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Fractured Global Supply Chain Supply-Constrained Market Creates Price Spikes

Downsizing, curtailments and closures throughout the North American wood products industry and distribution channels have been evident between 2006 and 2009. There is now clear evidence that the flow of wood products in the global supply chain is under severe strain and fractured. This is a widespread phenomenon that is showing up in many products, channels and markets, including some offshore regions.

The North American supply chain was so fragile in the first quarter of 2010 that early price bubbles in lumber have continued to hold and are now expected to remain in place in Q2. This has carried over into plywood and OSB, and even MDF and particleboard.

North American dislocations:

- A scarcity of logging contractors, who were generally hard-hit by the housing collapse;
- Tightened log supply due to a reduction in loggers/truckers, the TIMO strategies and weather issues;
- Tight credit, including for carrying log and lumber inventories;
- The departure of many skilled mill workers from the industry, in addition to trucking companies in many locations;
- Excess sawmill and panel plant capacities or shifts are not starting up (or won't) for a variety of reasons;
- Shrinking distributors and retailers (bankruptcies, downsizing; etc.); and

- Lack of total industry confidence, which has eroded capital investment.

Global supply-chain issues:

- Chilean earthquake and its direct supply disruptions worldwide;
- Finnish port strike;
- European log supplies, which are tight with unrealistically high prices;
- Russia's 25% log export tax;
- China's growing lack of available supply of low-cost logs — now using low-grade lumber instead; and
- Tight ocean-vessel supply (many ships have been mothballed, driving up freight rates).

The end result is a dislocation of supply from one end of the supply chain (i.e., sourcing logs) to the other (meeting end-user on-time requirements) at a time when demand is only slowly climbing back. While there are some exceptions, it appears that "constrained capacity" for a variety of reasons is a new (or accidental) strategy showing up at many types of mills around the world in almost all wood products. While WOOD MARKETS' supply and demand models have been quite accurate over the last year, our recent price forecasts have missed the impact from the many dislocations in the supply chain. Our new price forecasts now incorporate these supply-chain implications. ■

By Russ Taylor, President

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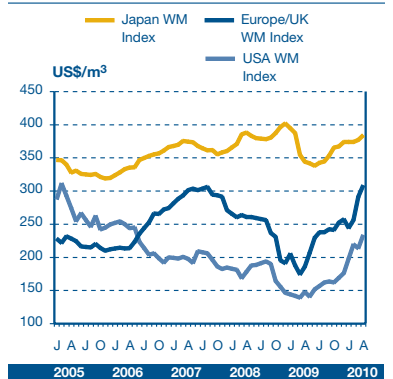
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GLOBAL PRICE TRENDS

WOOD MARKETS' STRUCTURAL LUMBER PRICE INDICES



Source: WOOD MARKETS
Note: Features structural lumber products from page 12

B.C. Interior Lumber to Peak in 3–5 Years

Mountain Pine Beetle to Impact North American Markets As Well!

The B.C. Interior's timber harvest and sawmill production is expected to undergo a long-awaited downsizing as the effects of the mountain pine beetle (MPB) infestation take their toll on the timber supply. **The epidemic is responsible for one of the largest natural environmental catastrophes ever seen, and could eventually kill up to one billion m³ of standing lodgepole pine timber in the B.C. Interior.**

While a massive salvage program has been underway for much of the last ten years, several factors, e.g., an erosion in log quality, poorer conversion economics, and a shorter shelf life for the dead timber, will combine to result in a much smaller B.C. lumber industry in the future. The outcome will be sawmill and plywood mill closures that will have significant and direct consequences on rural B.C. communities. **Depending on a wide range of market variables and processing assumptions, the B.C. Interior may be able to delay the inevitable; however, peak sawlog availability, combined with the economics of harvesting, are now forecast to occur within three to five years.**

The proprietary "B.C. Fibre Model" simulates the regional wood fibre supply to 2028 for the eight Interior regions most affected by the MPB epidemic. It provides an assessment of the impact the MPB will have on key B.C. forest products, including log supply, softwood lumber, plywood and residual fibre (chips, sawdust, shavings and hog fuel) production. Sawlog shortages caused by the MPB will trigger the permanent closure of many primary sawmills and/or plywood production facilities within the B.C. Interior as the beetle completes its cycle. Due to differing proportions of pine within each region and the varying degrees to which the beetles have affected the standing timber, the impacts of the epidemic are different between

the eight Interior regions assessed. For instance, some are being impacted severely, while others have experienced virtually no effect at all. This will not be good news for some B.C. communities, as the expected mill closures will be concentrated mostly in the central Interior region.

SHELF-LIFE ECONOMICS

The economics of operating an "average" B.C. Interior sawmill that consumes only MPB-attacked lodgepole pine sawlogs can be heavily impacted by the changing lumber and grade recoveries, as well as lumber prices. Six successive log qualities were used in the economic models to predict the earnings before interest, tax and depreciation amortization (EBITDA) in seven sawmill operating scenarios. **The results show that EBITDA varies by about US\$100/Mbf between the best and worst log qualities, meaning that sawmills may not be economically viable using older MPB-killed logs except when prices are high.** With a larger supply of older, dead, uneconomical pine trees, this will lead to mill curtailments and/or closures when the beetle-killed logs reach a certain age or "shelf life," or during times when lumber prices are too low to consider processing dead trees.

Simply put, 70%+ of the pine trees in the B.C. Interior are forecast to be killed by the MPB, and this will lead to reductions in both the AAC (annual allowable cut) and sawlog availability. **Sawmills and veneer plants can only use sawlogs, and, with a forecast 35%+ decline in the available sawlog supply in the B.C. Interior (2005 base) — about 20 million m³ (about 3.5 billion bf. Scribner scale) of sawlogs by 2018 — mill closures are inevitable, as forecast in the report.** The anticipated sawmill and plywood mill closures are a function of the so-called shelf life of the dead timber and the declining economics of processing

dead pine logs. MPB shelf life varies by the type of growing site, tree diameter when killed, and the moisture content of the site. The report assumes a different shelf life by area based on these variables, and in some cases allows for the shelf life of dead timber to be extended beyond 20 years by assuming a 20% sawlog recovery in individual stands of trees (which normally would be uneconomical to process).

SAWMILLS TO CLOSE

Each B.C. mill and/or company is approaching the situation of processing the dead timber differently, but the end result appears to be a 35%–50% reduction in the long-term timber harvest and lumber production in the B.C. Interior from its 2005 peak, all due to the MPB epidemic. While the shelf life can be extended significantly by strong lumber markets and higher prices, the reverse is also true. **The most critical variable to the longevity of MPB shelf life will be the economics of harvesting and the cost of processing the logs.** As a result, commodity forest product prices, including residual products, are a key variable to any harvest projections — this is identified and modeled in the report in great detail for sawlogs (the most valuable log in the forest).

In the Interior, there are 77 major sawmills and 13 veneer mills included in the forecast that were in operation in 2005. The average sawmill produces about 200 million bf (in the model, this varies from 15 to 600 million bf). In addition, there are a variety of smaller mills scattered throughout the Interior that also consume sawlogs that are included in the total modeled demand for sawlogs. **Since the start of the North American market collapse in 2005, 12 B.C. Interior mills (lumber and plywood) have closed already, and are assumed to remain so through the forecast planning horizon.** From

the report's base case, about 16 additional mills are projected to close by about 2018 (three are currently not operating, and they are assumed to restart and then close permanently again) due to log shortages. This means that another 13 mills operating today could close permanently by about 2018 from a lack of sawlogs resulting from the beetle epidemic. **The 16 mills forecast to close represent the equivalent of 3.5 billion board feet of lumber (and veneer) production (an average of 225 million bf per mill) and a total of 11 million m³ of sawlog consumption annually.**

IMPACT ON LUMBER MARKETS

From peak output of 15 billion bf in 2005 and just nine billion bf in 2009 due to the U.S. housing market collapse, B.C. Interior lumber production is expected to peak sometime around 2013–14 (based on the ongoing recovery in U.S. demand). After this point, a steady decline in production is projected as the economics of processing mountain pine beetle timber (due to shelf-life issues) decline (figure 1). The B.C. Interior lumber industry will see lower timber harvests and will need to begin reducing production and/or closing mills, and this impact on the U.S. market will soon be profound. **So, in conjunction with reduced Canadian timber supply and the lumber output reductions that have occurred in Quebec and Ontario, there will be a noticeable decline in Canada's lumber supply base — and it will be permanent.** It takes 70–90 years to grow trees in Canada, so B.C. and the whole of the country will not see lumber production return to the lofty levels of 2004–2005 for many decades (perhaps up to a century!).

