



Lumber Track

JUNE 2010
Issued: September 3, 2010

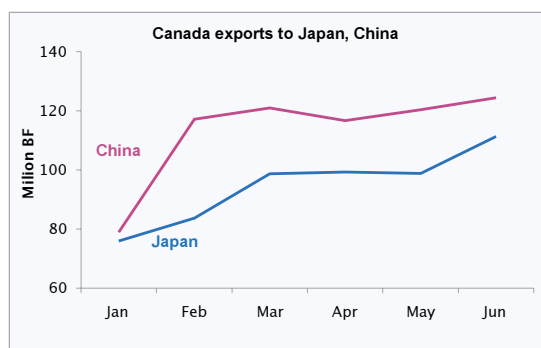
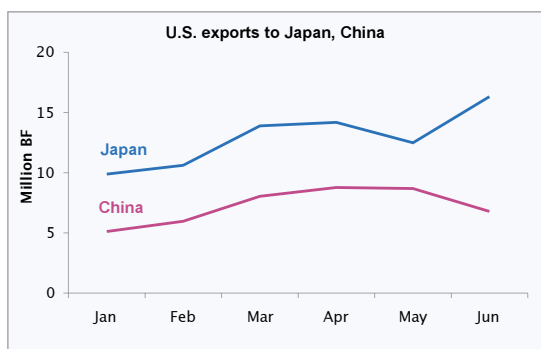
WWPA'S MONTHLY REVIEW OF NORTH AMERICAN LUMBER STATISTICS, INCLUDING TRADE HIGHLIGHTS AND KEY MARKETS

Exports emerging as bright spot

North American lumber producers are finding more good news in international markets compared to what has transpired in U.S. demand. While the volumes of export sales are small relative to the traditionally huge American market, both U.S. and Canada have seen lumber exports rise strongly so far in 2010.

Much of the strength in North American lumber exports is found across the Pacific, in Japan and China. Increased shipments to China, particularly from Canada, have generated many more headlines lately. But exports to Japan have followed a similar rising trend.

Overall U.S. exports through six months are up 43 percent. Shipments to Japan have climbed 50.6 percent so far this year, while sales to China are up some 68 percent.



American lumber exports moving into Canada are also up, to almost double the volume shipped a year ago. But Canada is unlikely to be the final destination, as much of that lumber moves through British Columbia ports on the way to the Far East.

Canada's multi-million dollar efforts to sell more lumber into China are yielding results. Through the first half of this year, Canadian lumber shipments to China have increased to total some 678 million board feet.

For Canadian mills, China has become the second largest export market after the U.S. Even though Canadian shipments to Japan are up 43 percent so far this year, the total volume is 8 percent lower than combined shipments to China to date.

British Columbia accounts for the lion's share of Canada's exports abroad. Increased shipments to Japan and China, as well as higher volumes shipped into the U.S., helped push B.C. lumber production up 21.4 percent in the first half. By comparison, Western lumber production rose 12.7 percent while Southern mills cut output by 3.8 percent.

2009 DATA REVISED

Western totals for 2009 appearing in this month's edition have been revised to show the final numbers gathered in WWPA's annual mill operating survey. The changes will be reflected in the year-to-date totals in *Lumber Track* and in the 2009 monthly totals shown in the *North American Activity and Consumption Update*.

Final totals for 2009 will be published in *Statistical Yearbook of the Western Lumber Industry* in September. This compendium of lumber industry statistics is available for \$100 a copy and can be ordered from the WWPA web site at www.wwpa.org.

For more information on *Lumber Track* or other WWPA statistical reports, contact Butch Bernhardt at 503-306-3488 or bbernhardt@wwpa.org

U.S. Softwood Lumber Industry Activity by Region (million board feet)

Production	Full Year	6 months YTD										
	2009	2010	2009	% Chg	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
West	10,395	5,727	5,080	12.7	913	942	954	-3.2	-4.3	2,885	2,676	7.8
South	11,788	5,911	6,143	-3.8	1,015	983	1,158	3.3	-12.3	3,159	3,201	-1.3
Other	1,238	649	626	3.7	108	107	118	0.1	-8.7	337	328	2.8
Total	23,420	12,287	11,849	3.7	2,035	2,033	2,229	0.1	-8.7	6,381	6,205	2.8

