

MADISON'S LUMBER REPORTER



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News & Updates

Madison's Timber Preview

This week's issue of *Madison's Timber Preview* examines the latest financial reports of Acadian Timber, Plum Creek, and Canfor as well as looking at 2012 timber revenues in various North American jurisdictions.

Contact us any time for this valuable and timely information.

Japan-Russia Annual Timber Conference

The Japan Russian Wood Products Conference met in early January to exchange opinions regarding the local situation of Russian timber and the trends of products in Japan, according to the *Japan Lumber Journal*.

As the supply of Russian logs has drastically decreased, Japanese sawmills of Russian wood have been forced to close or withdraw from their business. Japanese plywood mills have been reducing their use of Larch logs as much as possible, shifting the materials to domestic or American logs.

Attendees also discussed how Russian wood can cope with rising lumber prices of foreign species as the demand for wooden products is active in this year. [READ MORE](#)

Quarterly, Year-End Results

Resolute Forest Products reported its 4Q and 2012 results Tuesday. The company reported a net loss of \$2 million for 2012, compared to a net income of \$41 million in 2011. The net loss in 4Q was \$36 million, on sales of \$1.1 billion, compared to a net loss of \$6 million on sales of \$1.1 billion in the 4Q of 2011.

Interfor Wednesday reported net income of \$3.7 million in 4Q 2012. These results compare with net earnings of \$2.9 million in 3Q 2012 and a loss of \$2.8 million in 4Q 2011. [READ MORE](#)

North American Movement of Goods Statistics

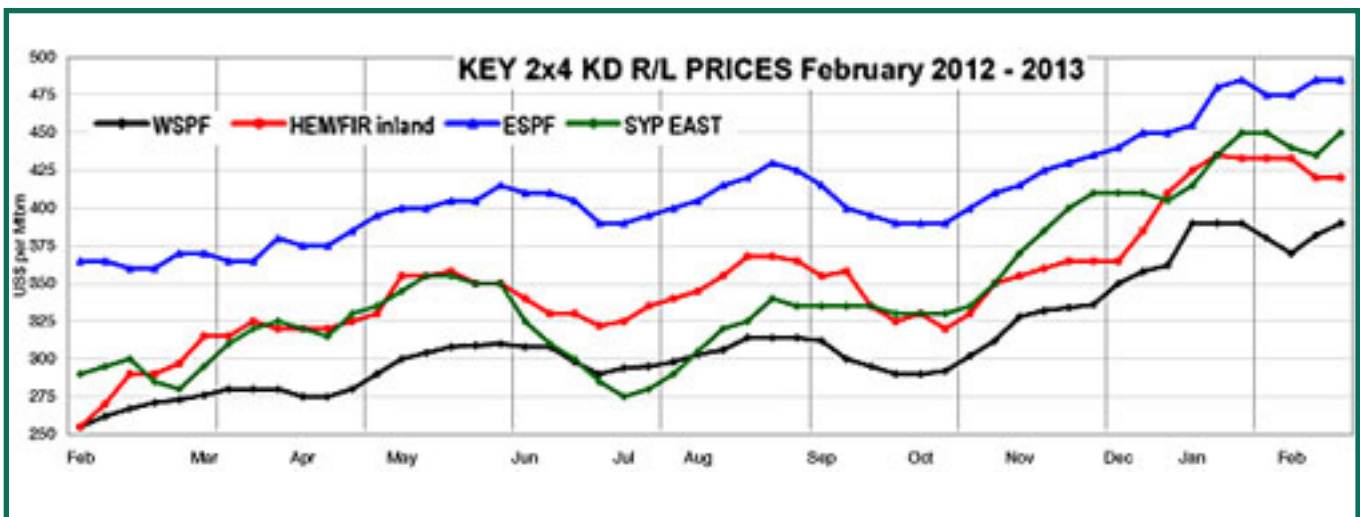
Always a good indicator of business and trade, new data on North American surface transportation shows a glimpse of US economic conditions. While some transportation data improved, in other areas the movement of goods is down compared to the recent past.

The Department of Transportation's Bureau of Transportation Statistics (BTS) reported Wednesday that its Freight Transportation Services Index increased 1 per cent from November to December, following a 1.7 per cent rise from October to November. The Freight Index measures the month-to-month changes in freight shipments in ton-miles, which are then combined into one index. The Index consists of data from: trucking, rail, inland waterways, pipelines, and air freight.

