



Lumber Track

APRIL 2010
Issued: July 8, 2010

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

Canada, U.S. expand exports

Mills in Canada and the U.S. have boosted shipments to markets at home and abroad during the first four months of 2010, with a bigger share of their exports heading to Japan and China.

Through April, overall shipments from Canadian mills were up 15.9 percent from 2009 totals. By comparison, shipments by Western mills increased 11.2 percent while lumber shipments from the South dipped 4.8 percent.

Canada is a net lumber exporter, with some 57 percent of its annual output shipped to destinations outside of the country. The U.S. remains the largest market for Canadian producers. Recent efforts to expand into other markets in Japan and China, however, appear to be successful so far.

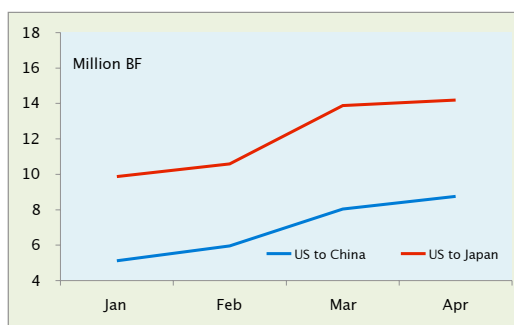
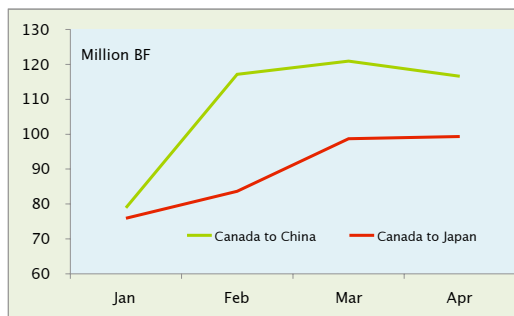
Canadian shipments to U.S. destinations were up 13.3 percent through April. But sales to Japan rose 37.6 percent in the first four months. And shipments from Canada to other foreign destinations were up almost 56 percent. China accounted for some two-thirds of the Canadian shipments to other foreign ports.

China is now a larger market for Canadian lumber than Japan. In 2009, Canadian mills shipped 1.1 billion board feet to China compared to 919 million board feet sent to Japan the year prior. That trend has held true so far this year, with exports to China totaling 434 million board feet vs. 358 million board feet shipped to Japan (Table 1).

The Canadian government is spending millions in China to promote its lumber, including funding for demonstration projects to show the benefits of wood-frame construction. In May, Canfor Corp. announced it was reopening its Quesnel, B.C. mill and intends to produce 200 million board feet in metric sizes exclusively for the Chinese market.

Export markets have improved for American mills as well. Through four months, U.S. exports are up 42.6 percent compared to last year at this time. American lumber shipments to China have

Table 1: Canadian, American lumber exports to Far East



soared by nearly 85 percent while exports to Japan have increased almost 38 percent.

Even with such gains, the U.S. market is still critical for both Canadian and American producers, with sales here accounting for a bulk of the lumber produced annually from each country.

2009 statistics revised

WWPA has compiled the results from its Annual Mill Operating Survey for 2009 and revised totals for last year now appear in all Association statistical reports. The revised 2009 numbers are reflected in this edition of *Lumber Track*.

Estimates for 2010 activity year-to-date have been revised as well.

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		4 months YTD									
	2009	2010	2009	% Chg	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
West	10,710	3,872	3,462	11.8	1,030	1,010	980	2.0	5.1	2,842	2,482	14.5
South	11,788	3,850	4,044	-4.8	1,103	994	1,102	11.0	0.1	2,747	2,942	-6.6
Other	1,255	431	419	2.9	119	112	116	6.4	2.5	312	303	3.0
Total	23,754	8,152	7,925	2.9	2,252	2,116	2,198	6.4	2.5	5,901	5,727	3.0

