

MADISON'S LUMBER REPORTER

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News & Updates

Canada Federal Government Lumber Trade Update

Attendees this week at the **BC Council of Forest Industries** AGM in downtown Vancouver, BC, got an excellent update on **Canada-US softwood lumber trade** issues from Assistant Deputy Minister at **Global Affairs Canada**, Kirsten Hillman, and **BC Lumber Trade Envoy** David Emerson.

Robust ongoing demand and looming potentially-retroactive duties on softwood lumber later this month and in the coming month pushed North American dimension lumber prices up substantially this week.

Hallman detailed to industry the current situation with softwood lumber negotiations, some of the difficulties, the various deadlines, and the added complications due to the change in the US Administration at the beginning of this year.

As much as forest industry players, the Canadian government is currently waiting for the preliminary determination announcement from the US agencies scheduled for April 24.

Canada Building Permits: February 2017

Canadian municipalities issued \$7.5 billion worth of building permits in February, down 2.5 per cent from January, said **Statistics Canada** Thursday. Ontario and Alberta led the five provinces that reported declines in February. The national decrease was mainly the result of lower construction intentions for single-family dwellings and institutional structures.

The value of residential building permits issued by Canadian municipalities fell 1.5 per cent from January to \$5 billion in February, but remained just above the \$5 billion mark for a second consecutive month. The decline in single-family construction intentions was moderated by an increase in the multi-family component.

CONT'D PAGE 6

Sawmill Fire

A sawmill fire Wednesday at **BKB Cedar Manufacturing** in McBride, BC, displaced 35 full-time employees. Mayor Lorraine Martin Says they acted quickly after the facility went up in smoke, according to *My Prince George Now*.

Regional District of Fraser-Fort George spokesperson Renee McCloskey says multiple fire departments were called to battle the blaze.

According to McBride Volunteer Fire Chief David Hruby, the sawmill will be turned back to the owner under WorkSafe BC rules.

Thursday's fire investigation ruled the only possible cause at this point is an overheated electric motor. Fire crews from Prince George and Valemount are assisting with the mulch fire and should have it cleared by Friday.

CONT'D PAGE 7

Japan Housing Starts: February 2017

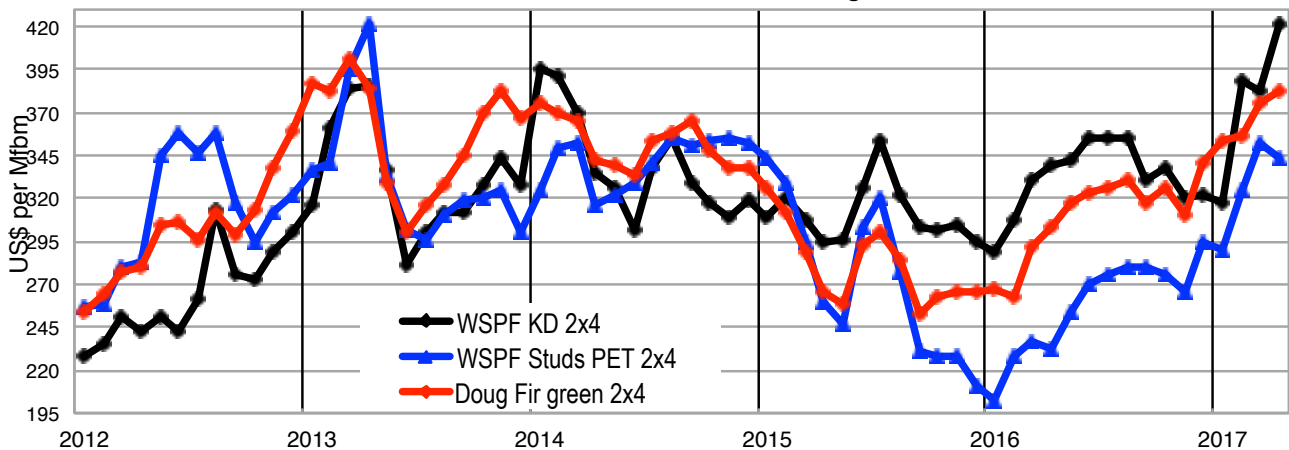
Total housing starts in Japan were 70,912 units in February, down 7.3 per cent compared to last month and down by 2.6 per cent compared to February 2016, according to *Japan Lumber Reports* Friday.

New rental units increased for ten consecutive months but new units for sale dropped sharply after a decline in condominium building.

Starts of wood-based units were 39,000 units were also dropping. For full year 2016, starts of wood-based buildings were 546,336.

