

MADISON'S LUMBER REPORTER

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Editor
Kéta Kosman

Market Analyst
Earl Heath

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www.madisonsreport.com
madrep@shawcable.com
604 984-6838
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News & Updates

Canada Lumber Exports

Canadian softwood lumber exports to the USA in 2Q 2014 increased year on year by 11.5 per cent, to 3.213 billion board feet (or roughly 7.58 million cubic metres), said Canada's Softwood Lumber Controls Division this week. As they had in 1Q, producers from Québec expanded exports by roughly 33 per cent, to 497.36 million board feet.

According to the data, export figures again rose in 2Q for British Columbia, by 6.2 per cent to 1.533 billion board feet, after a 14 per cent drop for that region in 1Q.

For more detail see graphs and click external links on Page 6.

New Brunswick Forestry Deal Disputed

New Brunswick Premier David Alward said Tuesday a controversial forestry agreement with J.D. Irving should be finalized before the provincial election campaign begins next week, according to CBC. The government signed an initial deal with the company earlier in the year and a final agreement was expected to be in place by July 1.

The deal, which gives J.D. Irving and other Crown licence holders access to more softwood trees on public land, will be legally binding on future governments. It increases the amount of softwood available to industry by 20 per cent.

However, a group of First Nations chiefs in New Brunswick is asking the Court of Queen's Bench to block the provincial government's new forestry plan, which will give industry access to more Crown wood, said CBC Friday.

The chiefs have filed a motion asking for an injunction to prevent the government from signing logging agreements with several private companies, arguing the province has not met its legal and constitutional obligations to aboriginal people.

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Kenora Sawmill to Reopen

Unifor has reached a long-term contract with Kenora Forests Products in Kenora, ON, to re-start sawmill operations there by the beginning of 2015, according to the labour union's press release Thursday.

The new deal also will facilitate millions of dollars in capital investment for modernizing the mill and installing an additional saw line for expanded lumber production.

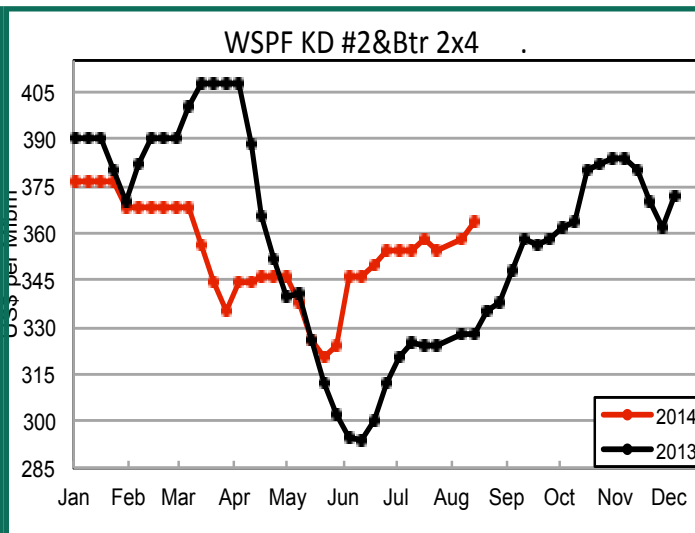
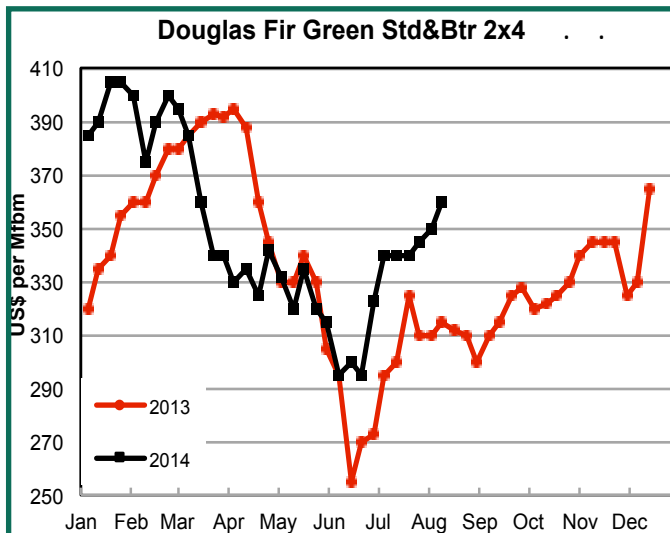
"This deal promises to restore hundreds of direct and in-direct jobs to the community while also providing key monetary improvements for over 100 unionized mill employees," said Unifor national representative Stephen Boon.

