

# MADISON'S LUMBER REPORTER

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## News & Updates

### Sawmill Fire

Monte Vista, CO, and surrounding fire departments battled a blaze at Pleasant Lumber in Monte Vista, CO, on Thursday evening until well after dark, according to the *Valley Courier*. Clouds of smoke could be seen at a distance shortly after 7 pm. Monte Vista fire crews were on scene when Alamosa was called to assist.

Fire officials determined Friday that electrical and mechanical problems were the cause of the fire. Monte Vista Fire Chief Charles Archer said Saturday the fire was either the result of electrical or mechanical problems or a combination.

The fire began Thursday evening around electrical equipment on the second floor of the mill.

### US New and Existing Home Sales, Prices

US home resales jumped in July to their highest level in over three years. The National Association of Realtors said Wednesday that existing home sales jumped 6.5 per cent to an annual rate of 5.39 million units.

Sales of new single-family homes in the United States fell sharply in July to their lowest level in nine months. Sales dropped 13.4 per cent to an annual rate of 394,000 units, the Commerce Department said Friday.

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### Economic Indicators, US

The number of Americans filing new claims for jobless benefits held near a six-year low last week and US manufacturing activity hit a five-month high this month, suggesting the economy is starting to find firmer footing.

Initial claims for state unemployment benefits climbed 13,000 to 336,000, Labor Department data showed on Thursday.

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### Raging Wildfires Threaten US Forests and Homes

*Madison's* returned to the office Friday from an epic visit to Haida Gwaii, BC, (more on that in the future) to find the expected seasonal wildfire catastrophe unfolding across the North American continent.

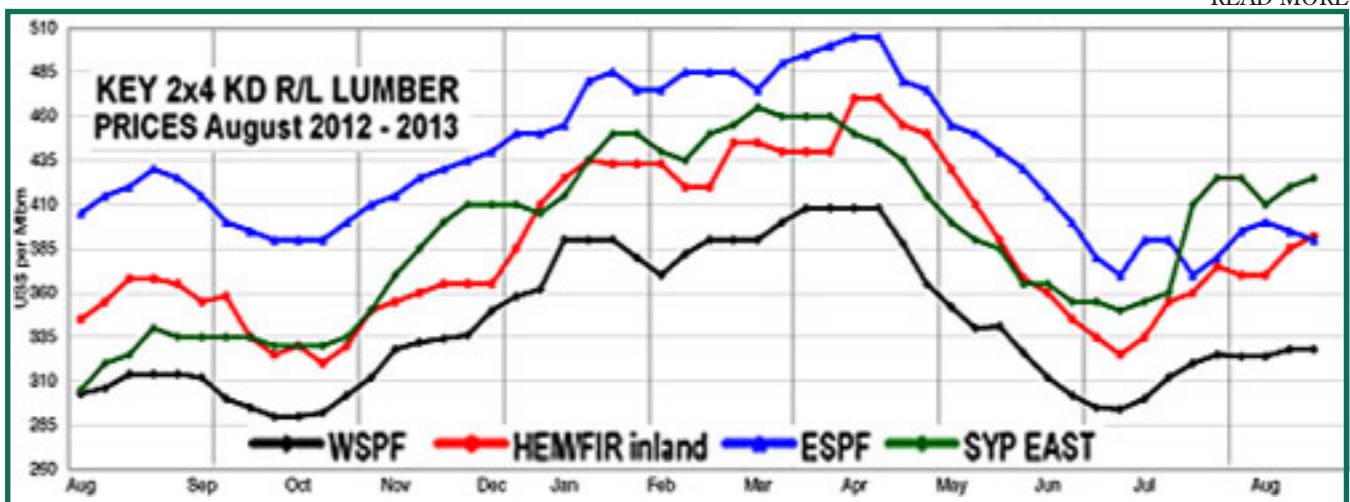
**THE DALLES, OR, August 24 (KREM)** – More than 200 homes were in the evacuation area of the Government Flat wildfire complex near The Dalles, OR, Friday as it grew beyond 12,000 acres.