The impact of the MPB on B.C. lumber output also increases the potential for a North American “supply gap” relative to the traditional operating rates by region and given expected North American demand. This is based on possible trends in U.S. softwood lumber supply, and projected imports (from Canada, Europe and other sources). **This anticipated supply**

gap is an indication that tightening lumber supply will create some changes in how U.S. lumber demand is to be met by as early as the midpoint of this decade.

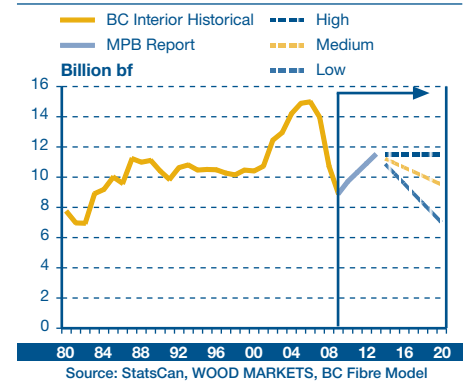
It also means that Canadian lumber exports and U.S. consumption market share will remain at much lower levels versus the boom years of 1990 to 2005. When trends in lumber imports by country are converted to market share, the plunge in Canada's production becomes more evident. **From an historical 32%–36% U.S. consumption market share from 1993 to 2007, Canada's share under the projected production scenario could drop to about 20% over the forecast period.** The share for Europe is expected to rise steadily from its low rate of less than 1% in 2009. The import market share for the other supplying regions (mainly Southern Hemisphere plantation pines) is anticipated to remain steady.

A NEW FUTURE?

Also impacted in each B.C. region is the projected byproduct output, including residual wood chip, sawdust, shavings and hog fuel (bark) supplies. Residual wood chips will be surplus to demand in the short-term as sawmills return to more traditional operating levels. However, the surpluses are quite regional in nature, so — over the longer-term as sawmills close — residual wood chips will once again be in short supply within the B.C. Interior. Of note, major shortfalls in sawdust and shavings are also forecast within the Interior; while hog fuel appears to be in balance provincially, regional shortfalls and surpluses are significant. **Opportunities may exist for wood pellets and perhaps biofuels in the short-term, but the supply of long-term residual byproducts will start to be taxed heavily by existing users.**

On a brighter note, it is forecast that in the short-term more than 225 million m³ of wood biomass (including harvesting waste, unmerchantable timber and some standing dead timber) may come available to support new biomass-consuming industries throughout the B.C.

**Figure 1
B.C. INTERIOR LUMBER PRODUCTION
POSSIBLE OUTLOOK SCENARIOS**



Interior, provided the economics of recovering that fibre can be supported. As sawmill closures occur and the provincial annual allowable cuts (AAC) for timber fall, however, these potential biomass surpluses will be reduced significantly. **Still, as stated in the report, new processing technology, higher byproduct prices (from chips, wood pellets, bio-energy, etc.) and higher lumber prices could extend the shelf life of the dead timber and expand timber harvesting and lumber production incrementally.**

For background, the MPB is native to forests in western North American and is normally kept in check by cold winter weather (-30°C) that lasts for a period of two to four weeks. In the absence of sustained cold winter temperatures since about 1995, the MPB has devastated the pine forests of the Province of British Columbia, one of the world's largest pulp and wood products producing regions. For perspective, the total volume of killed pine trees in the province by 2022 would produce enough lumber to build 40 years' supply of single-family houses in the U.S. (at today's low rate), or 175 years' worth of single-family houses in Canada. ■

By Russ Taylor, President

Extracted from B.C. Interior — Mountain Pine Beetle Attack: Impact & Outlook on B.C. Timber Availability & Wood Products Production. Researched & Written by Jim Girvan (Management Decision and Technology Ltd.); Murray Hall (Murray Hall Consulting Ltd.); and Gerry Van Leeuwen and Russell Taylor (WOOD MARKETS).

2009 Billion Board Foot Club

Global Recession Limits Lumber Output

The annual *WOOD MARKETS*' "Billion Board Foot Club" for 2009 shows reduced lumber production as a result of the global economic recession and from reaching the bottom of the North American housing market. While the 11 companies making the list were the same as in 2008 (22 made the list in 2006), their total lumber production volumes were off by a whopping 21%. The list (table 1) is based on companies with reported lumber production of more than one billion bf, nominal basis (or more than about 2.1–2.3 million m³, net basis, for mills outside of North America).

Making the list again in 2009 were four Canada-based companies, four U.S.-based ones, two headquartered in Europe and one Southern Hemisphere-based company (table 1). Total output of these 11 companies was 21.4 billion board feet (bf) or 36.8 million m³, net, a drop of 5.6 billion bf (for the same 11 companies) from 2008.

West Fraser retained its crown as the largest global softwood lumber producer after taking the reins from Weyerhaeuser in 2008. West Fraser operated 24 mills in 2009 (down from 27 in 2008), including 12 of its 15 U.S. South mills and another 12 located in B.C. and Alberta. While the North American industry operated at about 55% of capacity in 2009, its Canadian mills ran at about 70% of capacity, with output of 2.88 billion bf; its U.S. mills operated near 60%, with production of 1.30 billion bf. The company continues to maintain a low-cost strategy at its operations and achieved total output of 4.18 billion bf, nominal (6.7 million m³, net) in 2009, 16% less than in 2008.

Weyerhaeuser just managed to hold onto its number-two spot as the company's corporate strategy continues to evolve, and this led to mill closures and lower softwood lumber pro-

duction. After peaking in 2005 at almost seven billion bf from 36 sawmills, Weyerhaeuser's output in 2009 was lower for the fourth consecutive year: 3.10 billion bf from 23 mills. Also, Weyerhaeuser had the largest decline in output within the club — a 29% drop in 2009 versus 2008.

Canfor remained in third place, with 3.04 billion bf from production at 17 sawmills (versus 3.69 billion bf at 19 sawmills in 2008). Canfor had the highest average output per mill in North America (179 million bf; just ahead of West Fraser but lower than Klausner's 278 million bf at its German mills), and still operates two of the largest "super-mills" in the world. Its Canadian sawmills produced 2.77 billion bf of SPF and its U.S. mills produced 268 million bf, representing an average operating rate of about 60% of capacity.

Stora Enso Timber retained its fourth-place position with 2.3 billion bf (4.9 million m³) of sawnwood at 23 mills in nine European countries. Like many other European mills, Stora Enso has experienced declining demand, while timber costs have remained stubbornly high. The company further processes pine

and spruce lumber into joinery, glue-laminated beams and posts, components and building elements. The company's markets are the most diversified of any European or North American company, with 61% of its sales throughout Europe, 20% in Asia and Oceania, and 18% in the Middle East and North Africa.

The next three companies are private ones. In fifth spot is California-based **Sierra-Pacific Industries** with 1.61 billion bf in 2009 at its 13 mills; this was followed by **Tolko Industries** with 1.58 billion bf at its 10 sawmills (based in Western Canada, the latter had its share of curtailments in response to weak U.S. demand); **Klausner Group** of Germany took seventh spot with about 1.39 billion bf (2.7 million m³, net) at its four operating sawmills. Klausner again had the highest average output per mill (~347 million bf). Like many other European companies, Klausner experienced financial struggles brought on by its aggressive expansion and market plans, leading the company to stop production at one mill.

The next three companies are based in North America: **AbitibiBowater** (#8), **Hampton Affiliates** (#9) and **Georgia-Pacific** (#10) all

Table 1
THE BILLION BOARD FOOT CLUB • TOP GLOBAL SOFTWOOD LUMBER PRODUCERS (2009)

2007	Rank 2008	Rank 2009	Company	Head Office	2008 Prod'n (MMbf, nominal)	2009 Prod'n (MMbf, nominal)	2009 Prod'n (x000 m ³ , net)	2009 No. of Sawmills	2009 Avg Vol Per Mill ² (Mbf)
2	1	1	West Fraser	Canada	4,960	4,179	6,706	24	174
1	2	2	Weyerhaeuser	USA	4,451	3,098	4,972	23	135
3	3	3	Canfor	Canada	3,688	3,035	4,871	17	179
4	4	4	Stora Enso Timber	Finland	2,500	2,314	4,902	23	101
8	6	5	Sierra-Pacific Ind.	USA	2,100	1,605	2,576	13	123
6	5	6	Tolko	Canada	1,960	1,577	2,531	10	158
7	7	7	Klausner Group ¹	Germany	1,822	1,388	2,695	4	347
5	8	8	AbitibiBowater	Canada	1,636	1,150	1,846	19	61
10	9	9	Hampton Affiliates ¹	USA	1,373	1,130	1,813	7	161
9	10	10	Georgia Pacific ¹	USA	1,275	1,020	1,637	17	60
11	11	11	Arauco	Chile	1,274	1,015	2,396	9	113
Total: Top 11					27,039	21,512	36,944	166	130
Total: World					160,412	142,545	244,800		
Top 11: % of World					17%	15%	15%		

Note: European production is normally sold on a net count that under-reports total nominal production by up to 20% (excludes further processed lumber)

¹ Estimated ² Arithmetic Average; no adjustments for downtime

Source: Annual Reports, *WOOD MARKETS*; European volumes courtesy of Holz Kurier

faced tough U.S. market conditions during the year. AbitibiBowater saw the sharpest overall drop in production in the Billion Board Foot Club (-30%).

