

MADISON'S LUMBER REPORTER

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News & Updates

Madison's Interactive Web Price Graphing Tool

Take this limited-time opportunity to be a beta-tester! *Madison's* Interactive Web Price Graphing Tool is almost finished development stage and will soon begin pre-publication sale.

Find out more on Page 6.

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Japan Housing Starts

Japan's housing starts in January were 67,713 units, a 13 per cent drop from the same month in the previous year, according to *Japan Lumber Reports* and *Japan Lumber Journal*, both Friday.

Compared to January 2013, the results decreased by 2.3 per cent. The seasonally-adjusted annual rate was 864,000 units.

Housing starts of owner-occupied houses were 20,282 units, down 18.7 per cent, and decreasing for twelve consecutive months. Those of rental houses were 26,856 units, down 10.3 per cent, and built-for-sale houses were 20,042 units, down 11.2 per cent.

CONT'D PAGE 7

APFA 3Q 2014 Results

Values of lumber, pulp and paper, and panelboard manufactured by Alberta Forest Products Association members totaled approximately \$696 million for 3Q 2014, the agency announced March 6. The value of production was up \$26 million, or 3.9 per cent, from the same period last year.

In 2012 and 2013, Alberta's forest industry averaged growth rates of 9 per cent and 14 per cent respectively. Growth in the first three quarters of 2014 averaged 7 per cent. This growth was fueled by strength in Asian markets and a turnaround in the home building sectors in both Canada and the United States. Strong results led to significant capital investments, with approximately \$1.5 billion in capital upgrades made by the industry between 2011 and 2015.

CONT'D PAGE 7

Early Wildfire Warnings, Canada and US

Unusually dry weather in the north and west of the North American continent this season lead to a dauntingly early fire season. Jurisdictions and municipalities in British Columbia, Alberta, and the entire western United States have already issued fire warnings and restrictions this week.

In addition, some amount of wildfires continue to burn in several locations.

Four smaller human-caused fires erupted Monday in four distinct areas of the Kootenays in British Columbia.

Jordan Turner, BC Provincial Fire Information Officer, said in a release that two of the fires were results of "poorly planned open burning" but that as all of the fires were human-caused they were all preventable.

Near Rapid City, SD, a wildfire that started March 5 west of Custer, SD, had grown to nearly 60 acres, Black Hills Fox news reported Thursday. The North Pole Fire is located in the area of Highway 16 and Renegade Road. No containment is listed on the fire as of Wednesday morning.

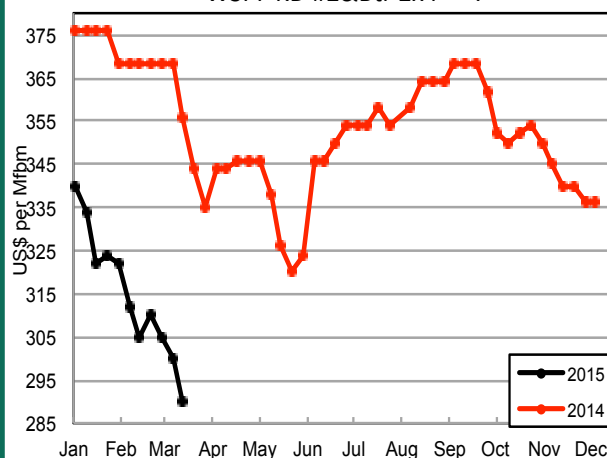
CONT'D PAGE 9

JAPANESE HOUSING STARTS

Month	TOTAL	Non-Wood	Wood	%Wood
Jan-15	67,713	31,517	36,196	53
Dec-14	76,416	32,570	43,846	57
Nov-14	78,364	33,263	45,101	58
Oct-14	79,171	36,181	42,990	54
Sep-14	75,882	32,903	42,979	57
Aug-14	73,771	33,104	40,667	55
Jul-14	72,880	32,249	40,631	56
Jun-14	75,757	33,378	42,379	56
May-14	67,791	30,808	36,983	55
Apr-14	75,286	35,251	40,035	53
Mar-14	69,411	32,515	36,896	53
Feb-14	69,689	32,932	36,757	53

