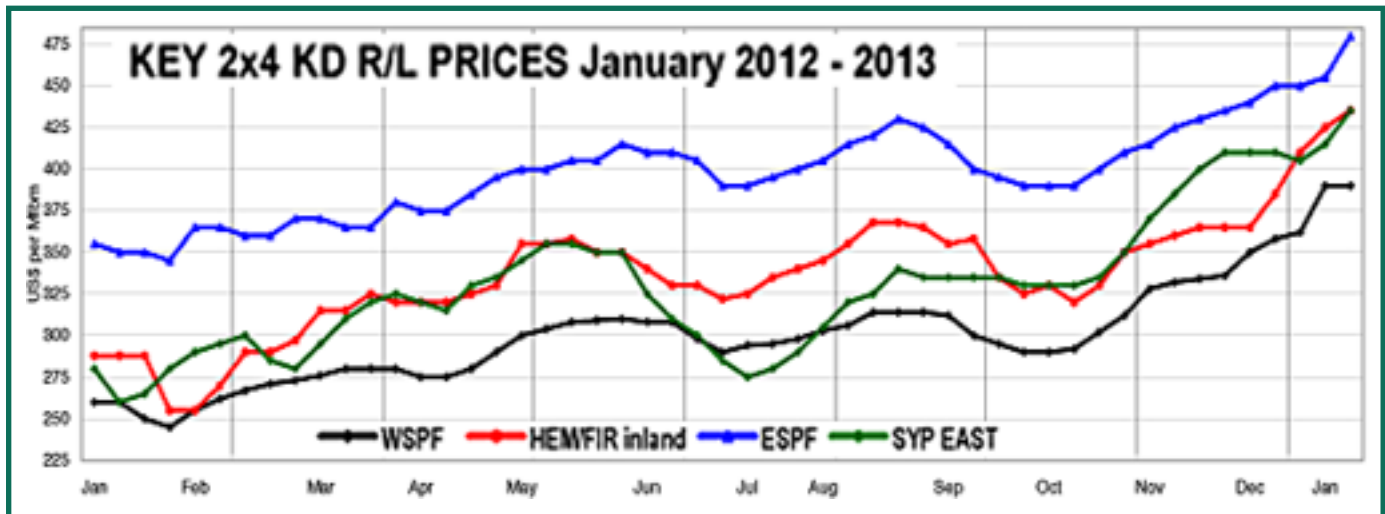
Two Sawmill Fires, One Stabbing

Alpine Lumber's sawmill in La Jara, CO, burned to the ground on Saturday at approximately 3 am. Conejos County police officer Shawn Woods happened to be driving near the mill when he saw the flames and called it in. [READ MORE](#)

Ontario State of the Forests 2004 - 2009

The Ontario Ministry of Natural Resources reports comprehensively on the state of Ontario's forest resources every five years. The latest release was on December 19.

The current State of Ontario's Forests (SOF) report describes Ontario's forests and forest management, based on a criteria and indicators framework for sustainable forestry. Criteria reflect provincial forest sustainability goals and are designed to reflect public values and desired long-term outcomes for Ontario's forests. Indicators are specific measures used to assess progress towards the achievement of forest sustainability goals and objectives. The reporting period for the report is April 2004 to March 2009. [READ MORE](#)



UPDATE YOUR FREE LISTING TODAY!

CANADA'S SOLID WOOD MANUFACTURERS:

Contact our office at madrep@shawcable.com or 604 984-6838 to receive a copy of your current listing. We will send you our two-page listing form for a complete update!

There are over 1,700 individual entries in our existing database for Canadian solid wood and pulp and paper producers.

Don't be without this valuable resource, order an annual subscription to our online database tool to always have the contact information and product mix of Canada's forest products industry at your fingertips!

COMING THIS YEAR!

We will be expanding our Online Directory to include US producers.

More information to come in early 2013 **Madison's Online Lumber Directory** is expanding into the **US market**. Soon our existing tool will include US primary sawmills, secondary remanufacturers, panel mills, pulp and paper mills, and wholesalers. Stay tuned for more announcements!