CONT'D PAGE 7

2x4 Prices : WSPF KD R/L #2&Btr, WSPF KD PET Studs, Douglas fir Green - 2012 - APR 2017



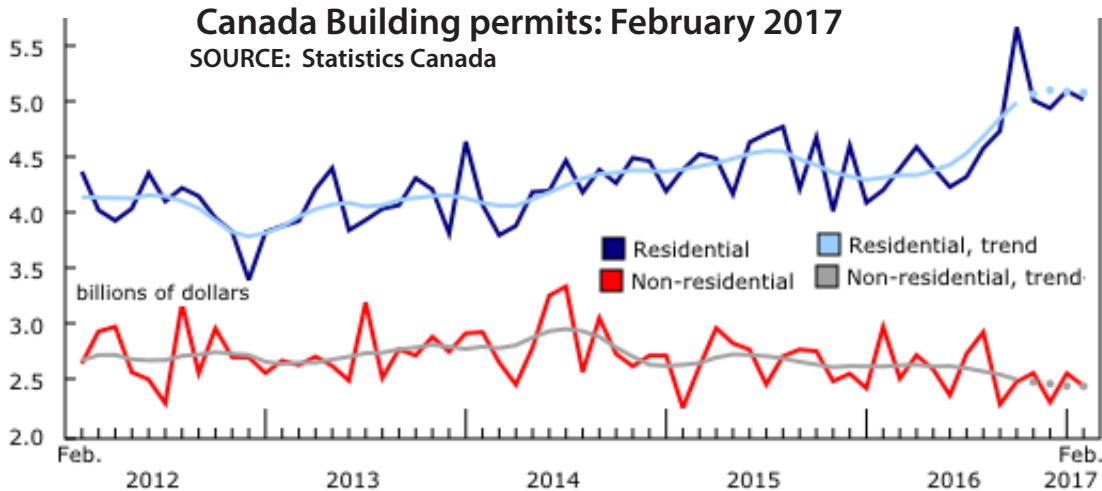
Canada Building Permits

CONT'D FROM PAGE 2

RESIDENTIAL SECTOR

Construction intentions for single-family dwellings in Canada declined 5.4 per cent to \$2.6 billion in February, according to **Statistics Canada** Thursday. Ontario registered the greatest decrease in this component, more than offsetting the six provinces that reported gains.

Conversely, multi-family construction intentions increased 3 per cent to \$2.4 billion in February, a second consecutive monthly gain. The increase was mainly attributable to apartment buildings in both British Columbia and Alberta. In February, Canadian municipalities approved the construction of 19,903 new dwellings (+2.9%), consisting of 13,445 multi-family units (+9.3%) and 6,458 single units (-8.3%).



NON-RESIDENTIAL CONSTRUCTION

Municipalities issued \$2.4 billion worth of building permits for non-residential structures in February, down 4.5 per cent from January. Five provinces registered decreases, led by Alberta and followed by Ontario and British Columbia. Nationally, the institutional component contributed the most to the decline.

The institutional component decreased 16.2 per cent to \$609 million in February, mainly due to lower construction intentions for government buildings and elementary schools.

In February, the value of building permits issued for industrial structures fell 2.7 per cent to \$395 million, following a 9.9 per cent increase in the previous month. Higher construction intentions for utility buildings in Saskatchewan and Ontario could not offset the widespread decreases reported across several types of industrial buildings in multiple provinces.

The commercial component rose 1 per cent to \$1.4 billion in February, marking a second consecutive monthly increase.

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Calendar

March 2017

NAWLA 2017 Leadership Summit

March 12 -14, 2017 – Tucson, AR

<http://www.nawla.org/ld/fid=240/>

Montréal Wood Convention

March 28 - 30, 2017 – Montréal, QC

<http://www.montrealwooden/>

April 2017

Council of Forest Industries Annual Convention

April 5-7, 2017 – Vancouver, BC

<http://www.cofi.org-glance/>

National Heavy Equipment Show

April 6-7, 2017 – Mississauga, ON

<http://www.nhes.ca>

Madison's Weekly Softwood Lumber Key Prices Table

www.madisonsreport.com



	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
<small>Prices are in U.S. dollars per 1,000 fbm (net FOB mill)</small>							
WSPF KD R/L 2x4	480	362	+118	370	+110	310	+170
WSPF KD R/L 2x6	464	350	+114	362	+102	288	+176
SYP KD R/L East Side 2x4	495	490	+5	510	-15	425	+70
SYP KD R/L East Side 2x6	380	370	+10	390	-10	325	+55
ESPF KD R/L 2x4	465	440	+25	440	+25	390	+75
WSPF KD PET 2x4 Stud	355	330	+25	340	+15	240	+115
WSPF KD PET 2x6 Stud	350	320	+30	325	+25	205	+145
Douglas Fir Green R/L 2x4	390	375	+15	365	+25	342	+48
Douglas Fir Green R/L 2x10	490	475	+15	460	+30	415	+75
ESPF KD 2x4 8ft Stud	450	425	+25	415	+35	320	+130
OSB Ontario 7/16" (CDN\$/msf)	425	405	+20	390	+35	310	+115
CSplywood Toronto 3/8" (CDN\$/msf)	468	459	+9	445	+23	394	+74

Madison's Weekly Softwood Lumber News

Sawmill Fire

CONT'D FROM PG 2 McCloskey says there appears to be no apparent threat to the public or surrounding area.

