

MADISON'S LUMBER REPORTER

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News & Updates

BC Lumber Exports: July 2017

British Columbia lumber export values are up +3 per cent for 2017 year-to-date July compared to the same period in 2016, to \$8.23 billion compared to \$8.02, said the **Competitiveness and Innovation Branch**, Ministry of Forests, Lands, and Natural Resource Operations Wednesday. Exports of lumber by value is down -2 per cent, while volumes are down -13 per cent. Pulp export value is up +12 per cent.

In terms of value by destination country, China +17 per cent and Japan +8 per cent are up. The value to the United States -7 per cent is down. [CONT'D PAGE 6](#)

EACOM Installs...

EACOM Timber Corporation announced Wednesday that it has successfully completed the installation of a Continuous Dry Kiln at its Timmins, ON, sawmill.

This new system is designed to accelerate the wood drying process by continuously cycling lumber through the kiln with significant energy efficiency gains. The annual capacity of the sawmill will increase to 160 million board feet because of this technological upgrade.

This capital project is part of EACOM's ongoing plan to invest in its operations and people. EACOM rebuilt the Timmins sawmill with 20 per cent more capacity and state-of-the-art technology following a 2012 fire.

Southern Pine Lumber Exports: June 2017

Exports of Southern pine lumber greatly increased in June, amounting to more than 77 million board feet (MMbf), the **Southern Forest Products Association** said in the press release Monday. This volume represents an increase of 18 per cent above the same month last year, contributing to an overall year-to-date increase of 13 per cent when compared with the first six months of 2016.

Offshore shipments during June roughly break down as follows: 40.4 MMbf dressed, 15.8 MMbf rough, and 21.3 MMbf treated lumber. [CONT'D PAGE 7](#)

US Storm Price Gouging Accusations

More than 3,000 complaints accusing stores of price gouging related to Hurricane Irma have come into the **Florida Attorney General's Office** as of Thursday morning, according to the *Atlantic Sentinel*.

Thursday morning, an Office representative said, "We've never seen our hotline like this in history."

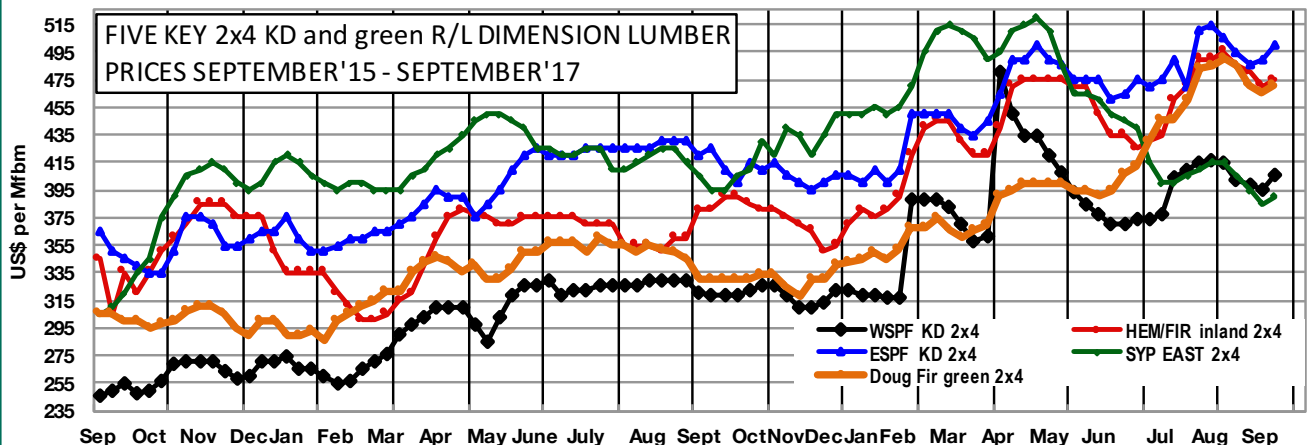
Consumers called the attorney general's **Price Gouging Hotline** to report price surges in water, ice, fuel, lumber, and other supplies since the hotline was activated Sunday. [CONT'D PAGE 7](#)