Shipments

West	10,945	3,862	3,472	11.2	1,065	1,012	948	5.3	12.4	2,796	2,524	10.8
South	11,788	3,850	4,044	-4.8	1,103	994	1,102	11.0	0.1	2,747	2,942	-6.6
Other	1,269	430	419	2.6	121	112	114	8.1	5.8	309	305	1.4
Total	24,002	8,142	7,935	2.6	2,289	2,118	2,164	8.1	5.8	5,852	5,771	1.4

New Orders

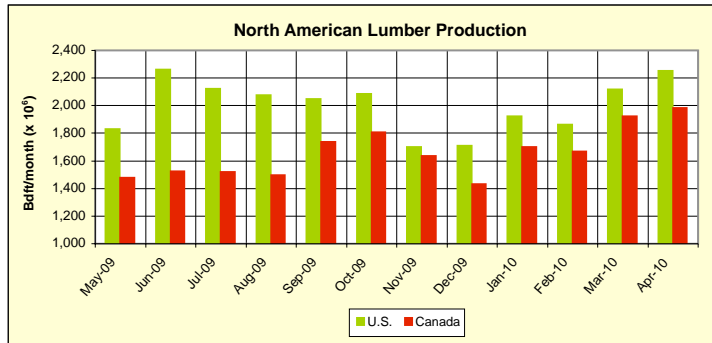
West	10,908	3,961	3,379	17.2	1,052	1,078	946	-2.5	11.2	2,910	2,433	19.6
South	11,788	3,850	4,044	-4.8	1,103	994	1,102	11.0	0.1	2,747	2,942	-6.6
Other	1,266	436	414	5.2	120	116	114	4.0	5.2	316	300	5.2
Total	23,962	8,247	7,837	5.2	2,275	2,188	2,162	4.0	5.2	5,972	5,675	5.2

Unfilled Orders

		Apr-10	Apr-09	
West	453	553	398	39.1
South	807	807	807	0.0
Other	122	127	119	7.3
Total	1,382	1,487	1,323	12.4

Inventories

		Apr-10	Apr-09	
West	1,039	1,049	1,264	-17.0
South	1,818	1,818	1,818	0.0
Other	271	271	283	-4.2
Total	3,128	3,139	3,365	-6.7



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		4 months YTD									
	2009	2010	2009	% Chg.	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
British Columbia	9,681	3,832	3,086	24.2	1,041	954	867	9.1	20.0	2,791	2,219	25.8
East of the Rockies	9,123	3,444	3,089	11.5	942	970	673	-2.8	40.0	2,502	2,416	3.5
Total	18,804	7,276	6,175	17.8	1,983	1,924	1,540	3.1	28.8	5,293	4,635	14.2

Shipments

British Columbia	9,979	3,803	3,125	21.7	1,034	916	881	12.8	17.3	2,769	2,244	23.4
East of the Rockies	9,486	3,421	3,110	10.0	1,002	912	709	9.8	41.3	2,420	2,401	0.8
Total	19,466	7,224	6,235	15.9	2,036	1,829	1,590	11.3	28.0	5,188	4,645	11.7

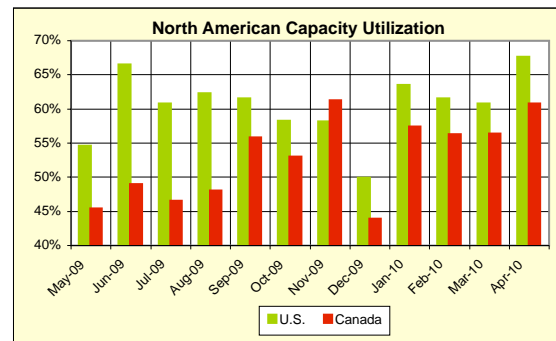
Inventories

		Apr-10	Apr-09	
British Columbia	943	972	1,202	-19.1
East of the Rockies	1,408	1,430	1,750	-18.3
Total	2,350	2,402	2,952	-18.6