The final company making the list is Arauco, with headquarters in Chile. The company continues to be the largest wood products producer and plantation owner in the Southern Hemisphere, but it recorded a 20% decline in 2009 with 1.02 billion bf (2.4 million m³) at nine mills. Arauco also produces substantial volumes of pine mouldings, as well as panel products, and is one of the most diversified companies in export markets.

The top 11 global sawmilling companies captured 15% of the world's output, down from 17% in 2008. The 166 sawmills in these 11 companies averaged about 130 million bf, nominal per mill (285,000 m³, net) in lumber production.

Note: WOOD MARKETS converts European lumber production volumes from cubic metres (net basis) to a nominal board foot count to allow for more accurate comparisons with North American lumber volumes. North American dimension lumber volumes overstate actual sawn lumber sizes by about 35%. When lumber volumes are converted to a net m³ basis, a more accurate comparison between lumber companies can be made, as the majority of European production is counted

close to the sawn size and not the sold or nominal size. For European mills with export programs, an adjusted conversion to nominal board feet has been considered.

EUROPE'S "MILLION CUBIC METRE CLUB"

Top European Lumber Producers in 2009

In Central Europe, 2009 was a year of slumping demand, weak prices and a few more sawmilling casualties. According to the ongoing sawmilling benchmarking work conducted by WOOD MARKETS, sawmills faced financial losses due to log prices in most countries remaining too high relative to lumber/sawnwood prices. Nevertheless, the European sawmilling sector features a number of world-class players with flexible mills processing to multiple markets (unlike the more inflexible North American technology and market strategies), and some of the lowest sawmilling costs in the world.

Aside from the two European companies that made the Billion Board Foot Club (Stora Enso and Klausner Group), other European companies with production over one million m³, net (more than 425 million bf, net) that made the European Million Cubic Metre Club are profiled in table 2.

Based on the survey, some highlights on the larger companies are as follows:

- #3 — **Mayr-Melnhof** (Austria); 1.9 million m³: Operates five sawmills in Austria, the Czech Republic, Switzerland and Russia (which started up in 2009). It also owns the Kaufmann processing division that focuses on glue-laminated beams and components.
- #4 — **Södra Timber** (Sweden); 1.8 million m³: Concentrates on higher-quality products for construction and housing-related uses. The company's ten mills service customers that require higher quality with regard to both products and supply service, both in domestic markets and in Japan, the U.S., Middle East and European countries.
- #5 — **Moelven** (Norway); 1.7 million m³: Operates mills in Norway and Sweden and focuses on industrial customers that utilize component stock in applications such as furniture, flooring, moulding paneling, windows and doors. Twelve of its 18 mills produce sawnwood and the balance utilize lumber in its finished products.
- #7 — **Pfeiffer** (Austria); 1.5 million m³: Features the Heggenstaller group in Germany, which started up its sixth sawmill in mid-2009 to increase the company's output.
- #9 — **UPM-Kymmene** (Finland); 1.5 million m³: Operates seven sawmills in Finland, Austria and Russia. The company also operates other mills that process value-added products including a planing mill in France.
- #12 — **Klenk** (Germany); 1.2 million m³: As a sign of the tough economic times, the company cancelled plans to build a new mill and sold its French mill in order to maintain its core German sawmilling business.

The top 15 European sawmilling companies captured 29% of European output, the same as in 2008. The 118 sawmills averaged production of 225,000 m³ per mill, or just about 100 million bf, nominal. ■

By Russ Taylor, President

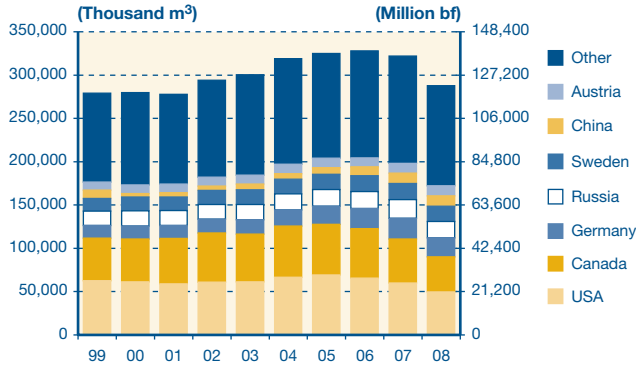
Table 2
EUROPEAN "MILLION CUBIC METRE CLUB" • TOP LUMBER PRODUCERS (2009)

Rank	2008	2009	Company	Head Office	2008 Prod'n (MMbf, nominal)	2009 Prod'n (MMbf, nominal)	2009 Prod'n (x1000 m ³ , net)	2009 No. of Sawmills	2009 Avg Vol Per Mill ² (x1000m ³)
1	1		Stora Enso	Finland	2,500	2,314	4,902	23	213
2	2		Klausner Group	Germany	1,822	1,388	2,695	4	674
3	3		Mayr-Melnhof	Austria	947	897	1,900	5	380
11	4		Sodra	Sweden	678	763	1,800	10	180
6	5		Moelven	Norway	823	725	1,712	18	95
9	6		SCA	Sweden	720	720	1,700	7	243
8	7		Pfeifer	Austria	742	708	1,500	6	250
13	8		Finnforest	Finland	635	636	1,500	9	167
4	9		UPM-Kymmene	Finland	903	634	1,497	7	214
7	10		Setra Group	Sweden	785	631	1,490	10	149
10	11		Rettenmeier	Germany	720	585	1,380	6	230
5	12		Klenk	Germany	897	567	1,200	3	400
12	13		VIDA	Sweden	667	567	1,200	7	171
17	14		Schweighofer	Romania	360	466	1,100	2	550
19	15		Zeigler	Germany	352	424	1,000	1	1,000
Total: Top 15 in Europe					13,552	12,026	26,576	118	225
Total: Europe					47,100	40,873	90,326		
Top 15: % of Europe					29%	29%	29%		

Source: Holz Kurier, WOOD MARKETS

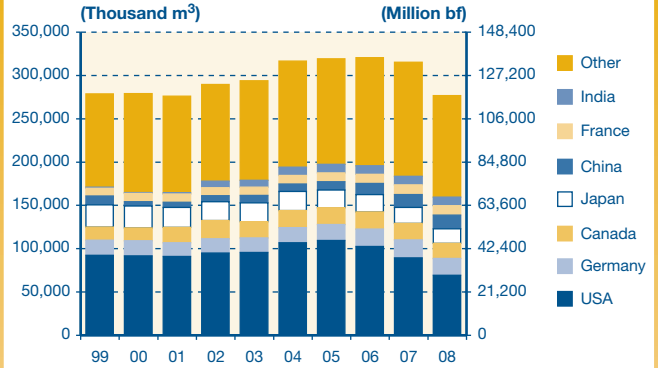
SOFTWOOD LUMBER

GLOBAL SAWWOOD (CONIFEROUS) PRODUCTION



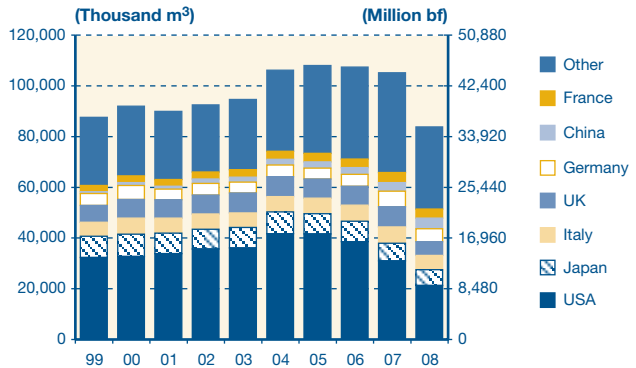
Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (CONIFEROUS) CONSUMPTION



