

# 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  
604 319-2266

PO Box 2486 Vancouver, BC  
V6B 3W7 Canada

In Canada, add GST or HST  
ISSN 0715-5468

Printed in Canada © 2015

All material contained within is the property  
of KetaDesign Productions Inc. Reproduction  
or retransmission is expressly forbidden.



## News & Updates

### Forest Practices Board Assesses

The Ministry of Forests Land and Natural Resource Operations' enforcement staff should consider attaching stiffer penalties to administrative actions against companies that violate regulations, the forest-industry watchdog reported, according to the *Vancouver Sun* Thursday.

It also suggested that the Ministry of Forests publish its determinations to make them more of a deterrent.

The BC Forest Practices Board highlighted the findings of a special investigation it conducted of the Ministry of Forests' administrative proceedings against contraventions of legislation and regulations between 2009 and 2014, which found that fewer than 10 per cent of 146 cases saw violators receive the maximum fine.

"Penalty amounts seem low," the board wrote in its report, with 79 per cent of fines falling below \$5,000.

### US New and Existing Home Sales, Prices

New-home sales fell 6.8 per cent in June from a month earlier to a seasonally adjusted annual rate of 482,000, the lowest reading since November 2014, the US Commerce Department said Friday.

CONT'D PAGE 8

### Canada New Housing Construction Investment: May 2015

Spending on new housing construction totalled \$3.9 billion in May, up 2.0 per cent from the same month a year earlier, according to Statistics Canada Tuesday.

The increase at the national level came mostly from higher investment in apartment and apartment-condominium building construction, up 12.8 per cent to \$1.3 billion. Higher spending on row house construction, up 8.6 per cent to \$412 million, also contributed to the advance.

CONT'D PAGE 7

### North America Transportation Update

Big news out of the US this week on the transportation front: a Senate plan to fund federal highway and rail transportation projects for three years advanced on a procedural vote on Wednesday, overcoming a roadblock to begin debate on the legislation. The legislation is expected to dominate Senate debate into next week but would represent the first multi-year US surface transportation bill in a decade, if it succeeds.

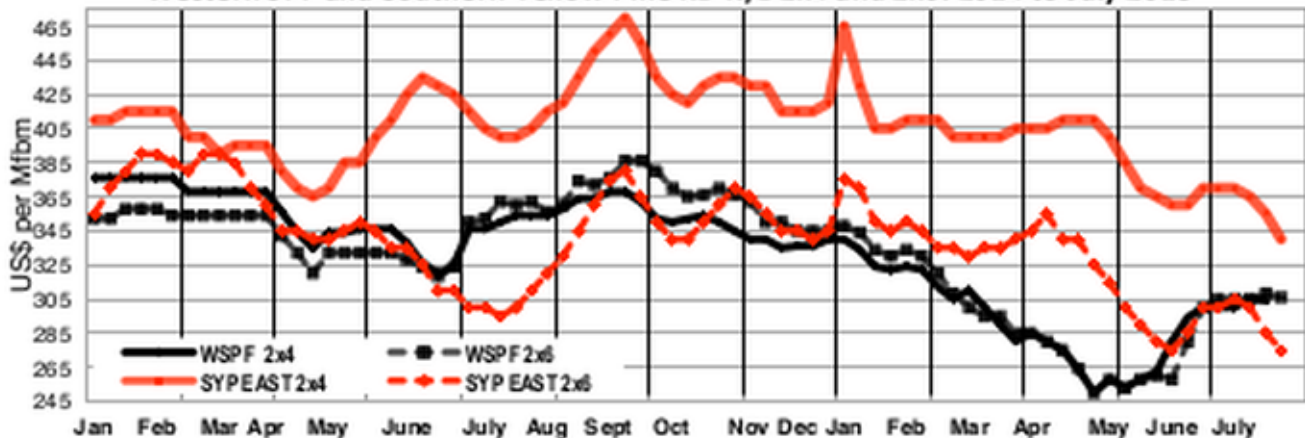
Republicans and Democrats are working against a July 31 deadline to keep the national Highway Trust Fund from running out of money, and would have to complete their work quickly to send a measure on to the House of Representatives and ultimately the White House for the President's signature. The Senate legislation also faces a hard sell in the House, where lawmakers produced a US\$8.1 billion plan to fund infrastructure projects, but only into December.