Lumber Mill Listing Form

This FREE listing will bring your company's products to the attention of lumber buyers throughout North America and provide much information as possible. The more thorough your listing, the more it will stand out from the rest. PLEASE:

SALES PHONE _____ SALES FAX _____

EMAIL _____ WEBSITE _____

This location is a: Head Office If this is the Head Office, please list branch addresses (use another form)
 Branch Office
 Single Location If this is a Branch Office, where is the Head Office located?
 Other: _____

CONTACTS (Please specify job title. Use back of form for additional personnel):

PRESIDENT _____ VICE PRESIDENT _____ COO _____

SALES _____ TRUCK _____ OTHER _____

SPECIES HANDLED (Please estimate percentage of each):

Western Softwood	Eastern Softwood	Hardwood
LYNNE FIR () %	BALSAM FIR () %	ALDER () %
ALBAM FIR () %	BLACK SPRUCE () %	ASH () %
DOUGLAS FIR () %	EASTERN HEMLOCK () %	ASPEN () %
INGELMANN SPRUCE () %	EASTERN RED PINE () %	BASSWOOD () %
LAND FIR () %	EASTERN WHITE CEDAR () %	BEECH () %
COX PINE () %	EASTERN WHITE PINE () %	BIRCH () %
RICH () %	ESPY () %	BLACK OAK () %
DOGPOLE PINE () %	JACK PINE () %	CHERRY () %
POUROSA PINE () %	RED SPRUCE () %	COTTONWOOD () %
KA SPRUCE () %	TAMARACK () %	ELM () %
STERN HEMLOCK () %	WHITE SPRUCE () %	HARD MAPLE () %
STERN RED CEDAR () %	Other () %	HICKORY () %
STERN WHITE PINE () %		POPULAR () %
SE FIR () %		RED OAK () %
TE SPRUCE () %		SOFT MAPLE () %
LOW CEDAR(CYPRESS) () %		WALNUT () %
		WHITE OAK () %
		Other () %

PRODUCTS MANUFACTURED:

<input type="checkbox"/> BABY SQUARES	<input type="checkbox"/> FENCING	<input type="checkbox"/> MISDIMENSION	<input type="checkbox"/> ROUGHLUMBER
<input type="checkbox"/> BEAMS	<input type="checkbox"/> FINGERJOINT	<input type="checkbox"/> PALLET STOCK	<input type="checkbox"/> SHAKES/SHINGLES
<input type="checkbox"/> BOARDS	<input type="checkbox"/> FURNITURE STOCK	<input type="checkbox"/> PATTERN STOCK	<input type="checkbox"/> SHOP STOCK
<input type="checkbox"/> BARKWOOD/PLY	<input type="checkbox"/> FLOORING STOCK	<input type="checkbox"/> OTHER	<input type="checkbox"/> CONCRETE PARTS

COMING SOON . . . US SOLID WOOD PRODUCTION FACILITIES



**CANADA'S ONLY LUMBER DATABASE,
WITH OVER 1,700 PRODUCER LISTINGS!**

- extensive, detailed listings on all Canadian lumber, panel, pulp and paper, and shake and shingle producers and wholesalers
- updated continuously throughout the year, listings are easily accessed through your internet browser
- always up-to-the minute, completely revamped this year for vital information at your fingertips

Madison's Online Lumber Directory is the only current softwood products buyer's and seller's guide in the North American industry. Containing over 1,700 Canadian mill listings in a searchable online format, *Madison's Online Lumber Directory* is the most valuable information resource tool available. Each listing details: locations; contact names/titles; websites and emails; species; specialty products; capacities; grading agency & mill number; plus much more.

Instantly connect with the Canadian solid wood, pulp and paper products industry.