More than 1,000 firefighters and support personnel were battling the complex, which is made up of the Blackburn, Government Flat, and Wells fires. The Blackburn fire was only 20 per cent contained Thursday, while the other two were fully contained.

**SAN FRANCISCO, CA, August 24 (NewsRadio 1150 WGOW-AM)** – California Governor Jerry Brown declared a state of emergency for the city and county of San Francisco Friday due to a wildfire in Yosemite National Park. Brown said the fire, 150 miles away from San Francisco, is threatening the hydroelectric stations that feed power to the city.

Brown said in a statement, “the wildfires that started in Tuolumne County have caused damage to electrical infrastructure serving the City and County of San Francisco, and now threaten damage to property, equipment, and resources of the San Francisco Public Utilities Commission and the San Francisco Recreation and Parks Department.”

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## Forest Fires Burning in US West

CONTINUED On Thursday, Brown issued a state of emergency in Tuolumne County, near the Yosemite National Park border.

According to the US Forest Service, the blaze has covered 125,620 acres. It was only 5 per cent contained Saturday.

**SAN FRANCISCO, CA, August 24 (Reuters)** – Firefighters on Saturday battled to gain control of a fast-moving wildfire raging on the edge of Yosemite National Park that is threatening power and water supplies to San Francisco about 200 miles (322 km) to the west.

The so-called Rim Fire, which had grown to just over 125,000 acres (50,585 hectares) as of early Saturday, remained largely unchecked with extreme terrain hampering efforts at containment.

The Hetch Hetchy Reservoir provides water to 2.6 million customers in the San Francisco area, and Brown in his declaration said the city's water supply could be affected if the blaze affects the reservoir.

On Friday, the fire was about 4 miles (6.4 km) west of the reservoir and some 20 miles (32 km) from Yosemite Valley, the park's main tourist centre. It was consuming brush, oaks and pine and was about 5 percent contained as of late Friday.

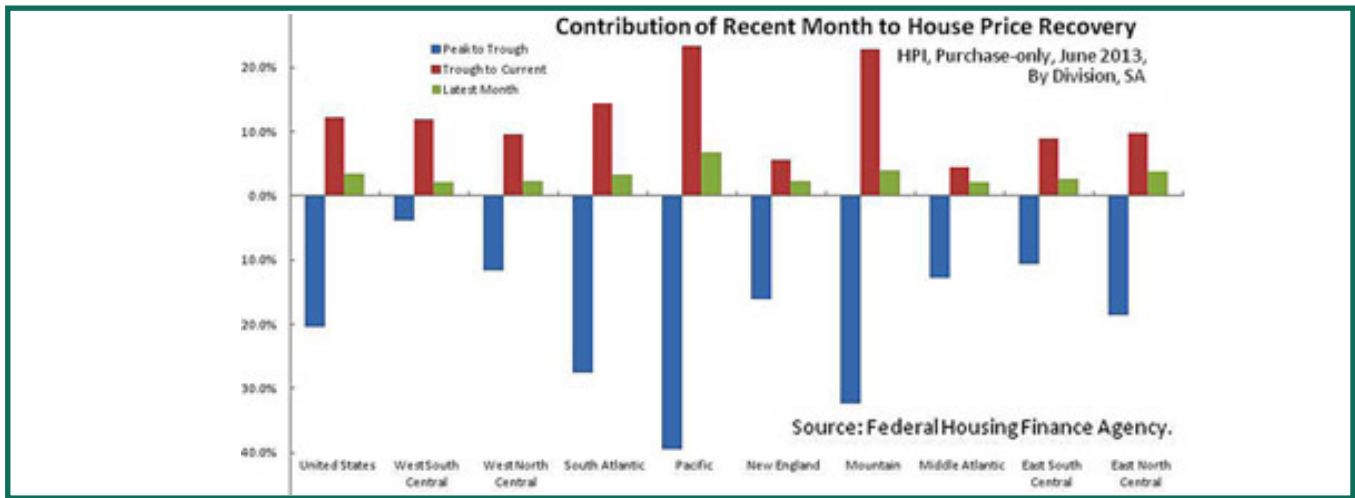
The fire had blackened about 11,000 acres (4,450 hectares) in the northwestern corner of Yosemite as of Friday afternoon.