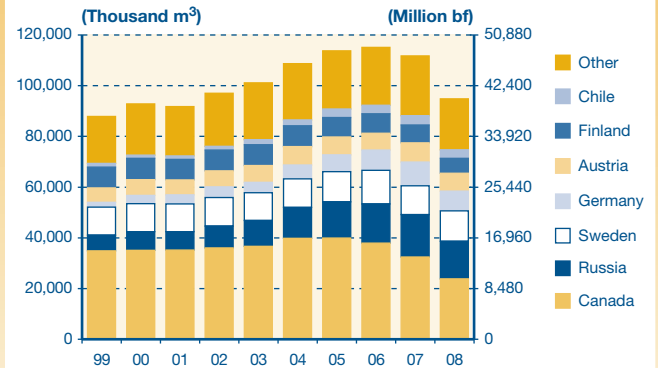
Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (CONIFEROUS) IMPORTS



Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (CONIFEROUS) EXPORTS



Source: FAO/WOOD MARKETS

Table 1
TOP 15 GLOBAL SAWWOOD (CONIFEROUS)
IMPORTS • BY COUNTRY (x000 m³)

Rank 2008	Country	2000	2002	2004	2006	2008	% of 2008 World Total
1	USA	32,709	35,674	41,645	38,483	21,283	25.4%
2	Japan	8,806	7,722	8,553	8,060	6,208	7.4%
3	Italy	6,304	6,018	6,095	6,409	5,560	6.6%
4	UK	7,308	7,523	7,871	7,401	5,487	6.6%
5	Germany	5,522	4,505	4,520	4,675	5,055	6.0%
6	China	1,093	1,752	2,264	2,671	4,208	5.0%
7	France	2,682	2,762	3,222	3,336	3,537	4.2%
8	Mexico	700	900	2,348	3,084	3,071	3.7%
9	Netherlands	2,957	2,455	2,523	2,751	2,498	3.0%
10	Denmark	2,794	2,429	2,066	2,025	2,025	2.4%
11	Spain	2,041	2,134	2,259	2,543	1,909	2.3%
12	Belgium	1,568	1,494	1,653	1,688	1,848	2.2%
13	Egypt	1,838	1,251	1,150	1,150	1,714	2.0%
14	Austria	1,306	1,138	1,274	1,641	1,420	1.7%
15	Iran	123	353	505	756	905	1.1%
	Other	14,136	14,319	18,180	20,648	16,988	20.3%
	World	91,887	92,427	106,128	107,321	83,717	100.0%

Source: FAO/WOOD Markets

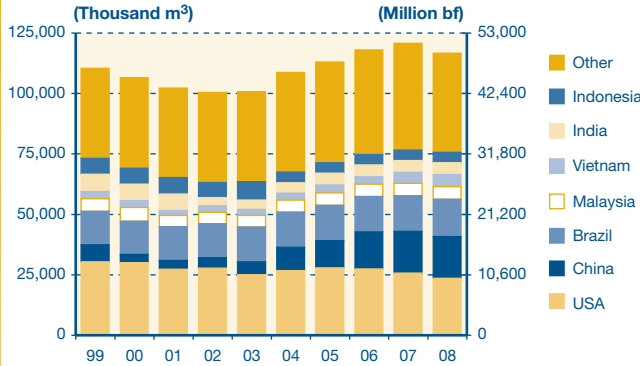
Table 2
TOP 15 GLOBAL SAWWOOD (CONIFEROUS)
EXPORTS • BY COUNTRY (x000 m³)

Rank 2008	Country	2000	2002	2004	2006	2008	% of 2008 World Total
1	Canada	35,011	35,965	39,732	37,909	23,735	25.0%
2	Russia	7,373	8,600	12,208	15,430	14,876	15.7%
3	Sweden	11,022	11,273	11,247	13,203	11,984	12.6%
4	Germany	3,295	4,237	5,526	7,973	7,757	8.2%
5	Austria	6,147	6,289	7,246	6,694	7,013	7.4%
6	Finland	8,405	8,167	8,209	7,712	5,981	6.3%
7	Chile	1,270	1,553	2,297	3,354	3,315	3.5%
8	Czech Rep.	1,701	1,394	1,568	1,943	1,897	2.0%
9	New Zealand	1,521	1,791	1,846	1,956	1,792	1.9%
10	USA	2,179	1,643	1,395	1,483	1,473	1.6%
11	Latvia	2,635	2,290	2,426	2,162	1,313	1.4%
12	Romania	1,677	1,584	2,086	1,576	1,250	1.3%
13	Belgium	678	799	944	750	1,172	1.2%
14	Belarus	599	850	1,139	1,139	1,139	1.2%
15	Slovenia	226	282	321	335	1,087	1.1%
	Other	9,050	10,268	10,464	11,399	9,019	9.5%
	World	92,790	96,985	108,654	115,018	94,803	100.0%

Source: FAO/WOOD Markets

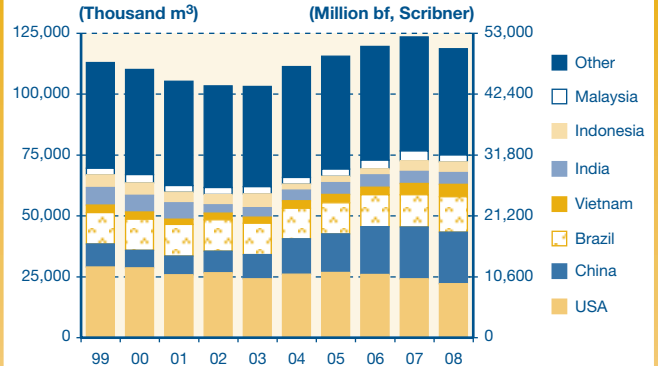
HARDWOOD LUMBER

GLOBAL SAWWOOD (NON-CONIFEROUS) PROD'N



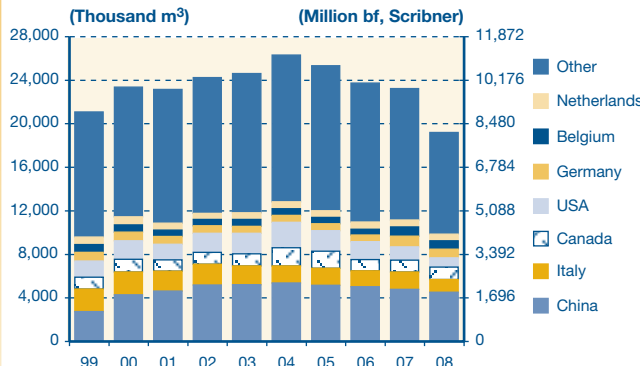
Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (NON-CONIFEROUS) CONS'N



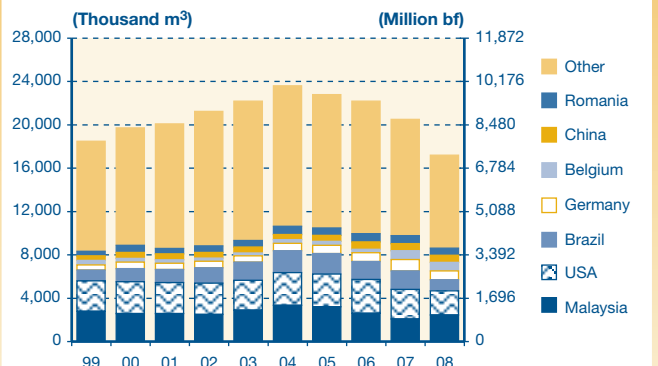
Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (NON-CONIFEROUS) IMPORTS



Source: FAO/WOOD MARKETS

GLOBAL SAWWOOD (NON-CONIFEROUS) EXPORTS



Source: FAO/WOOD MARKETS

Table 1
TOP 15 GLOBAL SAWWOOD (NON-CONIFEROUS)
IMPORTS • BY COUNTRY (x000 m³)

Rank 2008	Country	2000	2002	2004	2006	2008	% of 2008 World Total
1	China	4,283	5,162	5,364	5,025	4,511	23.5%
2	Italy	2,076	1,918	1,565	1,453	1,173	6.1%
3	Canada	1,182	1,099	1,661	1,043	1,125	5.9%
4	USA	1,682	1,743	2,347	1,626	852	4.4%
5	Germany	822	706	642	632	807	4.2%
6	Belgium	655	570	596	525	764	4.0%
7	Netherlands	748	567	652	648	602	3.1%
8	Saudi Arabia	165	262	71	71	585	3.0%
9	Spain	1,124	1,040	1,067	830	537	2.8%
10	France	659	540	607	660	455	2.4%
11	UK	655	678	782	562	399	2.1%
12	Mexico	800	900	962	1,109	397	2.1%
13	Denmark	131	251	285	148	375	2.0%
14	South Africa	309	200	279	376	350	1.8%
15	Poland	160	239	259	286	329	1.7%
	Other	7,894	8,365	9,153	8,741	5,932	30.9%
	World	23,345	24,240	26,293	23,734	19,193	100.0%