USDA Forest Management and Wildfires: Latest Insight

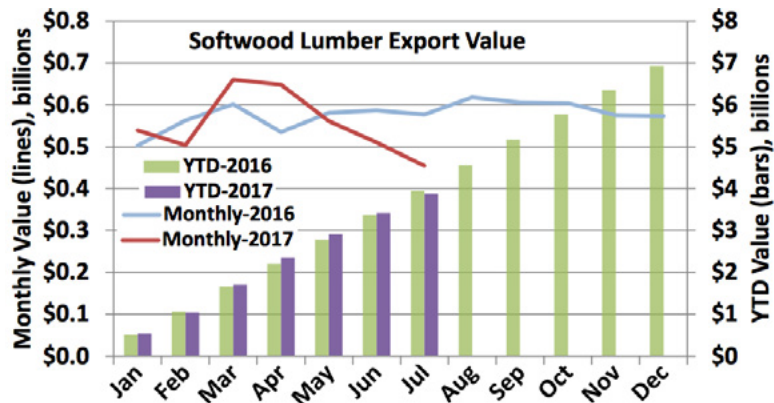
Continued severe dry conditions across all of northwest North America this year are causing relentless wildfires across regions on a scale that can accurately be described as epic.

The **American Loggers Council** (ALC) Wednesday urged the Trump Administration and United States Congress to take action to address America's wildfire crisis. So far this year 47,000 fires have burned nearly 8 million acres (3.2 million hectares) across the US.

In Canada, more than 1,200 wildfires have sparked across British Columbia alone since April 1, charring 11,500 square kilometres (1.15 million hectares or 2.84 million acres) of land. [CONT'D PAGE 9 & 10](#)



BC Lumber Exports: July 2017



Value and Quantity by Product (YTD)

	Value		Quantity	
	Value (\$m)	Change from 2016	Quantity (thousands)	Change from 2016
Lumber	\$ 3,878	-2%	14,925 m3	-13%
Pulp	\$ 1,946	12%	2511 t	6%
Other Wood	\$ 1,339	-3%	-	-
Other Paper	\$ 579	6%	-	-
Logs	\$ 488	18%	3,678 m3	9%
Total	\$ 8,231	3%	-	-

Data Source: B.C. Stats tabulation from Statistics Canada data

Prepared by Alex Barnes of Competitiveness and Innovation Branch, Ministry of Forests, Lands, and Natural Resource Operations

Value (C\$ Millions) - Year to Date								
2017								Change in Total YoY
	Lumber	Pulp	Other Wood	Other Paper	Logs	Country Total	Country Share	
U.S.A.	2,377	201	1,053	352	32	4,015	49%	-7%
China	674	1,172	28	96	301	2,271	28%	17%
Japan	432	152	60	1	99	745	9%	8%
Other	395	421	198	130	56	1,200	15%	11%
Product Total	3,878	1,946	1,339	579	488	8,231	100%	3%
Product Share	47%	24%	16%	7%	6%	100%		
Change in Total YoY	-2%	12%	-3%	6%	18%	3%		

Quantity (Thousands) - Year to Date						
2017				Change YoY		
	Lumber (m ³)	Pulp (tonnes)	Logs (m ³)	Lumber	Pulp	Logs
U.S.A.	9,388	238	263	-18%	-7%	-3%
China	3,315	1,546	2,253	-8%	5%	21%
Japan	1,204	187	713	0%	58%	-18%
Other	1,018	540	449	9%	4%	17%
Total	14,925	2,511	3,678	-13%	6%	9%
Change in Total YoY	-13%	6%	9%			