Shipments

West	10,630	5,642	5,256	7.3	881	899	997	-2.0	-11.6	2,846	2,805	1.5
South	11,788	5,911	6,143	-3.8	1,015	983	1,158	3.3	-12.3	3,159	3,201	-1.3
Other	1,251	645	636	1.4	106	105	120	0.7	-12.0	335	335	0.0
Total	23,669	12,198	12,035	1.4	2,002	1,987	2,275	0.7	-12.0	6,340	6,341	0.0

New Orders

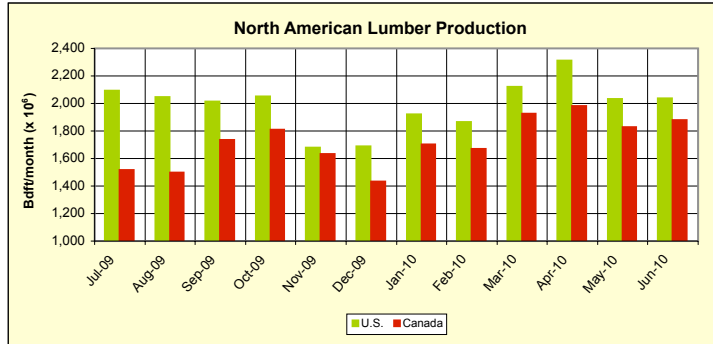
West	10,592	5,686	5,205	9.2	911	814	998	11.9	-8.7	2,776	2,847	-2.5
South	11,788	5,911	6,143	-3.8	1,015	983	1,158	3.3	-12.3	3,159	3,201	-1.3
Other	1,249	647	633	2.2	107	100	120	7.2	-10.7	331	337	-1.9
Total	23,629	12,244	11,982	2.2	2,033	1,897	2,276	7.2	-10.7	6,266	6,386	-1.9

Unfilled Orders

		Jun-10	Jun-09	
West	453	497	440	12.9
South	807	807	807	0.0
Other	122	124	121	2.6
Total	1,382	1,428	1,368	4.4

Inventories

		Jun-10	Jun-09	
West	1,039	1,123	1,098	2.3
South	1,818	1,818	1,818	0.0
Other	271	276	274	0.5
Total	3,128	3,217	3,190	0.8



Source: Southern Forest Products Association, U.S. Census Bureau, Council of Forest Industries-CAN, WWPA

Canadian Softwood Lumber Industry Activity by Region (million board feet)

Production	Full Year	6 months YTD										
	2009	2010	2009	% Chg.	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
British Columbia	9,681	5,669	4,671	21.4	942	895	814	5.2	15.8	2,878	2,452	17.4
East of the Rockies	9,123	5,313	4,510	17.8	938	931	712	0.7	31.6	2,811	2,093	34.3
Total	18,804	10,982	9,181	19.6	1,880	1,826	1,526	2.9	23.2	5,689	4,545	25.2

Shipments

British Columbia	9,979	5,589	4,796	16.5	946	841	892	12.5	6.1	2,821	2,552	10.5
East of the Rockies	9,486	5,286	4,712	12.2	962	902	843	6.6	14.1	2,866	2,310	24.0
Total	19,466	10,875	9,508	14.4	1,908	1,743	1,735	9.4	10.0	5,687	4,862	17.0

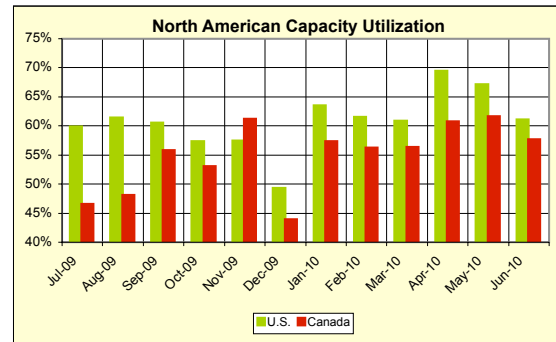
Inventories

		Jun-10	Jun-09	
British Columbia	943	1,022	1,116	-8.4
East of the Rockies	1,408	1,435	1,568	-8.5
Total	2,350	2,457	2,685	-8.5