Source: Japan Wood-Products Information and Research Center

WSPF KD #2&Btr 2x4



Madison's **new** Interactive Web Price Graphing Tool

Madison's web-based interactive lumber price graphing tool is beta testing!
 This extremely useful tool is driven by the historical dimension lumber and panel prices listed in your weekly *Madison's Lumber Reporter*. To access simply visit: <http://mlrdemo.gobi.ca>

Username: **portland**
 Password: **Pine2014**

Instructions:

All commodities listed in your weekly *Madison's Lumber Reporter* (except Cedar for the time being) are available from the pull-down menu.

Simply start typing the species name of the desired item then select grade and size.

Click "update".

Enter Lumber Commodity

1: WSPF KD Econ 2x8	Average ▾	#e0642e
2: Hem/Fir KD Coast Utility 2x4	Average ▾	#e0d62e
3: Douglas Fir Green #2&Btr 2x6	Average ▾	#2e97e0
4: SYP (East) KD S4S #2&Btr 8ft 2x4	Average ▾	#b02ee0
5: SYP (West) KD S4S #2&Btr 8ft 2x8	Average ▾	#e02e75

Enter Graph Options

Show by: Year ▾

To: 2010-12-31

UPDATE
CLOSE
Search Tips HIDE

Tips

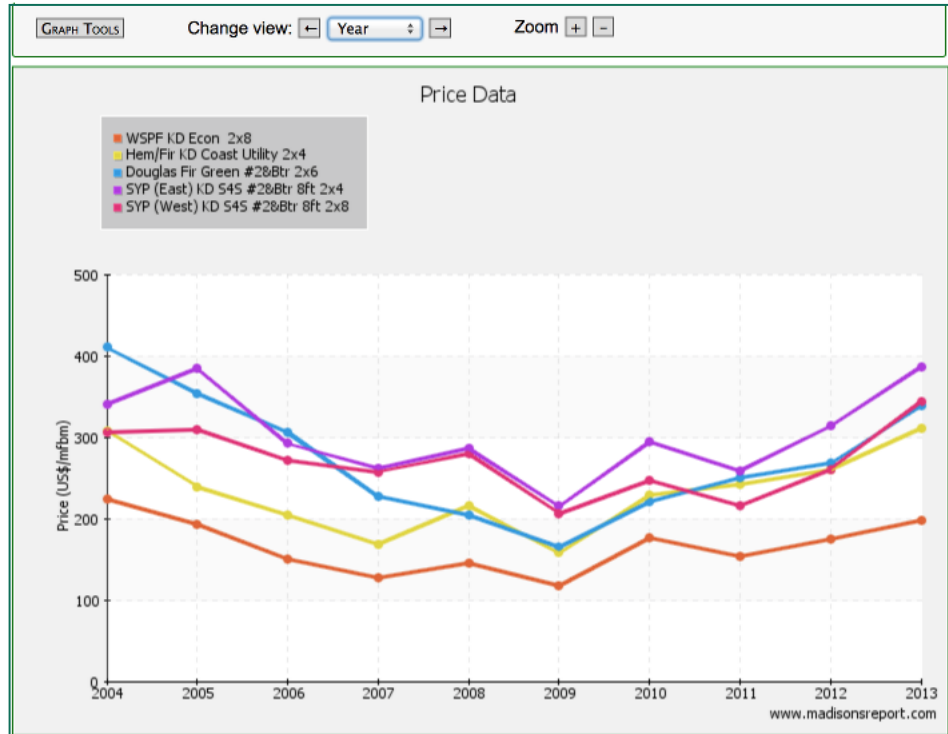
Use the starting letters of the lumber commodity you are looking for in the search.