Source: FAO/WOOD Markets

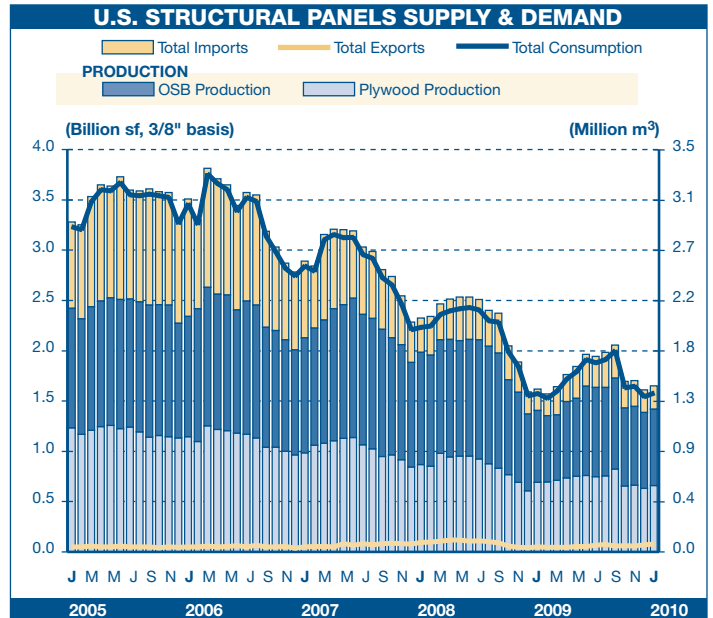
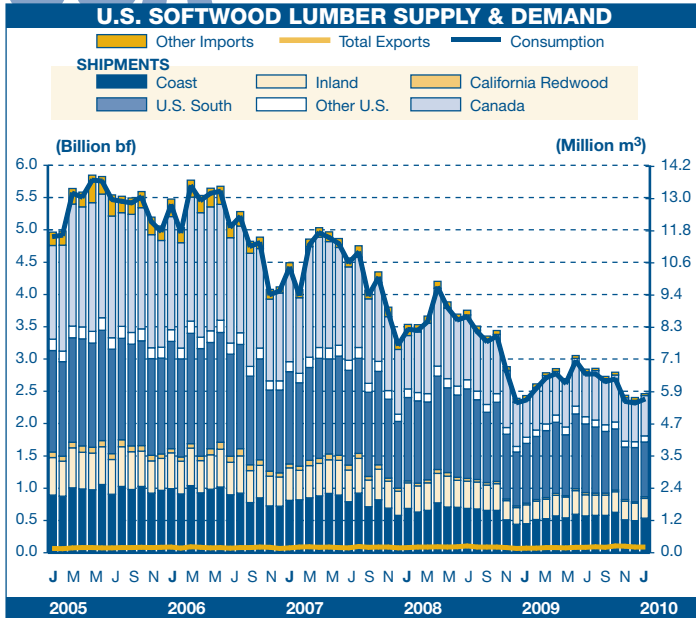
Table 2
TOP 15 GLOBAL SAWWOOD (NON-CONIFEROUS)
EXPORTS • BY COUNTRY (x000 m³)

Rank 2008	Country	2000	2002	2004	2006	2008	% of 2008 World Total
1	Malaysia	2,568	2,506	3,320	2,589	2,429	14.1%
2	USA	2,950	2,878	3,022	3,123	2,229	13.0%
3	Brazil	1,188	1,416	2,038	1,662	1,028	6.0%
4	Germany	616	611	686	816	824	4.8%
5	Belgium	347	265	322	315	776	4.5%
6	China	557	535	490	671	672	3.9%
7	Romania	646	603	754	775	661	3.8%
8	Croatia	529	456	350	465	497	2.9%
9	Canada	1,445	1,392	1,368	1,075	484	2.8%
10	France	661	593	514	593	448	2.6%
11	Bulgaria	103	79	96	120	443	2.6%
12	Ukraine	92	251	462	342	405	2.4%
13	Thailand	311	1,558	1,698	1,313	382	2.2%
14	Russia	391	420	413	470	382	2.2%
15	Bosnia & Herz.	1	1	535	368	368	2.1%
	Other	7,299	7,656	7,521	7,466	5,148	30.0%
	World	19,704	21,220	23,589	22,164	17,176	100.0%

Source: FAO/WOOD Markets

USA

Note: 2010 vs. 2009 volume comparisons are normally made on a year-to-date basis.



U.S. SOFTWOOD LUMBER SUPPLY & DEMAND (MMbf)

	2009				2010				2010		2009		VolChg		%Chg	
	Q3	Oct	Nov	Dec	Q4	Total	Jan	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
SHIPMENTS																
Coast	1,722	626	510	494	1,630	6,537	535	535	448	87	19.4%					
Inland	960	315	288	270	873	3,715	306	306	292	14	4.8%					
Ca. Redwood	92	27	23	23	73	330	25	25	27	-2	-7.4%					
Subtotal West	2,774	968	821	787	2,576	10,582	866	866	767	99	12.9%					
South	3,042	946	814	840	2,600	11,782	847	847	925	-78	-8.4%					
Midwest/NE	325	107	91	90	288	1,265	96	96	94	2	2.1%					
Total U.S.	6,141	2,021	1,726	1,717	5,464	23,629	1,809	1,809	1,796	23	1.3%					
EXPORTS																
Japan	28	11	14	11	36	115	10	10	8	2	21.2%					
Canada	74	31	27	25	84	268	32	32	14	17	119.4%					
Mexico	42	16	14	14	45	182	15	15	16	0	-1.8%					
Europe	7	4	3	4	11	30	3	3	2	1	45.5%					
Cent.Am./W.Indies	54	18	20	12	50	192	12	12	13	0	-1.4%					
Other Asia	38	17	18	17	51	166	14	14	14	0	-3.2%					
Other	8	4	1	2	8	28	1	1	3	-1	-53.3%					
Total	252	102	97	85	284	983	87	87	70	17	25.1%					
IMPORTS																
Canada	2,174	728	672	640	2,040	8,303	621	621	576	45	7.8%					
Brazil	24	9	3	6	18	92	11	11	11	-1	-5.1%					
Chile	39	15	12	13	41	162	9	9	17	-8	-45.9%					
New Zealand	19	7	6	9	23	75	6	6	5	1	17.1%					
Argentina	4	1	0	2	3	18	1	1	1	-1	-48.1%					
Germany	5	4	5	6	16	75	1	1	21	-20	-97.2%					
Sweden	5	2	7	2	11	62	4	4	8	-4	-51.1%					
Austria	1	0	0	0	1	4	0	0	1	-1	-91.0%					
Czech Rep	3	1	1	2	4	17	1	1	3	-2	-74.9%					
China	3	1	1	1	4	14	0	0	1	-1	-54.2%					
Other	7	2	3	3	7	32	2	2	2	0	4.0%					
Total	2,285	771	712	685	2,167	8,855	655	655	646	9	1.4%					
CONSUMPTION*	8,174	2,690	2,340	2,317	7,347	31,501	2,377	2,377	2,363	15	0.6%					

Note: *Consumption is derived from shipments, exports & imports; no adjustments made for inventory changes. Source: WWPA, USDA

U.S. STRUCTURAL PANELS SUPPLY & DEMAND (MMsf)