Source: Statistics Canada, Council of Forest Industries-CAN

Production as Percent of Practical Capacity

	Full Year	6 months YTD					
	2009	2010	2009	Jun-10	May-10	Jun-09	
West	60%	73%	68%	67%	76%	63%	
South	56%	57%	73%	57%	60%	68%	
Total U.S.	58%	64%	71%	61%	67%	65%	
British Columbia	51%	60%	65%	58%	60%	52%	
East of the Rockies	48%	56%	62%	57%	63%	46%	
Total Canada	49%	58%	63%	58%	62%	49%	



Source: USDA Profile: Softwood Sawmills in the United States and Canada, WWPA

Trade Statistics

U. S. Softwood Lumber Imports (million board feet)

	Full Year	6 months YTD										
	2009	2010	2009	% Chg.	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
From British Columbia	5,075	2,875	2,455	17.1	576	472	448	22.1	28.8	1,460	1,253	16.5
East of the Rockies	3,228	1,833	1,633	12.2	340	315	291	7.7	16.8	1,006	869	15.7
Total Canadian Imports	8,303	4,709	4,088	15.2	916	787	738	16.3	24.1	2,466	2,122	16.2
From Latin America	284	117	149	-21.6	19	19	23	-1.7	-18.5	56	71	-20.9
From Europe	177	55	123	-55.6	14	7	12	108.0	14.9	26	44	-41.7
Total Non-Canadian	551	223	314	-28.9	43	37	43	17.5	0.6	111	139	-19.7
Total Lumber Imports	8,855	4,932	4,402	12.0	959	824	781	16.4	22.8	2,578	2,261	14.0

U. S. Softwood Lumber Exports (million board feet)

	Full Year	6 months YTD										
	2009	2010	2009	% Chg.	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
To Canada	268	214	110	94.4	34	36	24	-6.8	43.0	109	62	75.4
To Japan	115	77	51	50.6	16	12	7	30.5	121.9	43	25	75.4
To Mexico	182	104	95	9.0	18	17	14	2.2	25.5	55	45	22.7
To Other Countries	417	244	190	28.5	42	46	35	-8.1	21.5	140	98	42.1
Total Lumber Exports	983	639	447	43.1	110	112	80	-1.8	37.8	347	230	50.8

U. S. Softwood Log Imports (million board feet)

From Canada	89	35	60	-41.3	15	7	10	116.9	57.4	30	29	0.9
Non-Canadian Sources	1	0	0	0.0	0	0	0	0	0	0	0	0
Total Log Imports	90	35	60	-41.3	15	7	10	116.9	57.9	30	29	1.0

U. S. Softwood Log Exports (million board feet)

To Japan	430	205	200	2.2	37	44	44	-16.1	-17.6	120	110	9.0
To Canada	537	281	306	-8.2	33	31	27	7.6	22.3	97	91	6.5
To Other Countries	537	370	215	72.2	77	81	52	-4.3	47.5	236	145	63.2
Total Log Exports	1,504	856	721	18.6	147	155	124	-5.3	18.6	453	346	31.0

Source: U.S. Department of Commerce, U.S. International Trade Commission, Foreign Agricultural Service

Canadian Softwood Lumber Exports (million board feet)

To U.S.	8,303	4,709	4,088	15.2	916	787	738	16.3	24.1	2,558	2,112	21.1
To Japan	918	568	396	43.2	111	99	70	12.6	59.8	309	194	59.8
Other	1,824	1,108	820	35.1	208	208	155	0.1	34.0	609	516	18.0
Total Lumber Exports	11,046	6,384	5,305	20.4	1,235	1,094	963	12.9	28.2	3,476	2,822	23.2

Source: Statistics Canada, Council of Forest Industries-CAN

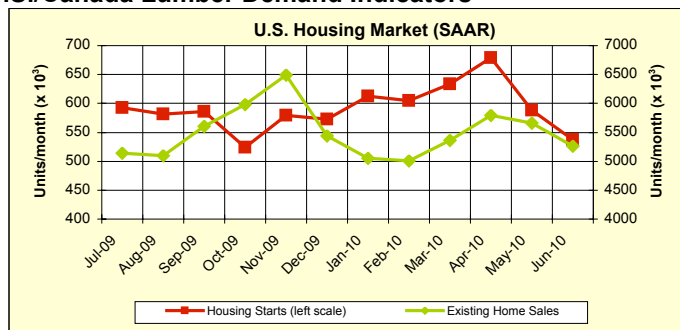
U.S. Softwood Lumber Consumption (million board feet)