Source: Statistics Canada, Council of Forest Industries-CAN

Production as Percent of Practical Capacity

	Full Year		4 months YTD				
	2009	2010	2009	Apr-10	Mar-10	Apr-09	
West	61%	74%	68%	76%	71%	65%	
South	56%	55%	75%	61%	53%	61%	
Total U.S.	59%	63%	72%	68%	61%	63%	
British Columbia	51%	61%	66%	64%	56%	53%	
East of the Rockies	48%	55%	62%	58%	57%	41%	
Total Canada	49%	58%	64%	61%	56%	47%	



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

Trade Statistics

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

	Full Year		4 months YTD									
	2009	2010	2009	% Chg.	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
From British Columbia	5,075	1,827	1,567	16.6	498	491	411	1.5	21.0	1,329	1,156	15.0
East of the Rockies	3,228	1,178	1,085	8.6	356	334	264	6.6	34.7	822	820	0.2
Total Canadian Imports	8,303	3,005	2,652	13.3	854	825	676	3.5	26.4	2,151	1,976	8.9
From Latin America	284	79	101	-22.0	21	16	26	31.8	-17.4	58	76	-23.6
From Europe	177	34	91	-62.5	10	9	8	11.3	27.0	24	83	-71.1
Total Non-Canadian	551	143	217	-34.2	40	34	42	18.8	-2.7	103	176	-41.7
Total Lumber Imports	8,855	3,148	2,869	9.7	895	859	717	4.2	24.7	2,254	2,152	4.7

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

	Full Year	4 months YTD										
	2009	2010	2009	% Chg.	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
To Canada	268	144	68	112.9	39	40	20	-2.8	98.0	105	48	118.9
To Japan	115	49	35	37.6	14	14	8	2.1	68.6	34	27	27.9
To Mexico	182	69	68	1.9	21	19	18	6.8	16.5	49	50	-3.2
To Other Countries	417	155	122	27.7	51	39	30	31.6	69.6	104	91	13.8
Total Lumber Exports	983	417	293	42.6	125	112	76	11.5	64.4	292	217	34.9

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

From Canada	89	13	41	-68.1	8	1	10	1126.5	-27.4	6	31	-81.9
Non-Canadian Sources	1	0	0	0.0	0	0	0	0	0	0	0	0
Total Log Imports	90	13	41	-68.1	8	1	10	1071.2	-27.4	6	31	-81.8

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

To Japan	430	124	131	-5.0	40	25	41	57.0	-2.9	85	90	-6.0
To Canada	537	218	259	-15.7	33	60	43	-44.8	-22.2	185	216	-14.4
To Other Countries	537	212	120	76.4	78	46	50	71.3	56.2	134	70	90.7
Total Log Exports	1,504	554	510	8.8	151	131	134	15.2	13.0	403	376	7.2

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	3,005	2,652	13.3	854	825	676	3.5	26.4	2,151	1,976	8.9
To Japan	918	358	260	37.6	99	99	57	0.7	74.4	258	203	27.3
Other	1,824	692	445	55.6	194	187	141	3.4	37.0	499	304	64.2
Total Lumber Exports	11,046	4,055	3,357	20.8	1,147	1,111	874	3.3	31.2	2,908	2,483	17.1

Source: Statistics Canada, Council of Forest Industries-CAN

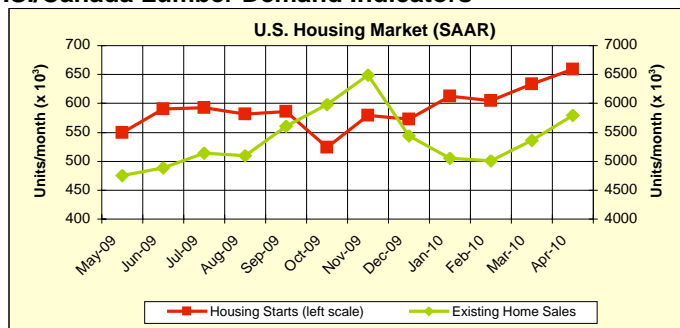
U.S. Softwood Lumber Consumption (million board feet)