For example - Species:

- WRC: Western Red Cedar
- WSPF: Western Spruce-Pine-Fir
- ESPF: Eastern Spruce-Pine-Fir
- DF: Douglas Fir
- LARCH: Fir/Larch
- HEM: Hem/Fir
- SYP: Southern Yellow Pine
- ENG: Englemann Spruce
- PON: Ponderosa Pine
- EAS: Eastern White Pine
- FIR: Fir
- HEML: Hemlock

Select "view" for yearly, quarterly, monthly, or weekly.

Click "Graph Tools" at the top left to return to the previous screen and enter a different selection of commodities.



[For more information please contact our office.](#)

*This is a demo version of the interactive graph.
 **It is stable in the current versions of Firefox and Chrome web browsers

Madison's Weekly Lumber Key Prices Table

www.madisonsreport.com



	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
Prices are in U.S. dollars per 1,000 fbm (net FOB mill)							
WSPF KD R/L 2x4	290	300	-10	322	-32	368	-78
WSPF KD R/L 2x6	295	300	-5	330	-35	354	-59
WSPF KD R/L 2x8	300	300	0	328	-28	338	-38
WSPF KD R/L 2x10	315	324	-9	340	-25	400	-85
WSPF KD PET 2x4 Stud	305	320	-15	330	-25	350	-45
WSPF KD PET 2x6 Stud	295	315	-20	335	-40	305	-10
Douglas Fir Green R/L 2x4	300	310	-10	328	-28	385	-85
Douglas Fir Green R/L 2x10	348	350	-2	385	-37	445	-97
ESPF KD 2x4 8ft Stud	360	365	-5	390	-30	395	-35
OSB Ontario 7/16" (CDN\$)	215	230	-15	240	-25	225	-10
CSplywood Toronto 3/8" (CDN\$)	428	432	-4	460	-32	374	+54

Madison's Weekly Lumber News

Housing Starts, Japan

CONT'D FROM PG 2 Of the built-for-sale houses, housing starts of condominiums in Japan were 10,377 units, down 13.1 per cent, and single-family houses were 9,511 units, down 9.7 per cent, said *Japan Lumber Journal*.

By construction method, housing stars of prefabricated houses were 11,774 units, down 9.1 per cent, and falling for three consecutive months. Those of two-by-four houses were 8,230 units, down 5.4 per cent, and decreasing for eleven straight months.

Housing starts of wooden houses were 36,196 units, down 10 per cent, and those of non-wooden houses were 31,517 units, down 16.3 per cent.

The ratio of wooden houses was 53.5%.

Alberta Forest Products

CONT'D FROM PG 2 "Although the torrid pace of growth has begun to slow somewhat, 2014 has still been an exceptional year for Alberta's forest industry," said AFPA President and CEO Paul Whittaker.

AFPA-member companies produced 884 million board feet of lumber in 3Q 2014 with a value of \$342 million. Part of this production came from the secondary manufacturing sector. Compared to 3Q 2013, production volume increased by 29 million board feet, or 3.4 per cent, and values climbed by \$52 million, or 18 per cent. From 2Q 2014, production was up 12 million board feet, or 1.4 per cent, and values increased \$24 million, or 7 per cent.

AFPA-member panelboard operators produced 264 million square feet

of 7/16 inch equivalent product in 3Q 2014 valued at \$85 million. Production decreased from 3Q 2013 by 14 million square feet, or 4.9 per cent, but stronger prices caused values to increase by \$2 million, 2 per cent. Compared to 2Q 2014, production decreased by 26 million square feet, 8.8 per cent, and values declined \$6 million, or 6.6 per cent.

The AFPA's pulp and paper sector production for the 3rd quarter of 2014 was 339,900 ADMT valued at \$268 million. Production was up 49,000 ADMT, or 12.6 per cent, from the same period in 2013, but values declined by \$28 million, or 9.4 per cent. Compared to 2Q 2014, production was down 51,400 ADMT, or 13.1 per cent, and values decreased by \$50 million, or 15.8 per cent.

Japan's First CLT Plant

Meiken Industry, out of Okayama prefecture in Japan, has announced plans to acquire 40,000 square metres of property by its lamina joint plant and distribution warehouse, to build a cross-laminated timber manufacturing plant, according to *Japan Lumber Reports* Friday.