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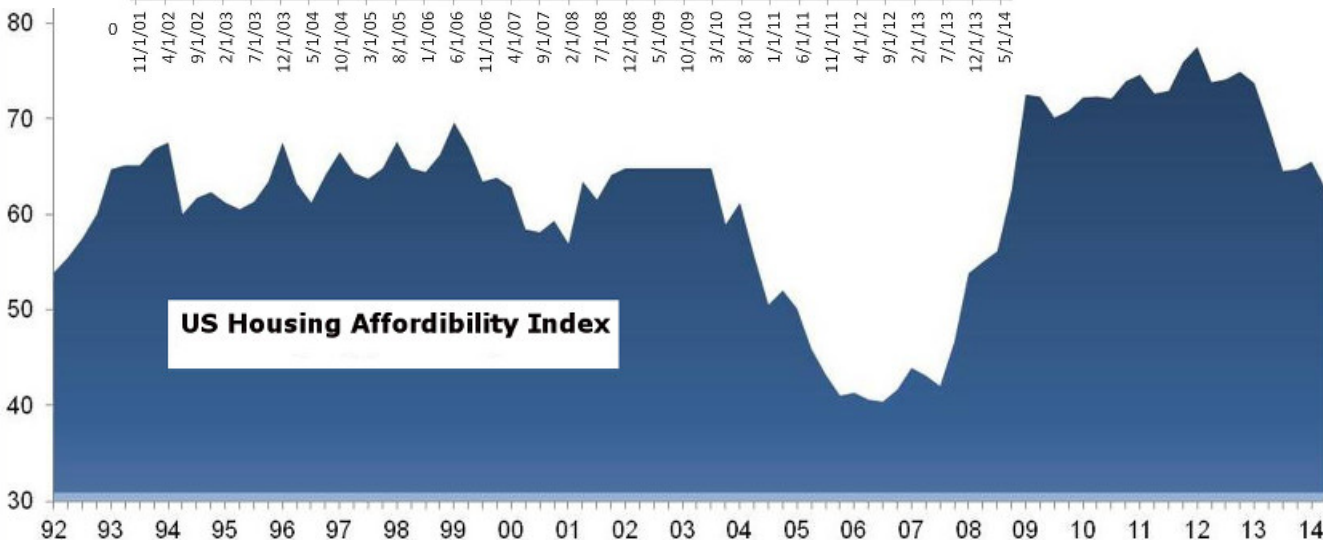
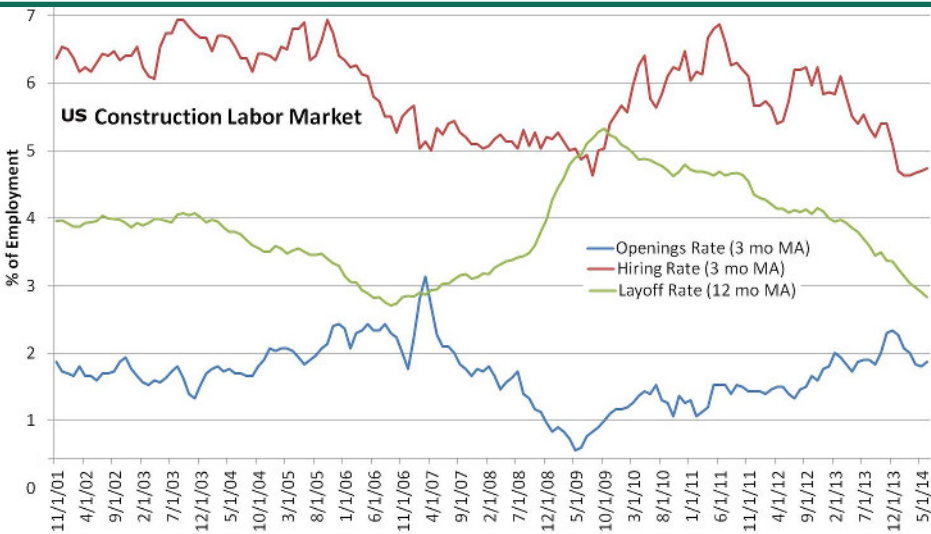
BC - China Lumber Export MOU

Further to last week's issue in your Madison's Lumber Reporter about the most recent earthquake in China, this week the government of British Columbia signed a Memorandum of Understanding with a province in China for the import of BC lumber and wood products.

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SOURCE:
NAHB Eye on Housing



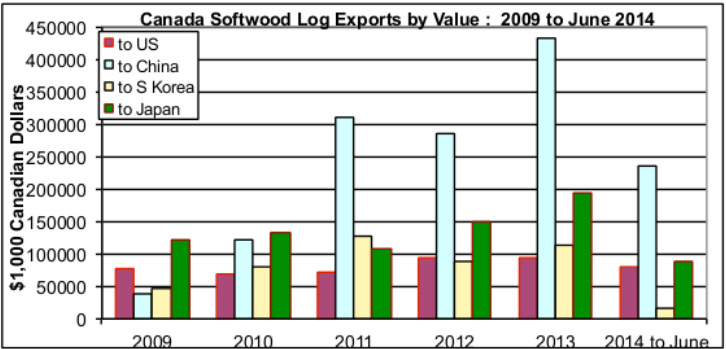
Madison's Weekly Slideshares: <http://www.slideshare.net/KetaKosman>