	Full Year	4 months YTD										
	2009	2010	2009	% Chg.	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
Lumber Shipments	24,002	8,142	7,935	2.6	2,289	2,118	2,164	8.1	5.8	5,852	5,771	1.4
Plus Imports	8,855	3,148	2,869	9.7	895	859	717	4.2	24.7	2,254	2,152	4.7
Minus Exports	(983)	(417)	(293)	42.6	(125)	(112)	(76)	11.5	64.4	(292)	(217)	34.9
Apparent Consumption	31,873	10,873	10,512	3.4	3,059	2,865	2,805	6.8	9.0	7,814	7,706	1.4

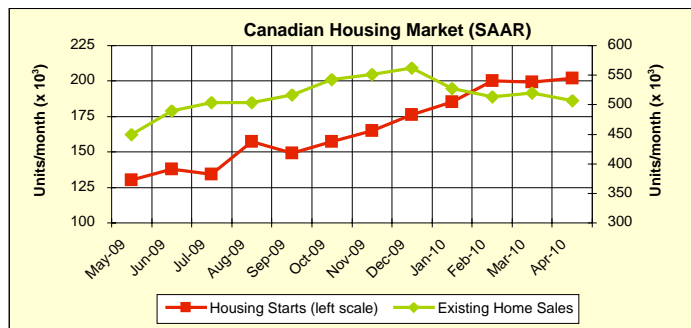
Canadian Softwood Lumber Consumption (million board feet)

	Full Year	4 months YTD										
	2009	2010	2009	% Chg.	Apr-10	Mar-10	Apr-09	M to M %	Y to Y%	1st Qtr-10	1st Qtr-09	% Chg
Lumber Shipments	19,466	7,224	6,235	15.9	2,036	1,829	1,590	11.3	28.0	5,188	4,645	11.7
Plus Imports	289	155	73	112.9	42	43	21	-2.8	98.0	114	52	118.9
Minus Exports	(11,046)	(4,055)	(3,357)	20.8	(1,147)	(1,111)	(874)	3.3	31.2	(2,908)	(2,483)	17.1
Apparent Consumption	8,710	3,324	2,951	12.6	930	761	737	22.3	26.2	2,394	2,215	8.1

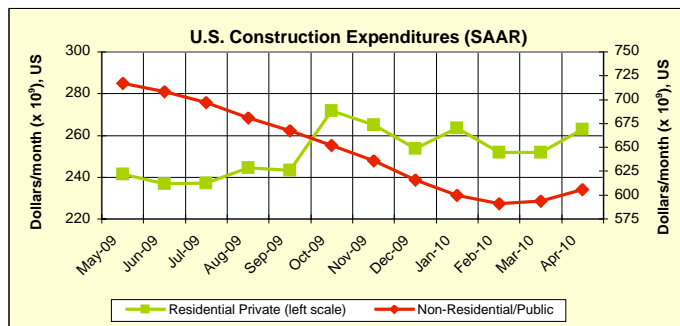
U.S./Canada Lumber Demand Indicators



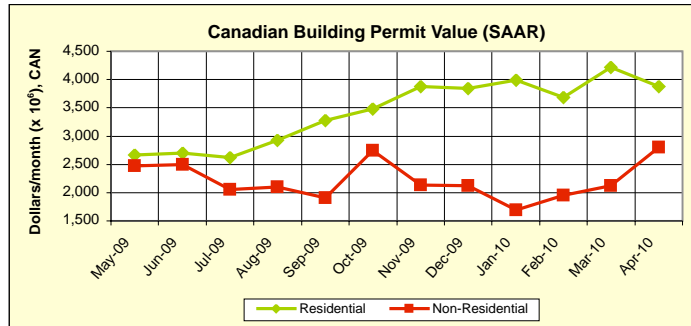
Source: National Association of Realtors, U.S. Census Bureau



Source: Canadian Real Estate Association, Canada Mortgage & Housing



Source: U.S. Census Bureau



Source: Statistics Canada