	2009				2010				2010		2009		VolChg		%Chg	
	Q3	Oct	Nov	Dec	Q4	Total	Jan	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
PRODUCTION*																
Plywood	2,322	656	662	630	1,948	8,608	659	659	688	-29	-4.3%					
OSB	2,668	772	782	755	2,308	9,416	759	759	715	44	6.1%					
Total Prod'n	4,990	1,427	1,444	1,385	4,256	18,024	1,418	1,418	1,403	14	1.0%					
PLYWOOD EXPORTS																
Canada	83	24	21	26	72	233	27	27	12	15	127.6%					
Mexico	26	9	9	13	30	121	16	16	11	5	42.4%					
Caribbean	20	6	6	8	20	80	5	5	6	-1	-15.3%					
Other	14	3	4	6	13	45	9	9	2	7	312.1%					
Subtotal	143	42	40	52	135	480	59	59	32	26	82.1%					
OSB EXPORTS																
Canada	27	8	6	9	23	93	10	10	9	1	17.2%					
Mexico	12	5	4	4	14	50	5	5	5	0	1.8%					
Other	9	7	6	2	14	37	1	1	2	-1	-42.9%					
Subtotal	48	20	17	14	51	179	16	16	15	1	4.1%					
Total Exports	191	62	57	67	186	659	75	75	48	27	56.8%					
PLYWOOD IMPORTS																
Canada	26	7	8	7	22	113	6	6	12	-5	-45.5%					
Brazil	52	5	3	4	12	131	1	1	8	-7	-87.0%					
Chile	89	36	25	28	88	339	16	16	24	-7	-30.5%					
Other	10	3	4	2	8	41	2	2	2	0	7.9%					
Subtotal	177	51	39	40	130	624	26	26	45	-19	-42.0%					
OSB IMPORTS																
Canada	811	215	219	184	617	2,726	207	207	170	37	21.8%					
Other	0	0	0	0	0	1	0	0	0	0	-100.0%					
Subtotal	811	215	219	184	617	2,727	207	207	170	37	21.8%					
Total Imports	988	265	258	224	747	3,350	233	233	216	18	8.2%					
CONSUMPTION**																
Plywood	2,356	664	661	618	1,943	8,752	627	627	701	-75	-10.6%					
OSB	3,431	967	984	924	2,875	11,963	950	950	870	80	9.2%					
Total	5,787	1,631	1,645	1,542	4,818	20,716	1,576	1,576	1,571	5	0.3%					

**Consumption is derived from production, exports & imports; no adjustments made for inventory changes. From Nov/04 on, plywood/OSB prod'n est. based on qtrly actuals. Source: APA; (million sf, 3/8" basis)

U.S. LUMBER MARKET — DRIVERS & TRENDS:

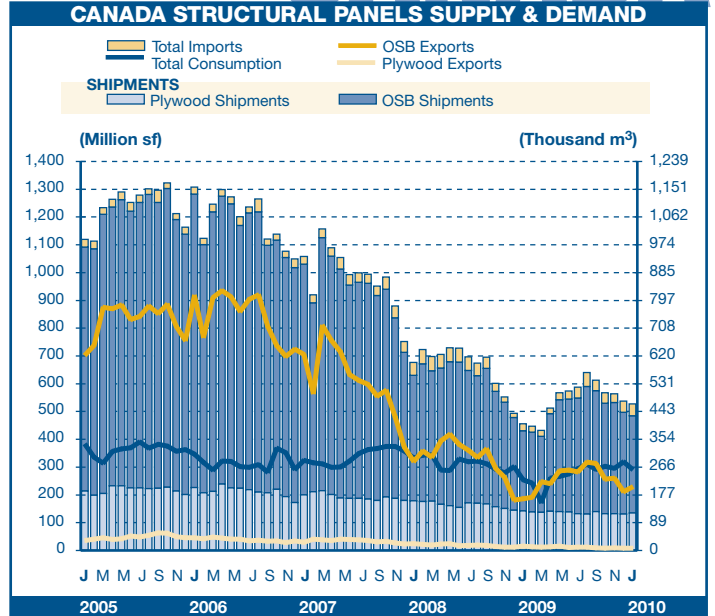
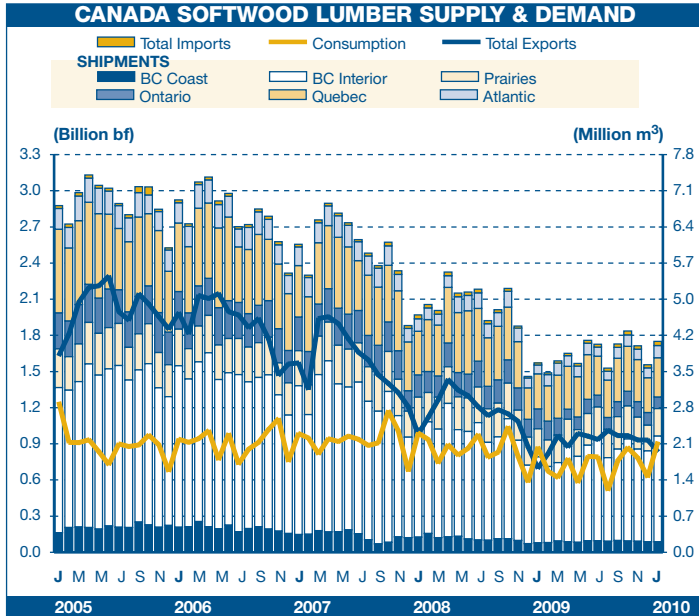
- U.S. lumber shipments for the first month in 2010 were 1.81 billion bf, up 1.3% (+23 million bf) compared to 2009;
- U.S. exports were 87 million bf (+17 million bf or +25.1%);
- Offshore imports reached 34 million bf, down 51.0% (-36 million bf) over 2009 and Canadian imports were down by 1.4% to 655 million bf; and
- Consumption reached 2.38 billion bf, up 15 million bf (+0.6%).

U.S. PLYWOOD/OSB MARKET — DRIVERS & TRENDS:

- Panel production for January 2010 was 1.42 billion sf — up 14 million sf (+1.0%) over 2009: Plywood was 659 million sf (-4.3%) and OSB was up 6.1% (+44 million sf) to 759 million sf;
- Total imports were 233 million sf, up 8.2% (+18 million sf): plywood imports were 26 million sf and OSB imports were 207 million sf; and
- Consumption was up 5 million sf (-0.3%) to 1.58 billion sf.

Note: 2010 vs. 2009 volume comparisons are normally made on a year-to-date basis.

CANADA



CANADA SOFTWOOD LUMBER SUPPLY & DEMAND (MMbf)

	2009				2010		2010		2009		VolChg	%Chg
	Q3	Oct	Nov	Dec	Q4	Total	Jan	YTD	YTD	YTD	YTD	YTD
SHIPMENTS												
BC Coast	298	98	96	88	283	1,120	88	88	81	8	8	9.4%
BC Interior	2,302	848	765	754	2,366	8,966	876	876	713	163	22.9%	
Total BC	2,600	946	861	842	2,649	10,086	965	965	794	171	21.5%	
Alberta	749	266	258	206	730	2,827	225	225	227	-2	-0.8%	
Sask/Man	13	7	8	9	24	77	3	3	5	-2	-41.9%	
Ontario	329	125	129	106	360	1,462	99	99	166	-68	-40.7%	
Quebec	1,010	373	350	289	1,013	4,022	326	326	291	35	11.9%	
Atlantic	240	95	88	81	264	1,038	102	102	74	28	37.5%	
Subtotal	2,340	866	833	691	2,391	9,428	755	755	764	-9	-1.2%	
Total	4,940	1,812	1,694	1,534	5,040	19,513	1,720	1,720	1,558	161	10.4%	
EXPORTS												
United States	2,175	728	672	640	2,040	8,304	621	621	576	45	7.8%	
Japan	250	88	89	95	271	918	76	76	67	9	13.7%	
Taiwan	20	10	12	12	34	99	12	12	4	8	193.9%	
China	300	90	112	134	336	1,072	82	82	17	65	388.3%	
Korea	36	11	8	11	29	105	9	9	6	3	50.5%	
Other Asia	28	8	6	9	23	115	7	7	9	-2	-22.7%	
Europe (EU)	33	11	8	10	29	105	9	9	6	3	53.5%	
Australia	8	3	3	3	8	29	2	2	2	0	10.5%	
Middle East	53	16	18	15	49	189	15	15	7	8	109.1%	
Other	10	2	3	3	9	110	2	2	4	-2	-49.8%	
Total	2,912	967	931	931	2,829	11,046	836	836	698	137	19.7%	
IMPORTS												
United States	74	31	27	25	84	268	32	32	14	17	119.4%	
Others	3	1	1	1	3	13	1	1	1	0	0.1%	
Total	77	33	28	26	87	281	33	33	16	17	111.2%	
CONSUMPTION*												
Total	2,106	878	791	629	2,298	8,748	917	917	875	41	4.7%	

Note: Consumption is derived from shipments, exports & imports; no adjustments made for inventory changes. Other imports estimated from Mar/07. Source: Statistics Canada; WOOD MARKETS

CANADA STRUCTURAL PANELS SUPPLY & DEMAND (MMsf)