Planned production for the facility is 50,000 cubic metres annually.

A Maniwa biomass power plant using wood waste from the CLT plant to provide fuel and heat to dry lamina will start up in April.

CLT production will begin in April 2016, the company said, total investment came to approximately 3.36 billion yen.

Cascades Reports

Cascades Inc, out of Kingsey Falls,

QC, Friday released results for the 4Q 2014. In comparison to the same period last year, sales increased by 4 per cent, to \$879 million, compared to \$844 million in the 4Q 2013 due to favourable exchange rates and higher shipments that more than offset lower average selling prices in its Boxboard Europe and Tissue Papers Groups.

Operating income, excluding specific items, decreased from \$54 million in the 4Q 2013 to \$38 million for the same period in 2014.

Net earnings excluding specific items amounted to \$8 million in the 4Q 2014 compared to \$18 million for the same period in 2013.

Calendar

April 2015

Council of Forest Industries Convention 2015

April 8-9, 2015 – Prince George, BC
<http://www.cofi.org/>

May 2015

Global Forest Products Leadership Summit 2015

May 3-7, 2015 – Vancouver, BC
<http://www.forestproductssummit.com>

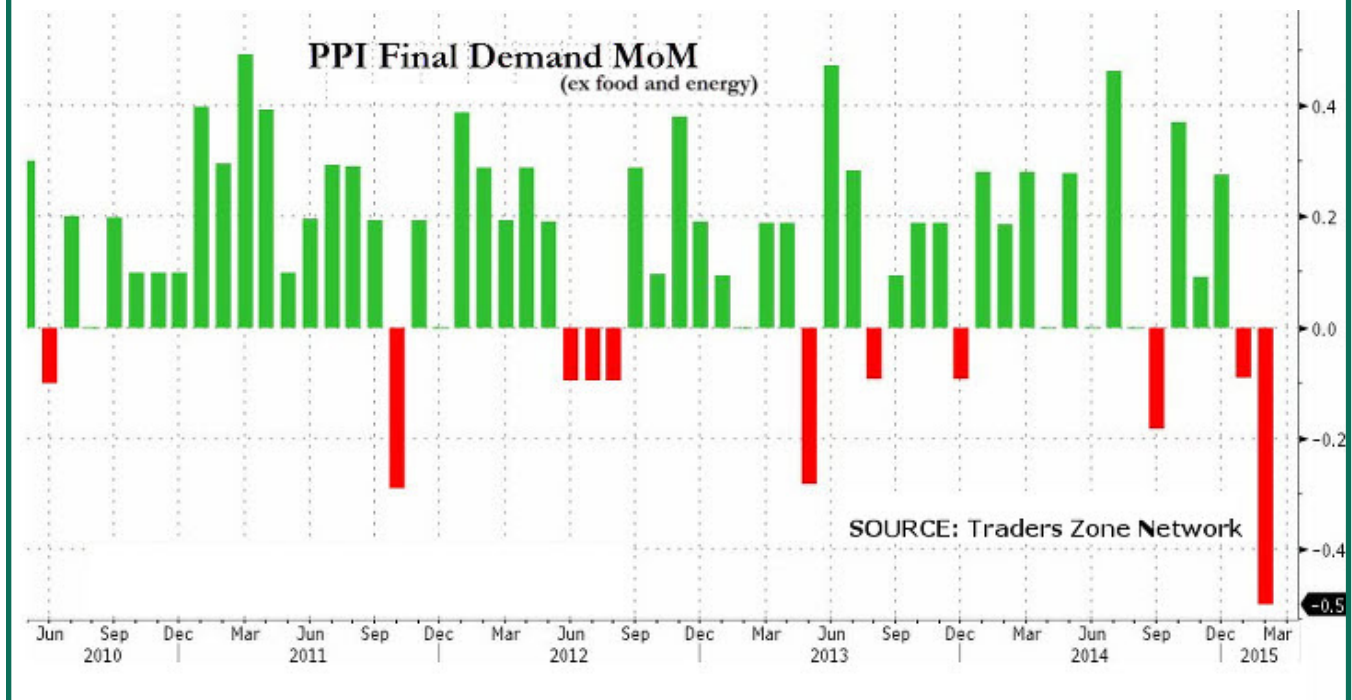
PwC 28th Annual Global Forest & Paper Industry Conference