No one was on site at the time the fire broke out, said BKB President Raj Basran to *My Prince George Now*.

"The mill itself is all burned up, and thankfully there's no injuries and nobody was around at the time. We have 35 full time employees. We're not 100% sure on what caused the fire yet and WCB is involved as well. Right now, there's no entry to the site until they do their investigation as to whether the structure is even sound enough to enter into."

Basran says he expects the Fire Commissioner to perform an inspection of the site sometime tomorrow.

The mill is a major employer in the village of 600. Basran says they'll be looking into getting supports in place for the workers and their families.

Housing Starts, Japan

CONT'D FROM PG 2 New starts in Japan of units built for owners in February increased, to almost match level in January and February last year said *Japan Lumber Reports* Friday.

Regionally, Tokyo owner's units have been decreasing for the past four straight months. In Osaka region they have been increasing for over a year.

In all other regions new starts of owner's units have been increasing for five months

New starts of rental units have increased compared to the previous month for sixteen straight months.

EACOM Purchases

EACOM Timber, out of Montreal, QC, has sole ownership of engineered wood producer Anthony-EACOM following the purchase of outstanding shares from Canfor Corp, the company announced Wednesday.

The company said the change in ownership will result in the transfer of more than 50 employees to EACOM's management.

February housing starts Japan

	February	'17/'16	Jan.-Feb.	'17/'16
Total	70,912	97.4	147,403	104.8
Owner's	21,322	101.6	41,550	100.7
Rental	30,842	106.8	62,526	109.4
Units built for sale	18,398	82.1	42,459	102.8
(condos)	(7,562)	64.3	(20,660)	(102.6)
Wood based	39,587	102.5	78,666	103.3
Prefabricated	10,943	101.1	20,660	98.3
2x4	8,507	99.7	16,815	101.8

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ANNOUNCEMENTS



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April 18th!

The Forest Innovation Program supports research, development and technology transfer activities in Canada's forest sector.





MADISON'S Pellet Report

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North America Heating Wood Pellet Price and Market Guide

April 5, 2017

Regional Pricing of Heating Wood Pellets • North America Standard

	RESIDENTIAL (7,800 to 8,400 BTUs)		UNIT CONVERSIONS Wholesale and Retail		
	Producer (wholesale) \$/ ton or tonne	Retail / 40lb bag	\$/ GJ	\$/ MWh	\$/ mmBTU
WEST	BC - C\$250/tonne (mill gate)	BC -	C\$14.44	C\$48.36	C\$14.17
	AB - C\$240/tonne (mill gate)	AB -	C\$12.90	C\$46.43	C\$13.61
CANADA		C\$4.00	C\$0.21	C\$0.77	C\$0.23
	CENTRAL (St. Laurence)	MB -	MB - C\$5.40	C\$0.29	C\$1.04
ON - C\$220/tonne (mill gate)		ON -	C\$11.82	C\$42.56	C\$12.47
		C\$5.00 - 6.39	C\$0.27 - \$0.34	C\$0.97 - \$1.24	C\$0.28 - \$0.36
ATLANTIC	QC - ●	QC - ●			
	●	C\$12	C\$0.64	C\$2.32	C\$2.32
NORTHEAST	ME - US\$1261/ton (mill gate)		US\$14.08	US\$50.49	US\$14.80
	VT - US\$265/ton (delivered)		US\$14.24	US\$51.26	US\$15.02
		US\$7.00	US\$0.38	US\$1.35	US\$0.40
	PA - US\$219/ton (mill gate)		US\$11.77	US\$42.37	US\$12.42
	NH - US\$247/ton (delivered)		US\$13.27	US\$47.78	US\$14.00
		US\$5.45	US\$0.29	US\$1.05	US\$0.31
	MA - US\$265/ton (mill gate)		US\$14.24	US\$51.26	US\$15.02
USA	- US\$269/ton (mill gate)		US\$14.46	US\$52.04	US\$15.25
	NE - US\$239/ton (mill gate)		US\$12.84	US\$46.23	US\$13.55
	WA - US\$269/ton (delivered to hub)		US\$14.46	US\$52.04	US\$15.25
	CA - US\$250/ton (delivered to hub)		US\$13.44	US\$48.36	US\$14.17
NORTHWEST					
SOUTH	TN -		US\$5.29	US\$0.28	US\$1.02
					US\$0.30

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Madison's Wood Pellet Report MARCH 2017

PRICES, EXPORT HIGHLIGHTS, COMMODITIES/PRODUCTS

The brand-new monthly *Madison's Wood Pellet Report* covers North America energy wood pellet manufacturing, distribution, and sales/export.

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Madison's Wood Pellet Report

MARCH 2017

PRICES, EXPORT HIGHLIGHTS, COMMODITIES/PRODUCTS



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