	2009				2010		2010		2009		VolChg	%Chg
	Q3	Oct	Nov	Dec	Q4	Total	Jan	YTD	YTD	YTD	YTD	YTD
SHIPMENTS												
Plywood	402	132	132	131	395	1,630	134	134	141	-7	-4.8%	
OSB	1,310	397	400	366	1,163	4,484	350	350	290	60	20.7%	
Total	1,712	529	532	497	1,558	6,114	484	484	431	53	12.4%	
PLYWOOD EXPORTS												
Japan	3	0	1	0	1	8	0	0	0	0	20.5%	
USA	26	7	8	7	22	112	6	6	12	-6	-46.9%	
Europe (EU)	2	0	1	1	1	9	0	0	3	-2	-81%	
Other	1	1	0	0	1	5	0	0	1	-1	-99.4%	
Subtotal	32	8	9	8	25	135	7	7	15	-8	-53.6%	
OSB EXPORTS												
United States	817	217	221	186	624	2,752	210	210	173	38	21.9%	
Japan	33	18	16	14	49	149	12	12	9	3	33.9%	
China	3	1	1	2	3	9	1	1	0	1	141.4%	
Korea	20	2	2	2	6	54	1	1	1	0	-0.2%	
Other	39	17	20	6	43	111	4	4	3	1	16%	
Subtotal	911	256	259	210	725	3,075	228	228	186	42	22.5%	
Total Exports	944	264	269	218	750	3,210	235	235	202	34	16.7%	
IMPORTS												
Plywood — USA	83	24	21	26	72	233	27	27	12	15	127.6%	
Plywood — Other	7	3	1	1	6	28	2	2	4	-2	-48.1%	
OSB — USA	34	10	8	11	29	109	13	13	9	4	49.6%	
OSB — Other	2	0	1	1	2	6	0	0	0	0	-34.4%	
Plywood/OSB	127	37	32	40	109	376	42	42	25	18	71.6%	
CONSUMPTION*												
Plywood	460	152	145	151	448	1,756	157	157	142	15	10.5%	
OSB	435	151	150	168	469	1,525	134	134	112	22	19.9%	
Total	895	303	295	319	917	3,281	291	291	254	37	14.7%	

Note: Consumption is derived from shipments, exports & imports; no adjustments made for inventory changes. Plywood/OSB other imports estimated from Mar/07. Source: Statistics Canada (Million sf, 3/8" basis)

CANADA LUMBER MARKET — DRIVERS & TRENDS:

- Total Canadian lumber shipments reached 1.72 billion bf in the first month of 2010, up 10.4% (+161 million bf) over 2009;
- Exports were 836 million bf, up 137 million bf (+19.7%) vs. 2009:
 - U.S. exports were up 45 million bf (+7.8%) to 621 million bf;
 - Japan exports up by 9 million bf (+13.7%) to 76 million bf; and
 - EU exports were up by 3 million bf (+53.5%) to 9 million bf.

CANADA PLYWOOD/OSB — DRIVERS & TRENDS:

- Total panel shipments were 484 million sf (+12.4% vs. 2009);
- Plywood shipments were 134 million sf (-7.0%) and OSB was up 20.7% (to 350 million sf) vs. 2009; and
- Plywood exports were 7 million sf (-53.6%) and OSB exports were 228 million sf (+22.5%) — OSB exports to the U.S. increased by 38 million sf (-21.9%) to 210 million sf.

SYNOPSIS:

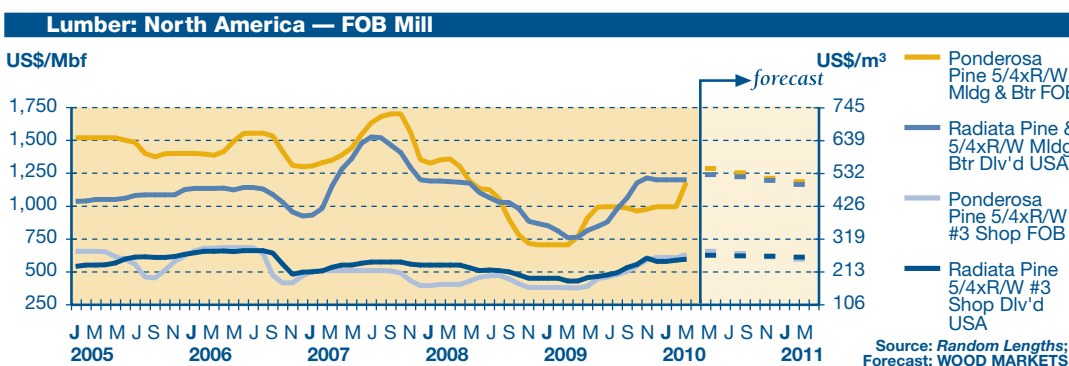
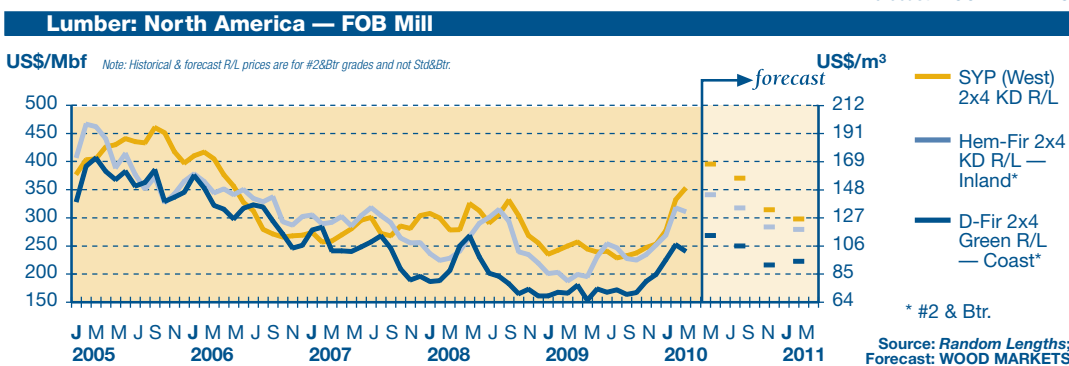
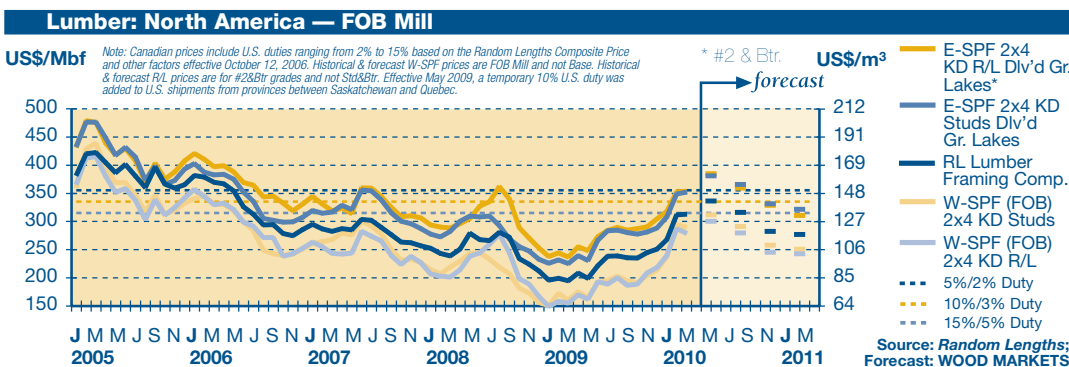
- SPF prices continue to slowly creep higher due to ongoing tightness in the North American supply chain for lumber (and other building materials); and
- U.S. duties are expected to be reduced to 5% in Western Canada and 2% in the East (plus the extra 10%) before increased output fills up the supply chain and prices move lower.

SYNOPSIS:

- The same tight supply chain is pushing U.S. dimension prices higher, with an absence of mill start-ups still the story; and
- Log supplies should start to improve in Q2 to allow for increased lumber output, but higher log prices will be a reality.