The BTS said that the December Freight Index, at 109.9, is 16.6 per cent higher than April 2009's low point of 94.3, and 3.5 per cent below the December 2011 reading of 114, which represents the all-time high since BTS first began collecting data in 1990. The rail and trucking increases were due, at least in part, to recovery from Hurricane Sandy, as well as general economic activity, the Department of Transportation (DOT) said.

The Index rose 0.7 per cent in 4Q 2012 following a 0.6 per cent decline in 3Q and a 0.3 per cent upturn in 2Q 2012. The index has improved in 11 of the past 14 quarters. [READ MORE](#)

[READ MORE](#)



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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 over 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

FREE LISTING

This location is a: Head Office If this is the Head Office, please list branch addresses (use another)
 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	OWNER
TITLE	TITLE	TITLE

SPECIES HANDLED (Please estimate percentage of each):

Western Softwood	Eastern Softwood	Hardwood
KUPEE FIR _____ () %	BALSAM FIR _____ () %	ALDER _____ () %
BALSAM FIR _____ () %	BLACK SPRUCE _____ () %	ASH _____ () %
DOUGLAS FIR _____ () %	EASTERN HEMLOCK _____ () %	ASPEN _____ () %
INGELMANN SPRUCE _____ () %	EASTERN RED PINE _____ () %	BASSWOOD _____ () %
LAND FIR _____ () %	EASTERN WHITE CEDAR _____ () %	BEECH _____ () %
NOOK PINE _____ () %	EASTERN WHITE PINE _____ () %	BIRCH _____ () %
LRICH _____ () %	ESPY _____ () %	BLACK OAK _____ () %
DOGROLE PINE _____ () %	JACK PINE _____ () %	CHERRY _____ () %
ROGROSA PINE _____ () %	RED SPRUCE _____ () %	COTTONWOOD _____ () %
OKA SPRUCE _____ () %	TAMARACK _____ () %	ELM _____ () %
STERN HEMLOCK _____ () %	WHITE SPRUCE _____ () %	HARD MAPLE _____ () %
STERN RED CEDAR _____ () %	Other _____ () %	HICKORY _____ () %
STERN WHITE PINE _____ () %		PORLAR _____ () %
ITS FIR _____ () %		RED OAK _____ () %
BE SPRUCE _____ () %		SOFT MAPLE _____ () %
N _____ () %		WALNUT _____ () %
LOW CEDAR/CYPRESS _____ () %		WHITE OAK _____ () %
F _____ () %		Other _____ () %

PRODUCTS MANUFACTURED:

<input type="checkbox"/> BABY SQUARES	<input type="checkbox"/> FENCING	<input type="checkbox"/> MISDIMENSION	<input type="checkbox"/> ROUGH LUMBER
<input type="checkbox"/> BEAMS	<input type="checkbox"/> FINGER JOINT	<input type="checkbox"/> PALLET STOCK	<input type="checkbox"/> SHAKE/SHINGLES
<input type="checkbox"/> BOARDS	<input type="checkbox"/> FURNITURE STOCK	<input type="checkbox"/> PATTERN STOCK	<input type="checkbox"/> SHIP STOCK
<input type="checkbox"/> VARIOUS OTHERS	<input type="checkbox"/> FLOORING STOCK	<input type="checkbox"/> OTHER	<input type="checkbox"/> SLEEPER/RAILS

COMING SOON . . . US SOLID WOOD PRODUCTION FACILITIES



**CANADA'S ONLY LUMBER DATABASE,
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- extensive, detailed listings on all Canadian lumber, panel, pulp and paper, and shake and shingle producers and wholesalers
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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	382	+8	390	0	267	+123
WSPF KD R/L 2x6	386	382	+4	406	-20	270	+116
WSPF KD R/L 2x8	375	372	+3	388	-13	252	+123
WSPF KD R/L 2x10	400	390	+10	406	-6	312	+88
WSPF KD PET 2x4 Stud	360	335	+25	340	+20	260	+100
WSPF KD PET 2x6 Stud	360	325	+35	325	+35	265	+95
Douglas Fir Green R/L 2x4	370	360	+10	355	+15	240	+130
Douglas Fir Green R/L 2x10	375	365	+10	355	+20	315	+60
ESPF KD 2x4 8ft Stud	420	405	+15	415	+5	330	+90
OSB Ontario 7/16" (CDN\$)	437	402	+35	375	+62	194	+243
CSplywood Toronto 3/8" (CDN\$)	433	433	0	451	-18	318	+115