As data updates are released by various Canadian and US governments and agencies, Madison's will be creating SlideShare presentations to be viewed publically (click headings to see slideshow on web):

Lumber Prices & Exports VS Lumber Co Shares



STUDS Prices & Canada Log Export VS US Timberland Owner Shares



Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	364	358	+6	346	+18	328	+36
WSPF KD R/L 2x6	374	360	+14	352	+22	310	+64
WSPF KD R/L 2x8	364	354	+10	346	+18	318	+46
WSPF KD R/L 2x10	394	394	0	392	+2	380	+14
WSPF KD PET 2x4 Stud	350	350	0	335	+15	315	+35
WSPF KD PET 2x6 Stud	355	355	0	325	+30	280	+75
Douglas Fir Green R/L 2x4	360	350	+10	340	+20	315	+45
Douglas Fir Green R/L 2x10	377	380	-3	345	+32	405	-28
ESPF KD 2x4 8ft Stud	440	430	+10	435	+5	385	+55
OSB Ontario 7/16" (CDN\$)	225	225	0	225	0	250	-25
CSplywood Toronto 3/8" (CDN\$)	492	492	0	414	+78	398	+94

Weekly News

NB Forestry Deal Disputed

CONT'D FROM PG 2 The new forest policy, announced in March, also reduces the amount of forest that is off limits to industry to 23 per cent of the public forest from the previous standard of 28 per cent. The new deal is expected to result in the harvesting of an additional 660,000 cubic metres.

In March a group of 184 professors and other academics signed a letter calling for NB Natural Resources Minister to stop the process and revisit the strategy.

The First Nations chiefs launching the legal dispute said to CBC they decided to take action because the agreements, once signed, would be legally binding on future governments and irreversible. In the notice of motion, filed in Fredericton, the chiefs argue the government shouldn't be allowed to sign any such deals.

The applications are the chiefs of the 15 Mi'kmaq and Maliseet First Nations of New Brunswick and the Assembly of First Nations Chiefs in New Brunswick.

In addition to the provincial government, the other respondents are the five companies that hold Crown timber licences: AV Cell, Fornebu Lumber Company, J.D. Irving, AV Nackawic, and Twin Rivers Paper Company.

On Thursday, Alward announced he had invited First Nations chiefs to meet with him next week.

Kenora Forest Products to Reopen Sawmill

CONT'D FROM PG 2 "Kenora supported two sawmills and a large

pulp and paper mill prior to 2005," noted Boon. "So we are confident the MNR will have little trouble ensuring Kenora Forest Products secures the necessary wood supply crucial for restoring operations at one of the city's three closed mills."

Boon said Kenora has been particularly hard hit by massive forestry job losses over the last decade.

"Trades pay will reach almost \$36/hour with production pay averaging close to \$27/hour in the final year of this new agreement."

"In this new deal, Unifor and Kenora Forest Products committed to ensuring the area's aboriginal groups also share the benefits of a re-opened sawmill by establishing a of 30 per cent employment target for aboriginal participation in the mill's workforce," he said.

The deal takes effect this autumn and runs until the end of 2020.

Key terms include:

- wage increases of 18 per cent over six years (three per cent per annum);
- \$840 per worker increase in employer annual pension contributions; and
- one additional floating holiday.

Terrace Log Storage Yard Cleared Out

A Chinese-owned forest company has now moved all of its logs from a city-of-Terrace-owned property and has cleared the site in northern BC, according to the Terrace Standard Tuesday.

YaoRun Wood Company began leasing the approximately 20 acres from the city in early 2013 for \$10,000 a month, storing logs there until they could be processed for export.

A forest service official said the company has now relocated its log yard to Hazelton, BC.

YaoRun ran afoul of local contractors in the middle of 2013 due to unpaid bills and, for a time, a contractor parked equipment at the spot, blocking access to the location.

The company also failed to pay stumpage to the provincial government several times, resulting in seizure notices being posted. That prevented YaoRun from moving the wood until it made payments to the province.

Beginning in late June this year, YaoRun began moving approximately 9,000 cubic metres of logs.

While the city did have a lease with YaoRun for the property, it also sought to sell a portion of the land and earlier this year struck a \$1 million tentative deal with a Terrace automotive dealership group for five acres on the corner of Keith and Kenney.

The plan would establish zoning for a mixture of residential and business uses on the above property which originally served as a log yard for a sawmill now dismantled.

Calendar

September 2014

Who Will Own the Forest? 10
September 16 - 18 - Portland, OR
<http://wwotf.worldforestry.org/wwotf10/>

Alberta Forest Products Association
71st AGM
September 25 - 27 - Jasper, AB
<http://www.albertaforestproducts.ca>