	Year to Date (THIS MONTH)	Previous YTD (MONTH AGO)	Change %	Trend	Full Year (YEAR AGO) 2016	Change % (YEAR AGO)	Trend
Five Key 2x4 Lumber Prices: Aggregate US\$/mfbm	444	464	-3.4%	▼	379	+18.3%	▲
Benchmark Panel Prices: Aggregate C\$/msf	601.5	583.5	+3.1%	▲	438	+37.3%	▲
VOLUMES							
Canada Lumber Production: softwood, million m3	22.78	22.41	+1.6%	▲	66.9	-65.9%	▼
VALUES							
Canada Sawmill Manufacturing Sales: million C\$	4,271	4,188	+1.9%	▲	11,284	-63.5%	▼
US Total Sawmill Products Imports: million US\$	2,235	1,858	+20.3%	▲	6,128	-63.5%	▼
US Total Sawmill Products Exports: million US\$	433	414	+4.6%	▲	1,021	-57.6%	▼
Canada Sawmill Exports to USA: million C\$	3,420	2,949	+16%	▲	7,501	-54.4%	▼

SOURCE: Madison's Lumber Reporter

www.madisonsreport.com

Madison's Weekly Softwood Lumber Key Prices Table

www.madisonsreport.com



Prices are in U.S. dollars per 1,000 fbm (net FOB mill)	This Week					Month Ago				Year Ago			
	Week	Last Week	Change	%	Trend	Ago	Change	%	Trend	Ago	Change	%	Trend
WSPF KD R/L 2x4	406	395	+11	+2.8%	▲	414	-8	-1.9%	▼	330	+76	+23%	▲
WSPF KD R/L 2x6	430	418	+12	+2.9%	▲	426	+4	+0.9%	▲	310	+120	+39%	▲
SYP KD R/L East Side 2x4	390	385	+5	+1.3%	▲	415	-25	-6.0%	▼	425	-35	-8.2%	▼
SYP KD R/L East Side 2x6	360	345	+15	+4.3%	▲	365	-5	-1.4%	▼	395	-35	-8.9%	▼
ESPF KD R/L 2x4	500	490	+10	+2.0%	▲	505	-5	-1.0%	▼	430	+70	+16%	▲
WSPF KD PET 2x4 Stud	360	355	+5	+1.4%	▲	410	-50	-12%	▼	290	+70	+24%	▲
WSPF KD PET 2x6 Stud	410	405	+5	+1.2%	▲	420	-10	-2.4%	▼	245	+165	+67%	▲
Douglas Fir Green R/L 2x4	470	465	+5	+1.1%	▲	490	-20	-4.1%	▼	350	+120	+34%	▲
Douglas Fir Green R/L 2x10	530	530	0	0%	-	550	-20	-3.6%	▼	345	+185	+54%	▲
ESPF KD 2x4 8ft Stud	450	455	-5	-1.1%	▼	490	-40	-8.2%	▼	375	+75	+20%	▲
OSB Ontario 7/16" (CDN\$/msf)	531	495	+36	+7.3%	▲	495	+36	+7.3%	▲	385	+146	+38%	▲
CS Plywood Toronto 3/8" (CDN\$/msf)	672	672	0	0%	-	672	0	0%	-	491	+181	+37%	▲

Madison's Weekly Softwood Lumber News

Southern Pine Lumber Exports: June 2017

[CONT'D FROM PG 2](#) Softwood lumber imports to the US decreased in June, reaching 1.1 billion board feet (Bbf), a dip of 11 per cent from the volume imported during June of 2016, the **Southern Forest Products Association** said in the press release Monday. Through the first six months of this year, softwood imports are up three per cent when compared with the first six months of a year ago.

Florida Storm Price Gouging

[CONT'D FROM PG 2](#) The Florida price-gouging statute makes it illegal during an emergency to sell items such as gas, food, water, and hotel rooms for prices that "grossly exceed"

the average price during the previous 30 days, explained the *Orlando Sentinel* Thursday. But cost increases are not necessarily price gouging. The Attorney General's Office looks at price-gouging allegations case by case. Some stores, such as The Home Depot, freeze their prices when a state of emergency is declared. On Monday, Gov. Rick Scott declared a state of emergency in all of Florida's 67 counties.