For the past several years, Congress has taken to passing short-term extensions of the highway trust fund. They have passed a total of 33 short-term extensions: They keep the fund working, but Congress is going to secure a permanent funding source.

Meanwhile, bridges — like the one spanning busy Interstate 10 in Southern California that collapsed last weekend — will continue to fall into disrepair.

CONT'D PAGE 9

Western SPF and Southern Yellow Pine KD R/L 2x4 and 2x6: 2014 to July 2015



## 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".

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.](#)

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

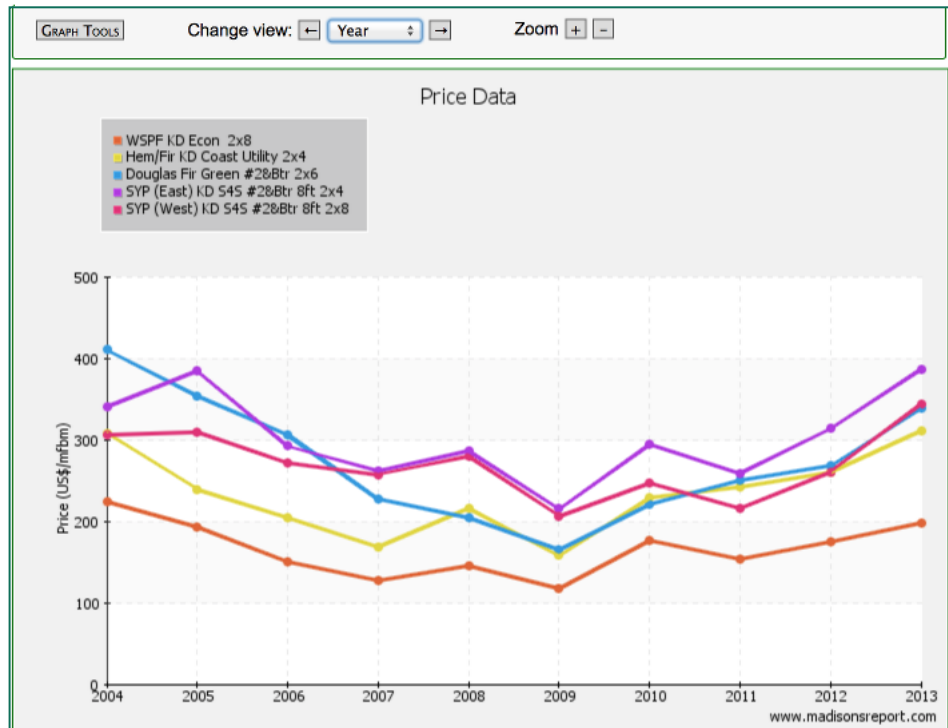
UPDATE
CLOSE
Search Tips Hide

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



\*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	302	304	-2	300	+2	354	-52
WSPF KD R/L 2x6	306	308	-2	305	+1	362	-56
WSPF KD R/L 2x8	310	312	-2	315	-5	354	-44
WSPF KD R/L 2x10	370	372	-2	370	0	402	-32
WSPF KD PET 2x4 Stud	320	320	0	315	+5	340	-20
WSPF KD PET 2x6 Stud	290	290	0	295	-5	345	-55
Douglas Fir Green R/L 2x4	360	360	0	340	+20	345	+15
Douglas Fir Green R/L 2x10	410	410	0	375	+35	360	+50
ESPF KD 2x4 8ft Stud	355	365	-10	370	-15	430	-75
OSB Ontario 7/16" (CDN\$/msf)	237	237	0	235	+2	225	+12
CSplywood Toronto 3/8" (CDN\$/msf)	462	470	-8	421	+41	483	-21

## Madison's Weekly Lumber News

### Construction Spending, Canada

CONT'D FROM PAGE 2 Investment in single-family dwellings fell 4.7 per cent to \$1.9 billion, said Stats Can. Spending on semi-detached dwelling construction declined 4.9 per cent to \$232 million.