Daniel Berlant, a spokesperson for the California Department of Forestry and Fire Protection, said about 2,700 firefighters were expected to be on the front lines on Saturday to fight the fire, which started on Aug. 17 in the Stanislaus National Forest.

**ANCHORAGE, AK, August 21 (Yahoo! News Canada)** – Fire spotters flying the perimeter of the Tetlin Junction Ridge Fire, currently consuming over 20,000 acres of forest in southeastern Alaska, captured footage of what they reported as a 'tornado-strength fire whirl'.

Tim Whitesell, the Air Tactical Supervisor with the Alaska Division of Forestry who recorded the footage, wrote: "a picture probably is worth a thousand words, but there are indeed times when a picture just doesn't do it [the trees being uprooted and blown around] justice. I've never seen anything like it until now."

This 'firenado' (more generally called fire whirls) was reported to be around 1.2 km wide, and it lasted for about an hour, uprooting trees and tossing them around. You can see this debris being blown about at roughly 1:17 and then again closer to the end of the video. Fire whirls form due to the intense heat of the fire setting up extremely strong circulations of rising air. No wind speeds were estimated for this particular firenado, but some of the strongest ones have reached up to F3 tornado strength, with wind speeds of between 254–332 km/h. [READ MORE](#)



## Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	328	328	0	325	+3	314	+14
WSPF KD R/L 2x6	312	310	+2	300	+12	324	-12
WSPF KD R/L 2x8	318	318	0	305	+13	308	+10
WSPF KD R/L 2x10	380	380	0	345	+35	360	+20
WSPF KD PET 2x4 Stud	310	315	-5	280	0	360	-50
WSPF KD PET 2x6 Stud	280	280	0	280	0	360	-80
Douglas Fir Green R/L 2x4	312	315	-3	325	-13	325	-13
Douglas Fir Green R/L 2x10	405	405	0	398	+7	310	+95
ESPF KD 2x4 8ft Stud	370	385	-15	380	-10	415	-45
OSB Ontario 7/16" (CDN\$)	223	250	-27	270	-47	338	-115
CSplywood Toronto 3/8" (CDN\$)	398	398	0	387	+11	450	-52

## Weekly News

### Real Estate Market, US

**CONTINUED** Sales of previously owned homes are recovering from a 13-year low of 4.11 million, in 2008. Annual sales peaked at 7.08 million three years earlier. A total of 4.66 million previously-owned houses were sold in 2012.

Since early May, mortgage rates have risen more than a percentage point for 30-year loans. The average rate for a 30-year mortgage rose 12 basis points last week to 4.68 per cent, the Mortgage Bankers Association (MBA) said Wednesday.

Mortgage applications for home purchases ticked 1 per cent higher last week but the association's seasonally-adjusted index of mortgage activity has fallen 16 per cent since a three-year peak in May. Refinancing activity measured by the MBA fell again last week and is now down 62 per cent since May.

The median price of an existing home climbed to US\$213,500 last month from US\$187,800 a year earlier, a 13.7 per cent increase, the most since October 2005.

The inventory of existing homes for sale climbed to 2.28 million in July from 2.16 million the previous month. At the current sales pace, it would take 5.1 months to sell those houses, the same as in June. The number of unsold homes is down from 2.4 million a year earlier.

Elsewhere, new-home purchases were 6.8 per cent higher in July than the same period in 2012 on an adjusted

basis, Wednesday's report showed. The median price increased 8.3 per cent last month from a year ago to US\$257,200.