The Office advises consumers to make sure they are making comparisons to the same product. Look at product name, size, quantity, manufacturer, item number, and unit price. Check the grade, thickness and quality of lumber products. Document the per-mile charge, removal charges, per-day storage charges, and any other additional charges such as security and cleanup for services.

Canada Sawmill Production: June 2017

Lumber production at Canadian sawmills in June was down -6.2 per cent from May, to 5,723.6 thousand cubic metres, said **Statistics Canada** Thursday. Production was -2.9 per cent lower than June 2016.

Sawmills shipped 5,757.8 thousand cubic metres of lumber in June, down -2.9 per cent from May, and -4.7 per cent lower than June 2016.

Forest Practices Board Audits Canfor

The **Forest Practices Board** of British Columbia will undertake an audit of Canfor's operations in the Fort Nelson, BC, area starting next week, said *Alaska Highway News* Wednesday.

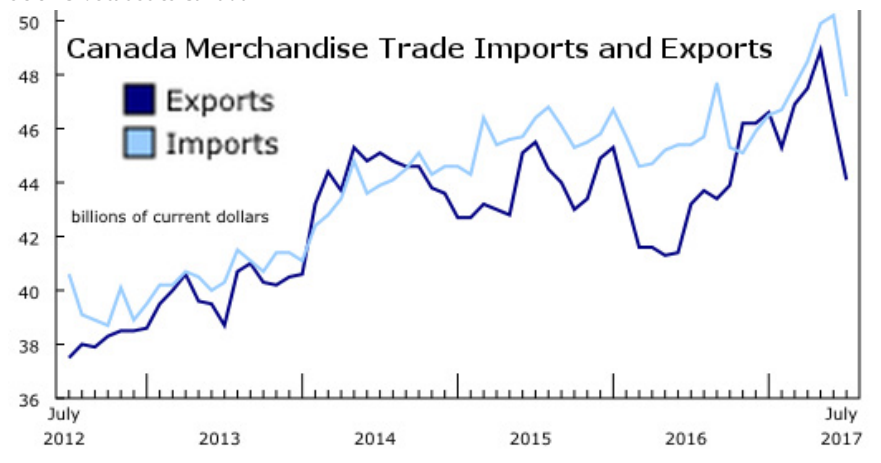
The company has not harvested any timber under its forest licence in the Fort Nelson Timber Supply Area since 2008, the board said in an announcement.

The audit begins September 11 and will focus on the company's activities between September 2016 and September 2017, including road and bridge maintenance, silviculture obligations, and fire protection.

In 2013, the region launched a **Forestry Rejuvenation Project** aimed at tackling the issues that led to the collapse in the regional forestry industry, and has been trying to secure a community forest licence that would give it control over 50,000 cubic meters of timber.

Canada Merchandise Trade Balance: July 2017

SOURCE: Statistics Canada



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ANNOUNCEMENTS

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Register

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Fairmont Le Reine Elizabeth

March 20 to 22, 2018
Fairmont The Queen Elizabeth

montrealwoodconvention.com Linked in #Mtlwood18

CANADA AND US WILDFIRE SEASON: 2017

[CONT'D FROM PAGE 2](#)

Recovering from a historic wildfire season is expected to take British Columbia's forest industry at least five years, the province's **Forest Ministry** said on Wednesday, according to *CBC*.

The ministry said in a statement that although wildfires will likely remain active into autumn, plans to help the industry rebound are already underway.

Forests Minister Doug Donaldson said at a news conference Tuesday said an estimated 53 million

cubic metres of timber has burned, which calls for support of harvesters already licensed to collect trees within the fire zone. New licences will also need to be issued to salvage usable wood in burned areas that weren't previously due to be harvested.

Once those areas are thoroughly surveyed, the ministry said it may adjust the annual allowable cuts and determine how much of the scorched timber should be salvaged or left for wildlife habitat.