C\$225 + GST for a yearly subscription

Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	390	390	0	336	+54	260	+130
WSPF KD R/L 2x6	406	406	0	336	+70	264	+142
WSPF KD R/L 2x8	388	388	0	315	+73	250	+138
WSPF KD R/L 2x10	406	406	0	350	+56	314	+92
WSPF KD PET 2x4 Stud	340	340	0	310	+30	260	+80
WSPF KD PET 2x6 Stud	325	325	0	295	+30	300	+25
Douglas Fir Green R/L 2x4	355	340	+15	292	+63	230	+125
Douglas Fir Green R/L 2x10	355	340	+15	335	+20	320	+35
ESPF KD 2x4 8ft Stud	415	395	+20	380	+35	315	+100
OSB Ontario 7/16" (CDN\$)	375	357	+18	335	+40	202	+173
CSplywood Toronto 3/8" (CDN\$)	451	440	+11	363	+88	320	+131

Weekly News

Housing Starts, Canada

CONTINUED There was a broad disparity in activity across the country, with Ontario urban starts up 33.4 per cent but all other regions down. Urban starts fell 23.9 per cent in the Prairies, 11.8 percent in Quebec, 8.2 per cent in British Columbia and 1.6 per cent in Atlantic Canada.

The seasonally adjusted annual rate of rural starts fell 14.3 percent to 19,106 units from 22,298 units in November.

Sawmill Fires

CONTINUED When owner Mike Hostetter arrived on the scene he said the flames had already engulfed the entire building. Twelve trucks were trying to put out the fire.

However, on Wednesday morning the remains of the building was still smoldering as workers were beginning work to remove the burnt debris.

Hostetter said the mill lost at least three big pieces of equipment, multiple conveyors, chain saws, and some laser lights, just to name a few things.

"There is no suspicion of arson at all," said Hostetter. He speculated that the fire may have started due to an electrical malfunction because of the cold weather conditions lately.

As Hostetter pointed to the smoldering remains of the building he commented that the remains will probably stay

smoldering for weeks because of all the sawdust.

"We called the fire department out here again on Monday due to the smoldering," said Hostetter.

Also on Wednesday the Clark County Sheriff's Office received a call of a fire at Goldie's Sawmill just south of Wayland, MO. When fire personnel arrived, the mill was completely engulfed in flames. Wayland, Clark County and Alexandria Fire assisted with the call.

The fire department requested an ambulance to the scene. At this time there was a stabbing and two people were taken to the hospital. Until further investigation of the incident to determine if it was self defense or assault, no further information is available.

BC Seeks Firefighters

The British Columbia Ministry of Forests, Lands and Natural Resource Operations' Wildfire Management Branch is recruiting physically fit, motivated and team-orientated individuals to fill fire crew positions for the 2013 fire season.

Interested candidates can apply until January 24 online through the Wildfire Management Branch website: www.bc-wildfire.ca/employment

Successful applicants will be assigned to crews in various locations throughout the province and typically will start in May and work until the end of August.

All crew members must meet national physical fitness requirements. New crew members receive extensive training in fire behaviour, fire management tactics, fireline equipment use, fireline organization, communications, air operations and orienteering.

New Sawmill, North Carolina

Associated Hardwoods, based in Granite Falls, NC, plans to invest US\$7 million in a state-of-the-art sawmill operation which will employ as many as 29 people, according to the *Gaffney Ledger*. The company could close on the proposed site on Gaffney Ferry Road near Cherokee Speedway by the end of the month, and the sawmill could be operational this autumn.

Calendar

Jan 2013

Truck Loggers Association Annual General Meeting

Jan 18 - 18 - Victoria, BC

<http://www.tla.ca/events/convention>

IQPC 11th Timberland Investment Summit

Jan 28 - 30 - New York, NY

<http://www.timberlandworldsummit.com/Event.aspx?id=828974>

11th Timberland Investment World Summit
 January 28 - 30, 2013 | New York, NY
 Rethinking Investment Strategies in an Evolving Timberland Market
 Click here to download brochure

State of the Forests

Ontario

CONTINUED The feature report focuses on specific themes, such as: state of the forest sector; biodiversity; forest health; and, climate change. and provides a high-level summary of the Criteria & Indicators (C&I) framework. The C&I interactive PDF provides detailed information about the C&I framework and will be updated periodically to provide new information prior to the release of the next SOF report.

by Kéta Kosman

Both documents are available on the Ontario Ministry of Natural Resources website here: http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STDPDOD_101854.html

Ontario's forest sector experienced a major economic downturn from 2004 to 2008, resulting in the following:

- Annual harvesting levels dropped by 10 million cubic metres, or 43 per cent, over the five year period;
- While employment levels increased from 2001-2004, forest sector jobs were lost at an average rate of 11 per cent per year from 2001-2006;
- Estimated operating surpluses (a measure of profitability) decreased by approximately \$1.1 billion, or 57 per cent, in the wood products sector and \$814 million, or 29 per cent in the paper manufacturing sector over the five-year period.