At the provincial level, Ontario, British Columbia, Alberta and Nova Scotia reported increases on a year-over-year basis.

In Ontario, construction spending rose 14.6 per cent to \$1.4 billion in May. In British Columbia, investment in new residential construction was up 16.2 per cent to \$712 million. In Alberta, investment grew 5.1 per cent to \$932 million. In Nova Scotia, spending increased 13 per cent to \$43 million.

In contrast, Quebec registered the largest decrease, followed by Saskatchewan and Manitoba.

In Quebec, investment in new housing construction declined 22.2 per cent to \$558 million in May. In Saskatchewan, construction spending fell 27.8 per cent to \$105 million. In Manitoba, spending on new residential construction decreased 22.7 per cent to \$97 million. In May, following a drop in April.

### Chicago Fed Index: June

The Chicago Federal Reserve's national activity index the Chicago Fed National Activity Index (CFNAI) moved up to +0.08 in June from -0.08 in May, largely due to improvements in production- and employment-related indicators. Three of the four broad categories of indicators that make up the index increased from May, and two of the four categories made positive contributions to the index in June.

The index's three-month moving average, CFNAI-MA3, edged up to -0.01 in June from -0.07 in May. June's CF-

NAI-MA3 suggests that growth in national ECONOMIC activity was very close to its historical trend. The ECONOMIC growth reflected in this level of the CFNAI-MA3 suggests limited inflationary pressure from economic activity over the coming year.

### Seneca Breaks Ground

Major building upgrades are set to begin at Eugene, OR-based Seneca Sawmill Company Friday, said *The Register-Guard*.

The company invited media to the start of a US\$60 million overhaul of its dimension mill on Highway 99. The dimension mill processes logs with diameters between 12 and 40 inches.

The upgrades will improve efficiency at the mill, according to a statement from the company. When complete, it will raise total investment at Seneca properties to US\$125 million over the last seven years. Aaron Jones founded Seneca in 1954.



LBM Journal is the leading media company serving lumberyards, building material dealers, distributors, wholesalers and service providers in the U.S. We deliver a mix of strategic, street level business intelligence with trends and analysis of the LBM distribution channel.

Learn more by signing up for a free digital subscription.

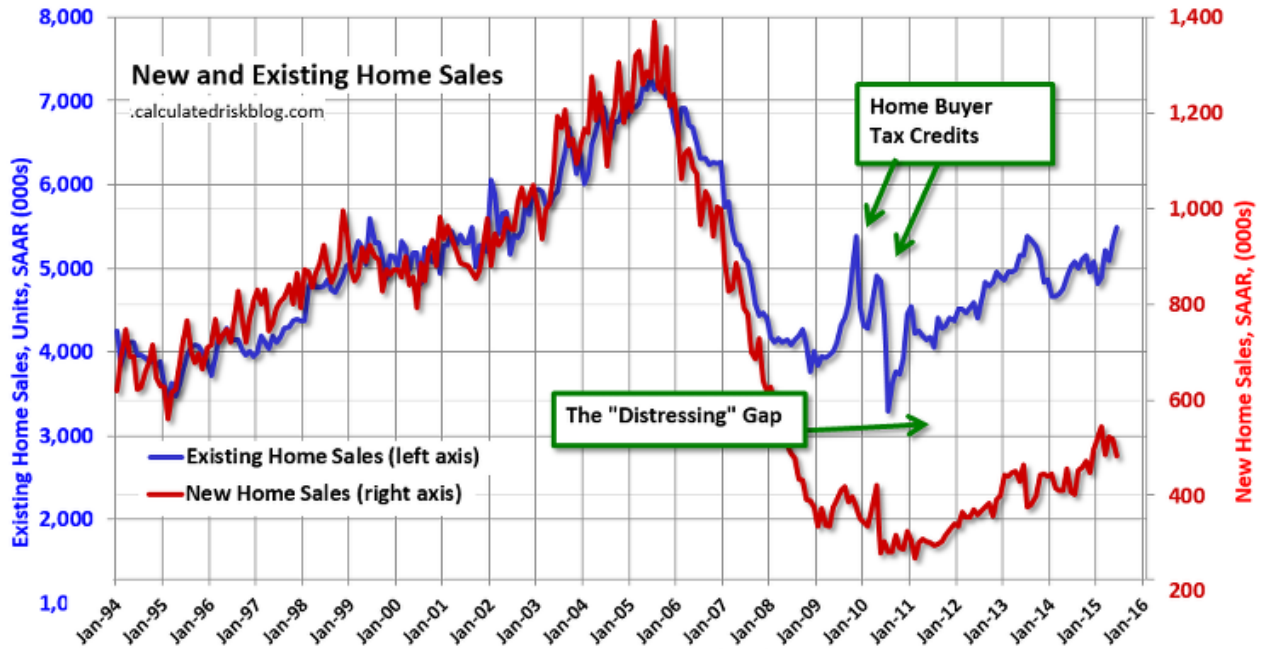
Go to: [www.LBMJournal.com/mr](http://www.LBMJournal.com/mr)