Desperate Need for Rain

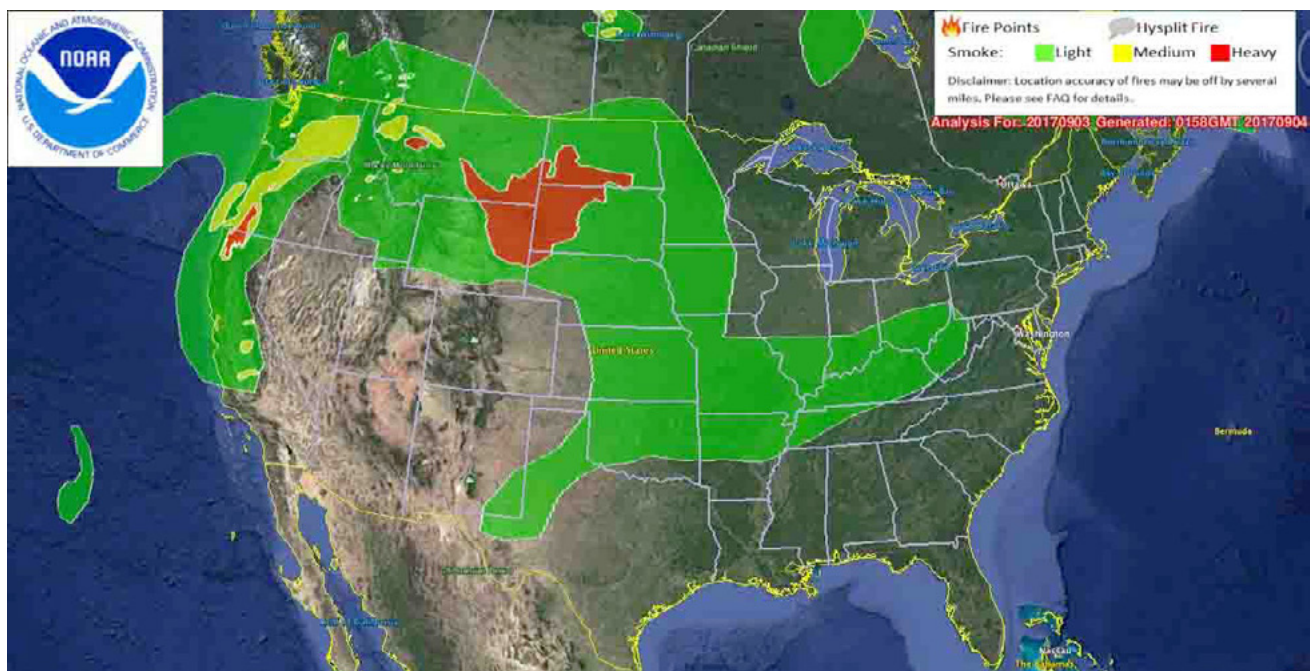
Kevin Skrepnek with the BC Wildfire Service said to *The Province* Wednesday that many areas of the province are still tinder dry and in desperate need of rain.

The forecast is calling for showers across the province in the coming days, but Skrepnek said that won't be enough to douse the flames, especially in the southeastern part of BC, where a number of aggressive fires are burning.

Federal Agriculture Minister Lawrence MacAulay this week announced \$20 million to help ranchers recover, and First Nations leaders called for

more funding for emergency preparedness in their communities.

Although sawmill infrastructure hasn't been destroyed by fires, Susan Yurkovich, president of the **BC Council of Forest Industries** said the shortage of timber and wood fibre, especially in the Interior, has left companies unable to operate. She said the industry is working closely with the provincial government on recovery efforts, and discussions about changing forest-management practices are expected to continue beyond the current fire season.



SOURCE: Wildfire Today

US Forestry Officials Finger-Pointing

In the midst of Montana's severe fire season, a heated debate has reignited over forest management, with a group of Montana Republican lawmakers arguing that lawsuits halting logging projects are elevating wildfire dangers, while critics counter that GOP lawmakers are at fault for not recognizing climate change and failing to properly fund federal agencies, said the *Flathead Beacon* September 2.