May 6, 2015 – Vancouver, BC
<http://www.pwc.com/>

International Pulp Week

May 3-6, 2015 – Vancouver, BC
<http://www.internationalpulpweek.com>

US Producer Price Index: February 2015



SCOREBOARD

Canada and US Forest Products Company Quarterly Results

initiated 1953 by Peter Madison

	September - December 2014		September - December 2013		SALES 2013-14 (%)
	Sales (\$,million)	Earnings (\$,million)	Sales (\$,million)	Earnings (\$,million)	
CANADA (C\$ unless noted)					
Acadia Timber	22.5	0.7	21.7	0.6	+3.0%
Ainsworth	102.5	(33.5)	104.4	(10.6)	-24.0%
Canfor Corp	860.4	29.9	809.5	28.0	-5.6%
Cascades	879.0	8.0	844.0	18.0	+8.0%
Catalyst	279.9	(39.7)	272.1	(95.8)	+9.8%
Conifex	95.2	--	63.7	1.1	+1.5%
Domtar	1,379.0	71.0	5,391.0	431.0	+3.6%
Interfor	389.9	(5.2)	315.3	11.4	+17.7%
Norbord (US \$)	282.0	3.0	302.0	2.0	-17.0%
Resolute FP	1,055.0	(93.0)	1,150.0	8.0	-5.4%
Taiga FP (Mar 31)	249.5	104	259.6	365.0	+6.2%
Tembec (2Q)	371.0	5.0	352.0	14.0	-11.1%
Western FP	232.6	12.9	242.0	49.9	+9.0%
West Fraser	964.0	43.0	833.0	118.0	+6.3%
USA (US\$)					
Boise Cascade	862.0	15.7	738.0	9.8	-24.0%
Deltic Timber	55.1	7.1	48.4	4.6	-24.0%
Louisiana Pacific	453.5	(42.9)	479.7	(20.4)	-5.6%
Plum Creek Timber	428.0	68.0	331.0	40.0	+8.0%
Pope Resources	17.4	7.6	19.1	2.5	+9.8%
Potlatch Corp	146.2	20.1	140.0	13.7	+1.5%
Rayonier	147.4	8.3	238.5	79.8	+3.6%
Universal FP	620.1	11.0	525.7	8.7	+17.7%
Weyerhaeuser	1,788.0	166.0	1,768.0	43.0	-17.0%

Wildfire Season

Fire officials report there are 60 personnel currently working the fire, including state, federal and local crews. Fire crews say the lines held well overnight and say the fire is producing a lot of smoke.

Back in BC, Fire information officer Kelsey Winter said March 6 a wide swath of BC is already tinder dry, according to CKNW AM.

“The Wildfire Management Branch is really urging the public to be cautious with any open burning due to that wildfire risk.”

Winter says brush and grass are already super dry and could ignite into a wildfire if people aren't cautious with any open flame.

“It is really early,” said Winter. “The Kamloops Fire Centre is already experiencing fire behaviour and conditions that we don't normally see until late April and we are already seeing them now in the beginning of March.

Those are flame heights that are much higher than we normally see and it is quite dry out there. So that is definitely increasing the fire risk.”

Winter says there could be an ugly wildfire season ahead of us.

The Southeast BC Fire Centre has released a cautionary warning on outdoor fires and a wildfire risk has been placed on the region.

Precautions such as avoiding lighting fires in windy conditions, never leaving fires unattended, ensuring complete extinguishing of fires before leaving the area and creating a one meter fireguard by clearing away twigs, grass and leaves have been recommended.