## US Home Sales, Prices: June 2015

US new home sales fell 1.1 per cent in May, down from an initially reported 2.2 per cent increase. Sales jumped 28 per cent in the Northeast last month, but fell 17 per cent in the West, 11.1 per cent in the Midwest and 4.1% per cent in the South.

Broader trends suggest the new-home market is gaining momentum along with the broader housing industry. New-home purchases are up 18.1 per cent from a year ago.

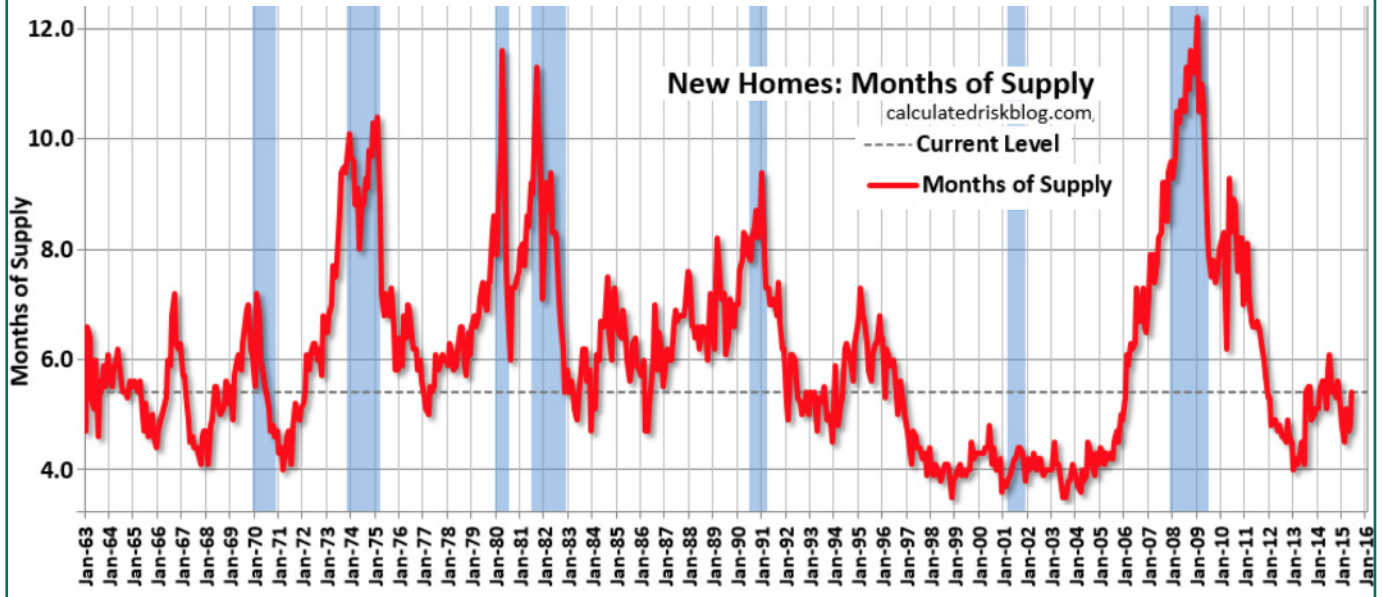
Sales also averaged an annual rate of 512,000 in the first half of the year, compared with an average of 440,000 for all of 2014, said Jim O'Sullivan, chief US economist for High Frequency Economics to the *New York Times* Friday.