US Sen. Steve Daines, Rep. Greg Gianforte and Interior Secretary Ryan Zinke recently toured the Lolo Peak Fire, which has burned nearly 40,000 acres, forced numerous evacuations in the Lolo and Florence areas and cost more than US\$34 million.

Similar to the environmental group lawsuit situation preventing logging of USDA forest service land in Oregon, Daines blames "extreme environmental groups" that have sued the US Forest Service for halting logging and thinning projects that he says could reduce large amounts of fuel and help prevent wildfires. Rising firefighting expenditures are eating up the Forest Service's budget at an unsustainable pace — fire suppression consumed 52 per cent of the agency's budget in 2015, a number expected

to increase to 67 per cent in 2025. The swelling costs of wildfires have directly led to a 68 per cent reduction in facility maintenance, a 15 per cent cut to recreation and an 18 per cent cut to wildlife and fish habitat management, according to the agency. A collective of conservation groups is challenging a proposed logging project along the east shore of Lindbergh Lake at the headwaters of the Swan River, saying the project would harm sensitive wildlife and damage habitat while also bucking environmental regulations. Four groups filed suit in federal district court in Missoula on August 31, challenging the Beaver Creek Timber Sale in the Swan Lake Ranger District of the Flathead National Forest.

The land includes more than 5,000 acres of former Plum Creek Timber Company land that is now owned and managed by the Forest Service. As part of the project, crews would install a fish barrier, upgrade one bridge, and install or replace three culverts. The project would cost the Forest Service an estimated US\$928,000-\$958,000, according to the lawsuit.

Experts Call for Changes to Forest Practices

The **American Loggers Council** (ALC) Wednesday urged the Trump Administration and United States Congress to take action to address the nation's wildfire crisis. So far this year 47,000 fires have burned nearly eight million acres across the country. As the national organization representing America's professional timber harvesters, ALC believes the federal government should actively manage its forests through logging and mechanized thinning to reduce the risks of severe fire and protect adjoining state and private lands.

With 193 million acres in the **National Forest System** alone, much of America's forest land is controlled by the federal government. The **US Forest Service** estimates up to 80 million acres of federal forest land vulnerable to wildfire, insects and disease and are in need of treatment. A large portion of federally-owned forests are non-reserved and suitable for sustainable timber production. Yet harvest

levels on federal lands remain low, with tree growth and mortality rates far exceeding removal.

ALC supports reforms to increase the pace and scale of forest projects. ALC supports sensible reforms to the National Environmental Policy Act and Endangered Species Act, and supports giving the US Forest Service adequate resources to prepare and implement forest projects.

ALC Executive Vice President Daniel Dructor says addressing America's wildfire crisis is also critical to preserving the nation's forest products infrastructure, which continues to be threatened by low timber harvest levels on federal lands as well as challenging markets due to low energy prices and high imports of wood products from other countries. Putting the nation's loggers and milling infrastructure to work will create more manufacturing jobs and support small family-owned businesses.

Wildfire Fighters Change Tactics

About 6.3 billion dead trees are still standing in 11 Western states, up from 5.8 billion five years ago, according to US Forest Service statistics compiled for *The Associated Press*, said *Canadian Press* Thursday.

To avoid broad stands of beetle-killed trees, firefighters sometimes have to cut containment lines farther from the flames. That allows the fires to gobble up more forest before they're brought under control.

Other factors, such as rugged terrain or drought-baked forests, can prompt fire managers to take a safer, less aggressive approach to minimize the danger. They say it's impossible to know how much

bigger fires grow due to that.

About 17 per cent of all standing trees in 11 Western states are dead, roughly double the proportion in the 1990s, but that was a time of above-normal precipitation, said John Shaw, a Forest Service analyst.

Since 2000, two dozen species of beetles have killed trees on nearly 85,000 square miles (220,000 square kilometres) in the Western US. That's an area about the size of Utah. Beetles have killed nearly 80,000 square miles (206,000 square kilometres) of forest in Western Canada.