That's one reason builders are becoming more upbeat, with the National Association of Home Builders/Wells Fargo confidence index rising this month to the highest level since November 2005.

Toll Brothers, the largest US luxury-home builder, this week reported sales grew 24 per cent in the three months through July from the year before. Orders rose 26 per cent to 1,405 homes.

Last month, the median price for a new home sale rose to US\$257,200, up from US\$237,400 in the same month of 2012.

Construction of new homes has accelerated over the last year, and the inventory of new homes for sale increased by 4.3 per cent in July from June.

At July's sales pace it would take 5.2 months to clear the houses on the market, up from 4.3 months in June. A supply of six months is normally considered a healthy balance between supply and demand.

### US Jobs, Factory Orders

**CONTINUED** Despite the increase, the four-week moving average for claims, a better gauge for labour market trends, fell to its lowest level since November 2007, suggesting the economy was growing enough to fuel steady improvement in the labour market.

Separately, financial data firm Markit said its "flash," or preliminary, index on factory activity in August rose to 53.9, its best showing since March, from 53.7 in July. A reading above 50 indicates expansion.

A sub-index that measures overall output declined to 53.4 from 54.8, its lowest level in three months, suggesting the U.S. economic expansion remains "disappointingly sluggish," Markit chief economist Chris Williamson.

New orders, however, hit a seven-month high and firms took on new workers at their fastest pace in four months.

### Weyerhaeuser Restarts Evergreen

Weyerhaeuser announced Friday that it will re-start production on three lines at its Evergreen, AL, engineered wood mill. The decision is effective immediately.

The mill had been closed for more than four years, company officials said, due to weak demand for wood products in North America.

Officials say the company has already hired a plant manager and adds that more than 100 people should be employed by the mill by the end of 2014.

The Evergreen Trus Joist facility was acquired by Weyerhaeuser in 2000.



# Timber Loss Due to Wildfires

**CONTINUED SWEET HOME, OR, August 22** (*Corvallis Gazette-Times*) – Due to unusually dry weather conditions, many of Oregon’s mid-valley forest landowners have closed their properties prior to Saturday’s start of bow hunting season. According to the Oregon Department of Forestry, wildfires have burned more than 70,000 acres statewide this summer — six times the average — and most areas haven’t seen measurable rainfall in nearly two months.

Cascade Timber Consulting, which manages more than 140,000 acres, primarily in east Linn County, has closed its properties “until we can see a significant change in rainfall,” said spokesperson Milt Moran. “That includes foot traffic. Other industrial landowners in the area feel the same way.”

Moran said even though the mid-valley has not experienced any major fires, the sheer number and size of fires around the state have pulled extensive firefighting manpower away.

“We just can’t afford to take the chance of having a local fire with resources stretched so tightly,” he said.

Starker Forest Products, which manages more than 80,000 acres in Benton and other counties, will allow hunters on foot only.

Other properties that are open include Frank Timber Resources and Freres Timber, Giustina Land and Timber, and Giustina Resources.

Plum Creek Timber, Hancock Forest Management, Rosboro Lumber, and Seneca lands are all closed. State and federal lands remain open.

The Oregon Forest Industry Council keeps a list of its members’ current public access status on the Oregon Department of Forestry website.

**EVERETT, WA, August 23,** (*Herald*) – Tree farm properties owned by Olympic Resource Management in Kitsap, Mason, and Jefferson counties in Washington State will be closed temporarily to public access due to dry weather and increased fire danger, the Poulsbo-based company announced.

As of Monday, the company’s 71,000 acres of timberland, typically open for public recreation, will be closed until significant rainfall lifts the danger of fire, a news release said.

The closure includes the company’s timberlands near the town of Port Gamble, an area that is popular with hikers, mountain bikers and hunters.

The closure follows a August 17 fire on the company’s property near the town of Brinnon. The fire was quickly contained and extinguished by fire crews. The cause of the fire has not been determined.