	Full Year	6 months YTD										
	2009	2010	2009	% Chg.	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
Lumber Shipments	23,669	12,198	12,035	1.4	2,002	1,987	2,275	0.7	-12.0	6,340	6,341	0.0
Plus Imports	8,855	4,932	4,402	12.0	959	824	781	16.4	22.8	2,578	2,261	14.0
Minus Exports	(983)	(639)	(447)	43.1	(110)	(112)	(80)	-1.8	37.8	(347)	(230)	50.8
Apparent Consumption	31,541	16,490	15,990	3.1	2,851	2,700	2,977	5.6	-4.2	8,571	8,372	2.4

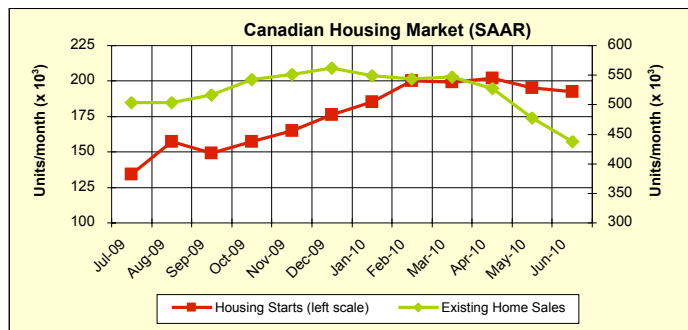
Canadian Softwood Lumber Consumption (million board feet)

	Full Year	6 months YTD										
	2009	2010	2009	% Chg.	Jun-10	May-10	Jun-09	M to M %	Y to Y%	2nd Qtr-10	2nd Qtr-09	% Chg
Lumber Shipments	19,466	10,875	9,508	14.4	1,908	1,743	1,735	9.4	10.0	5,687	4,862	17.0
Plus Imports	289	231	119	94.4	37	39	26	-6.8	43.0	118	67	75.4
Minus Exports	(11,046)	(6,384)	(5,305)	20.4	(1,235)	(1,094)	(963)	12.9	28.2	(3,476)	(2,822)	23.2
Apparent Consumption	8,710	4,722	4,322	9.3	709	689	797	3.0	-11.0	2,328	2,107	10.5

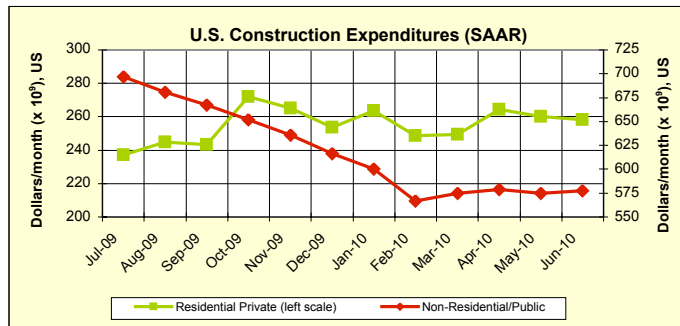
U.S./Canada Lumber Demand Indicators



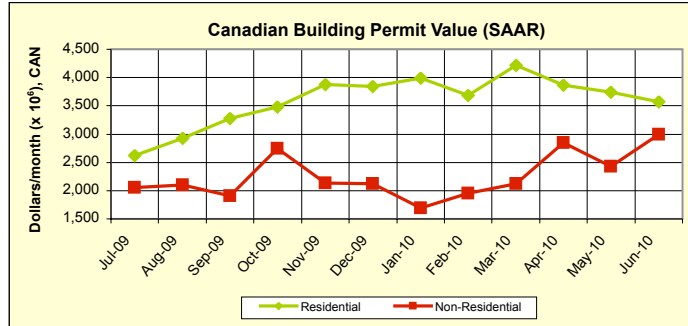
Source: National Association of Realtors, U.S. Census Bureau



Source: Canadian Real Estate Association, Canada Mortgage & Housing



Source: U.S. Census Bureau



Source: Statistics Canada