Further north, Alaska wildfire managers are preparing for a fire season that may begin earlier than usual after a winter marked by warmer tem-

peratures and less snow than usual.

The Peninsula Clarion newspaper in Kenai, AK, reported Thursday the unusual winter is unlikely to affect the level of fire danger in the summer, but it is cause for early preparation. Federal fire weather forecaster Sharon Alden says there's no correlation between a warm and low-snow winter and a busy fire season.

Yes, Already

Alden says there is, however, a correlation between snowpack and the early fire season in regards to how fast snow melts and how soon the season begins. She said to the Peninsula Clarion that forest fuels are drier in early spring before green-up and that after sprouting begins, vegetation becomes less receptive to fire.

Moving east, Alberta wildfire season officially began March 1st. Preparations include getting crews, aircraft and equipment in place and deploying them to Alberta's Forest Protection Area as required. The province has been getting ready early for wildfires since the May 2011 blaze that destroyed about a one-third of the town of Slave Lake.

Training is also underway for new firefighting personnel and Alberta's lookout towers are being staffed.

“For the first couple of weeks, with lookout observers and firefighters, we'll have about 150 people,” said Geoffrey Driscoll, wildfire information officer with Alberta Environment and Sustainable Resource Development.

Between March 1 and October 31, anyone in the Forest Protection Area who plans to do any type of burning, with the exception of lighting campfires, must obtain a permit. They are free and can be requested at any Alberta Environment and Sustainable Resource Development office.

Currently the region north of Slave Lake, AB, has received about half of its normal winter snowfall, while the area around Grande Prairie, AB, has received much more snow than normal.

During the 2014 wildfire season, the province responded to more than 1,400 wildfires in the Forest Protection Area, of which more than 60 per cent were caused by human activity. Driscoll said 23,117 hectares were burned — roughly one-third the size of the city of Edmonton.

The year before, the province responded to 1,215 fires, which burned 19,574 hectares.

The five-year average is about 1,493 wildfires per year, with 270,000 hectares burned in the last five years.

Further south, the Minnesota Department of Natural Resources Thursday was preparing itself for the possibility of springtime wildfires in the Twin Cities metro area.

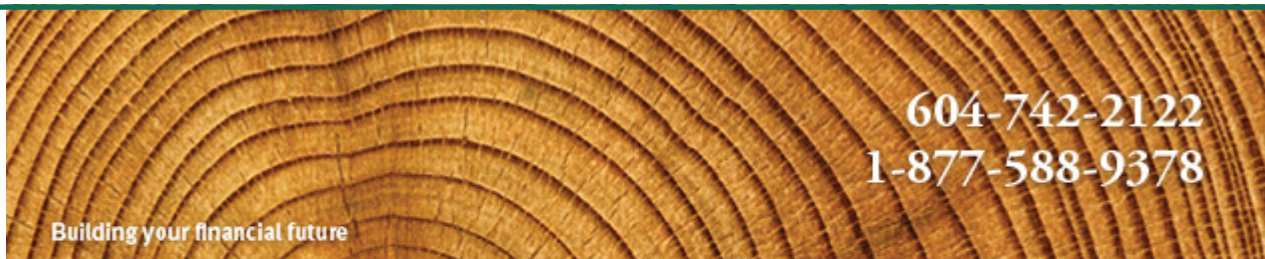
“We're expecting that we'll start having fires in that north metro area probably over the next few days,” said Ron Stoffel, a wildfire suppression supervisor to Minnesota Public Radio News. “We've had a few in the last few days; nothing real substantial.”

The DNR expects the wildfire threat — they've already seen a few small wildfires in the north metro area this season — to move northward across the state over the next few weeks.

Very dry soil conditions and little snowfall in much of the state have officials anticipating a busier and perhaps longer-than-normal spring fire season.

The DNR restricts burning shortly after snow melt when exposed dead grass and brush can ignite easily and burn quickly. The restrictions normally last from four to six weeks until sufficient green vegetative growth occurs.

by Kéta Kosman



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