**August 22,** (*CNBC*) – When the last embers cool on the wildfires now spreading across more than 750,000 acres in ten Western states, the economic toll could be 30 times higher than the cost of simply dousing the fires, a major issue as cities and states struggle with shrinking budgets. As the cost of fighting fires keeps rising, the effort is diverting funds from other forest management programs designed to reduce fire risk. And experts say the economic damage is being vastly underestimated in the initial headline numbers for the fires raging through an area out West that is the size of Rhode Island.

Beyond the financial cost of the firefighting effort, the human toll this fire season has been unusually high as well. So far 30 wildland firefighters have died in 2013, including 19 elite fighter fighters trapped last month in a 13-square-mile blaze in Yarnell, AZ,

More than 50 large fires were burning this week. So far this season, more than 260 have already been contained, according to the National Interagency Fire Center. The centre this week raised the nation to the highest preparedness level for the first time in five years.

The latest outbreak included a California inferno on the outskirts of Yosemite National Park that threatened more than 2,000 buildings and forced the evacuation of camps and remote rural homes. In central Idaho, a 100,000-acre fire forced the evacuation of 1,250 homes in the Idaho resort areas of Ketchum and Sun Valley.

With new fires breaking out this week, and nearly 18,000 people at work containing the blazes, the fire centre was struggling to fill all requests for crews and equipment from areas where fires were burning out of control. As of this week, the total spending so far this year topped the US\$1 billion mark.

Last year, the bill for wildland firefighting topped US\$1.9 billion—the second highest on record—as the relentless pace of development in fire-prone areas continues to expand the area at risk and tax already stretched resources.

This year, with money running out at the peak of the firefighting season, the US Forest Service is taking US\$600 million from timber, recreation, and other programs to fill the gap. A spokesperson said the agency had enough money to cover just a few days of firefighting costs before making the transfer.

**SALMON, ID, August 22** (*Reuters*) – US wildfire managers facing increas-

ingly strained resources have opened talks with Pentagon commanders and Canadian officials about possible reinforcements of personnel and aircraft to battle dozens of blazes raging across the drought-parched American West. Australia and New Zealand are also involved in the agreements. Preliminary plans for military and international aid come as the US Forest Service is feeling the pinch of federal budget cuts, known as sequestration, even as demand for firefighters and equipment such as air tankers is exceeding supply, according to the National Interagency Fire Center in Boise, ID.

Elite teams of firefighters known as hotshots and smoke jumpers, whose job it is to mount the initial attack on blazes in remote, rugged terrain, are stretched too thin, said Stephen Gage, assistant operations director for fire and aviation management for the Forest Service.

The agency’s 100-plus hotshot crews are all either assigned to fires in the West or are taking required periods of rest and recovery, leaving no spare teams to dispatch to any additional fires where they might be needed, he said.

Fire managers are poised to decide in coming days whether to “pull the trigger” on a pending request to the US military for an initial deployment of 200 ground troops to supplement firefighting personnel, Gage said. It would take roughly a week to train and mobilize those troops, who would then be assigned to large fires in the West.

Thousands of firefighters were labouring on Thursday to suppress dozens of blazes raging in several Western states, from a monster fire menacing the area around the world-class ski resort in Sun Valley, ID, to a California blaze near Yosemite National Park that more than tripled in size overnight.

Meanwhile, weather forecasters have predicted heightened wildfire risks for northern California, the Pacific Northwest, and the Northern Rockies posed by storm systems likely to bring lightning and strong winds.

Federal fire officials have already shifted stores of equipment such as hand tools and supplies from Southern states like Kentucky to the West amid all-out air and ground offensives against flames that have charred hundreds of thousands of acres (tens of thousands of hectares) of parched sagebrush, grasslands and forests.

The 2013 fire season has already seen the most destructive fire in Colorado history, the deadliest blaze on record in Arizona and has forced the evacuation of many thousands across the region.

Years of drought have played a key role in the ignition and spread of blazes that fire managers say stand out for their intensity and speed, even as the overall acreage burned remains below the 10-year average.