Provincially funded initiatives worth over \$660 million were implemented to revitalize the forest sector.

From 2004 to 2008, over 167,000 hectares were added to parks and protected areas. As of 2009, parks and protected areas covered nearly 10 per cent of Ontario's land mass.

Over 95 million cubic metres of wood were harvested from nearly 880,000 hectares. Forestry operations and the subsequent manufacturing of forest products generate substantial economic benefits for the provincial economy. Approximately four billion tree seeds were collected from 2004 to 2008. One hundred and twenty million tree seedlings were planted annually on Crown land.

The annual average investment (including capital and repair expenditures) in Ontario's forest industry was over \$1 billion. The level of investment declined throughout the entire period, corresponding with the decline in the forest products sector.

Resource industries (e.g., forestry and mining) accounted directly for 7.1 per cent of Ontario's jobs. Forest-based resource industries accounted for 1.2 per cent of the jobs in Ontario and provide an above average share of full-time jobs with compensation above the provincial average.

Forty-eight independent forest audits were conducted. Compliance with provincial legislation, policies, and guides was 95 per cent.

Harvest levels ranged from 23.2 million cubic metres in 2004 (73 per cent of the 32 million cubic metres available for harvest in approved forest management plans) to 13.2 million cubic metres in 2008 (42 per cent of the 31 million cubic metres available for harvest in approved forest management plans). The volume harvested by the forest industry over the past several decades was well below available levels. The shortfall in harvest levels represents a substantial loss of economic, social, and potentially environmental benefits for Ontarians.

According to Statistics Canada census data, the number of forestry-related jobs in Ontario steadily declined. From 2001 to 2006, jobs were lost at an average rate of 10.8 per cent per year. During 2006 and 2007 in particular, thousands of jobs were lost in Ontario's forest sector due to permanent and indefinite mill closures. Most resource-based industries in Ontario showed similar declines in employment levels.

Estimated operating surpluses, a measure of profitability, in the paper and wood products manufacturing sectors declined from 2004 to 2008. The wood products manufacturing sector (e.g., sawmills, veneer, plywood, and engineered wood) remained relatively stable from 1999 to

2003 but substantial declines occurred from 2004 to 2008. In 2004, the estimated operating surplus in the wood products manufacturing sector was \$1.9 billion. By 2008, the estimated operating surplus in the wood products manufacturing sector dropped by 57 per cent to \$808 million.

Operating surpluses in the paper manufacturing sector (i.e., pulp, paper, paperboard, and converted paper products) have steadily declined since 2000. In 2004, the estimated operating surplus in the paper manufacturing sector was \$2.8 billion. By 2008, it had dropped 29 per cent to \$2 billion.

Minor fluctuations were observed in the number of forest-associated species of conservation concern. Between 2005 and 2010, nine new species were added (deteriorating), 67 species were removed (improving), 13 species were down-listed (improving), 14 species were up-listed (deteriorating), and the conservation status of 819 species did not change. Most of the changes were attributable to improved data rather than actual changes in the abundance of species.

While forest harvesting and renewal levels declined, renewal efforts exceeded harvest levels. From 2004 to 2008, the average annual area regenerated was 202,947 hectares, which was approximately 13 per cent higher than the average annual harvest area. The reliance on natural renewal increased, resulting in a corresponding decrease in the amount of some assisted renewal activities.

From 2004 to 2008, nearly 230,000 hectares were assessed annually to determine the success of the renewal treatments. Ninety-one per cent of the areas assessed were identified as having been renewed.