Weekly News

Russian Timber To Japan

CONTINUED Members of the Japan Russian Wood Products Conference from importing companies reported on their current situations, says the *Japan Lumber Journal*:

- The arrival of Russian logs in 2012 was around 250,000 cubic meters; 109,000 cubic meters of Larch, 74,000 cubic meters of Red Pine, and 69,000 cubic meters of Yezo Spruce. There was a sharp drop since July.

- As the tariff rate for Red Pine logs dropped to 15 per cent from 25 per cent, purchase of those logs became easier even with the export quota.

- Chinese buyers have reduced their purchase of Russian logs, while on the other hand they are buying more North American and New Zealand logs. The prices to China would be around US\$160 per cubic metre for Larch and US\$180 per cubic metre for Yezo Spruce.

- The arrival of Russian lumber in Japan was about 560,000 to 600,000 cubic meters from January to November 2012, a drop of 10 per cent from a year ago.

- The lumber prices around the New Year rose to US\$560 to \$570 per cubic meter for high-grade items and US\$410 to \$420 for C-class items.

Japanese sawmills and wholesalers reported on their situation:

- The annual arrival of 250,000 cubic meters of logs and 550,000 cubic meters of lumber is far too little. They are expecting to see more arrival in this year.

- Although the tariff rate for Red Pine logs was lowered, the weaker yen in the exchange rate has forced the sawmills and wholesalers to engage in a bitterly-fought struggle. It is hard for them to persuade their customers to accept high-

er product prices. They understand that sawmills should gradually be out of business unless they renew the facilities, but still they cannot make a decision.

- With the strong yen, the product prices in Japan in 2012 were: 30,000 yen per cubic metre for green lumber; 40,000 yen for KD lumber; and 50,000 yen for laminated lumber. Among them, the price for locally-sawn lumber in Russia exceeded 60,000 yen.

- The demand in Japan is active. The prices for Russian lumber have returned to 55,000 to 56,000 yen. While the import prices are also rising, it is tough for the dealers unless the prices for studs go up by another 5,000 to 6,000 yen.

- Whitewood lumber is in shortage, and then some dealers have started to transact Red Pine lumber.

- It takes time to transport Russian lumber, which is conveyed in containers. It is the question how to achieve stable supply as is always pointed out.

Financial Results

CONTINUED Canfor Corporation Thursday reported a net income of \$24.6 million in 4Q 2012 and \$41.4 million in the 2012 fiscal year. The net income attributable to shareholders is \$21.6 million in 4Q, and \$32.1 million for the entire 2012 fiscal year.

West Fraser Timber reported Thursday earnings of \$22 million on sales of \$773 million in 4Q 2012, and earnings of \$87 million on sales of \$3 billion for 2012. Sales for the latest quarter rose to \$773.4 million, from \$650.7 million in the comparable quarter last year.

Taiga Building Products reported also Thursday net earnings of \$0.4 million in its latest quarter ending December 31, 2012. Consolidated net sales for the quarter were \$247.7 million, an increase of

22 per cent over the same quarter in the previous year. Net earnings for the nine months ending on December 31, 2012 are \$35.4 million, compared to \$28.4 million the previous year, an increase of 24.8 per cent.

West Fraser Announces

Ted Seraphim, West Fraser's President and COO, will replace Hank Ketcham as CEO on March 1.

Ketcham, who also currently serves as Chair, will assume the role of Executive Chair, the Vancouver-based company said Thursday.

Calendar

February 2012

Association of BC Professional Foresters AGM
February 23 to 24 - Victoria, BC
<http://www.abcfp.ca>

March 2012

Western Wood Products Association AGM
March 2 - Portland, OR
<http://www.wwpa.org>

Canadian Bioenergy Association - World Biofuels Markets 2013
March 11 to 14 - Rotterdam, Finland
<http://www.canbio.ca/article/world-biofuels-markets-2013-361.asp>

April 2012

Council of Forest Industries Annual Convention
April 4 to 5 - Prince George, BC
<http://www.cofi.org/>