A report from the National Association of Realtors released Wednesday showed sales of previously owned homes—the bulk of the market—climbed 3.2 per cent in June, hitting their highest pace since February 2007.

Friday's report showed the price of a typical home cooled last month. The median price of a new home sold in June stood at \$281,800, down 1.8% from a year earlier. The average price also fell 2.8 per cent over the past year, to \$328,700.

The months' supply of new homes—reflecting how long it would take to exhaust all homes on the market at May's sales pace—rose to 5.4 last month from 4.5 in May and 4.6 in April. Shrinking inventories had been putting pressure on prices in recent months.



# Transportation Update: North America

CONT'D FROM PAGE 2 More than 3,100 truck drivers travel on I-10 between Coachella and Arizona each day, according to California Department of Transportation (Caltrans). These drivers are now being re-routed dozens of miles off-course, resulting in hours-long delays, said the *LA Times* Wednesday.

## US Highway Bill

The six-year bill would fund programs using a series of offsets but only includes funding sources for the next three years. Democrats are unhappy about the source of the money; conservative Republicans are unhappy that it isn't fully funded. Not to mention 2016 is an election year, when lawmakers start to have ballot boxes on the brain.

As for the bridge, a shipment that would usually take a day or less may now arrive in two days, said R.J. Cervantes, director of legislative affairs for the 1,500-carrier members California Trucking Assn, said *LA Times*.

Delays will show up in shipment costs. Truck drivers are paid by the mile, and when they are rerouted several hundred miles, those costs increase, Tony Bradley, president and chief executive of the Arizona Trucking Assn. said.

The American Transportation Research Institute, whose estimates are higher than Caltrans', said 8,000 trucks travel along the 50-mile I-10 closure each day, based on data from the Federal Highway Administration.

Delays will show up in shipment costs. Truck drivers are paid by the mile, and when they are rerouted several hundred miles, those costs increase, said Cervantes to *LA Times*.

by Kéta Kosman

## Canada and US Railways: Wood Products

The volume of rail freight carried in Canada totalled 30.5 million tonnes in April, up 1.7 per cent from the same month last year, according to Statistics Canada June 26.

Freight originating in Canada and destined within Canada and to other parts of the world rose 2.5 per cent to 27.1 million metric tonnes. These shipments are composed of non-intermodal freight and intermodal freight.

Freight traffic received from the United States decreased 4.6 per cent to 3.3 million metric tonnes.

The Association of American Railroads Wednesday reported US rail traffic for the week ending July 18, 2015 totalled 551,181 carloads and intermodal units, down 2.8 per cent compared with the same week last year.

Total carloads for the week ending July 18, 2015 were 277,331 carloads, down 7.3 per cent compared with the same week in 2014, while US weekly intermodal volume was 273,850 containers and trailers, up 2.3 per cent compared to 2014.

For the first 28 weeks of 2015, US railroads reported cumulative volume of 7,730,662 carloads, down 4.1 per cent from the same point last year; and 7,396,497 intermodal units, up 2.6 per cent from last year. Total combined US traffic for the first 28 weeks of 2015 was 15,127,159 units, a decrease of 0.9 per cent compared to last year.