SYNOPSIS:

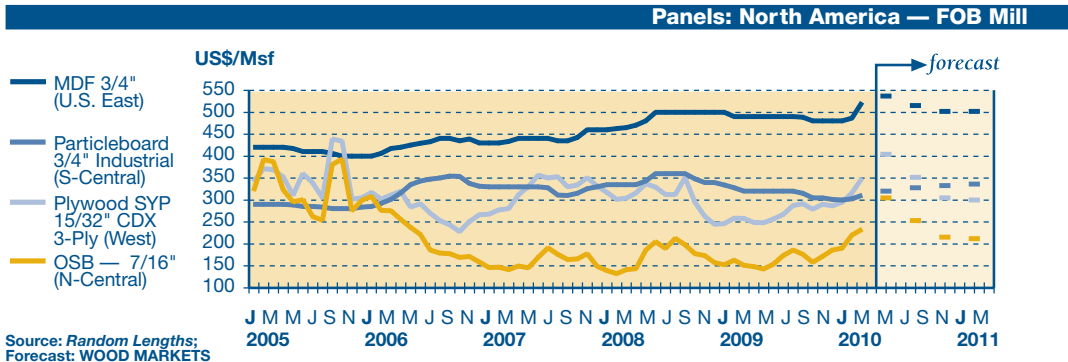
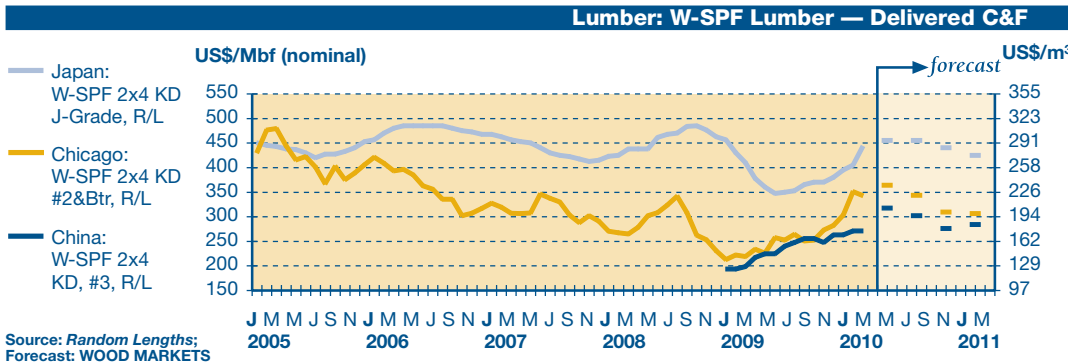
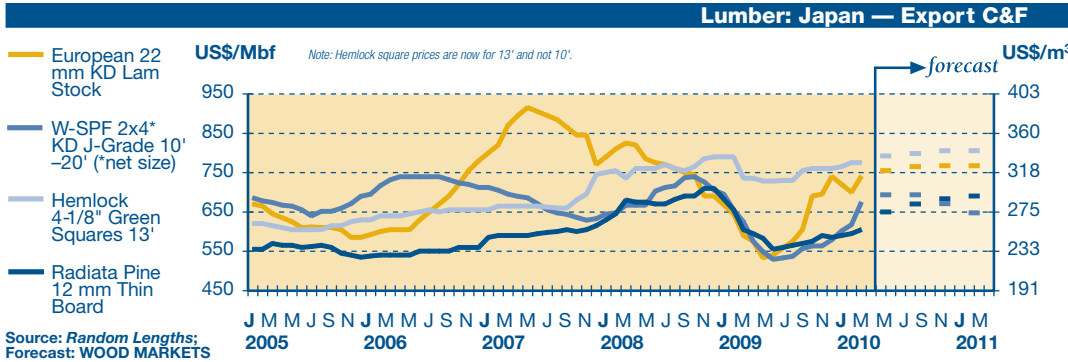
- Prices for Moulding & Btr and #3 Shop lumber have begun to stabilize as production in Chile recovers;
- Ponderosa and Radiata producers are attempting to hold recent price gains; and
- However, weak demand is likely to pull prices lower once supply-chain inventories have been restocked.



NORTH AMERICAN LUMBER PRICES	MONTHLY				FORECAST*				ANNUAL			
	2009 Dec	2010 Jan	2010 Feb	2010 Mar	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2008 Avg.	2009 Avg.	2010* Avg.	2011* Avg.
Canada — FOB Mill or Delivered U.S. (US\$/Mbf)												
W-SPF 2x4 KD Studs (FOB)	214	237	294	290	303	292	269	282	211	185	284	294
E-SPF 2x4 KD Studs Div'd Gr. Lakes	288	308	349	352	372	367	342	353	280	259	354	366
W-SPF 2x4 KD #2&Btr R/L (FOB)**	218	239	287	279	287	278	257	270	220	181	273	282
E-SPF 2x4 KD #2&Btr R/L Div'd Gr. Lakes**	304	318	353	354	371	358	340	339	304	270	352	358
USA — FOB Mill or Delivered U.S. (US\$/Mbf)												
R/L Framing Lumber Composite	251	268	312	313	326	316	295	306	252	222	309	319
SYP (West) 2x4 KD #2&Btr R/L**	253	277	332	353	370	352	321	324	296	242	341	335
Douglas fir (Coast) 2x4 Green #2&Btr R/L**	199	225	252	241	267	267	239	257	201	171	253	269
Hem-Fir (Inland) 2x4 KD #2&Btr R/L**	251	269	317	311	323	307	292	302	257	221	305	313
Ponderosa Pine 5/4xR/W Mldg & Btr	994	995	995	1,176	1,285	1,262	1,225	1,180	1,078	891	1,207	1,179
Radiata Pine 5/4xR/W Mldg & Btr Div'd Dock	1,200	1,200	1,200	1,200	1,267	1,300	1,272	1,265	1,073	946	1,260	1,280
Ponderosa Pine 5/4xR/W #3 Shop	609	610	608	630	677	685	670	655	421	461	662	655
Radiata Pine 5/4xR/W #3 Shop Div'd Dock	580	580	588	595	640	660	659	653	511	493	637	648

Source: Random Lengths *#2 & Btr. (previously Std. & Btr.) *Forecasts: WOOD MARKETS

Price forecasts were developed in mid-April 2010 based on current market intelligence gathered and are intended to incorporate major economic, market and supply trends. The one-year forecast section depicts the anticipated three-month average or quarterly price average and does not represent any forecasts for monthly prices.



SYNOPSIS:

- Despite flat demand in Japan, rising lumber prices outside Japan are forcing higher prices on Japanese importers;
- Hemlock squares, J-grade and European lamstock prices are likely to rise into May and possibly June; and
- Resumption of Chilean Radiata thinboard shipments in May will be set at higher prices due to near-depleted inventories in Japan.

SYNOPSIS:

- Rising U.S. prices continue to be the driving force for higher lumber prices delivered to Japan and China; and
- With few remaining options to source low-cost raw materials, China continues to pay more for low-grade B.C. lumber, and the trend is expected to continue in the short-term.

SYNOPSIS:

- Like lumber, OSB and plywood prices continue to surge from a variety of supply-chain dislocations; and
- MDF prices continue to gain on shortages related to the Chilean earthquake, but particleboard remains less active.

EXPORT LUMBER & U.S. PANEL PRICES	MONTHLY				FORECAST*				ANNUAL			
	2009 Dec	2010 Jan	2010 Feb	2010 Mar	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2008 Avg.	2009 Avg.	2010* Avg.	2011* Avg.
Japan — C&F (US\$/Mbf)												
Hemlock 4-1/8" Green Squares 13'	760	765	775	775	793	798	805	806	762	750	792	797
W-SPF 2x4* KD J-Grade 10'-20' (*net count)	579	602	617	674	693	693	670	648	694	580	672	644
W-SPF 2x4* KD J-Grade 10'-20' (*nominal)	380	395	405	443	455	455	440	425	456	381	441	422
European 22 mm KD Lam Stock	740	720	700	740	755	765	768	768	768	618	752	758
Radiata Pine 12 mm boards	585	590	595	605	650	670	683	690	677	593	650	695
Delivered W-SPF (& Hem-fir) — C&F (US\$/Mbf)												
Chicago: W-SPF 2x4 KD #2&Btr, R/L	282	303	351	343	364	344	310	307	284	245	337	314
Japan: W-SPF 2x4 KD J-Grade, R/L	380	395	405	443	455	455	440	425	456	378	441	422
China: W-SPF 2x4 KD #3, R/L	263	263	271	271	317	302	276	284	259	230	291	290
China: Hem-fir 1-7/8xR/W, Green, #3&Btr, 4m	349	362	375	403	428	418	389	403	419	354	404	411
USA — FOB Mill (US\$/Msf)												
OSB 7/16" (N-Central U.S.)	186	190	220	233	305	253	215	212	171	163	247	220
Plywood SYP 15/32" CDX 3-Ply (West)	287	295	316	349	404	352	305	300	307	268	345	315
Particleboard 3/4" Industrial (S-Central)	301	300	303	310	320	328	333	336	346	317	321	341
MDF 3/4" (S-Central U.S.)	480	480	486	521	537	515	502	502	487	488	512	508

Source: *Random Lengths* *Forecasts: WOOD MARKETS

World Lumber & Panel Prices

APRIL 2010 ¹	US\$/Mbf or \$/Msf	US\$/m ²	1-Month Change US\$/m ²	12-month Change US\$/m ²
WOOD MARKETS STRUCTURAL LUMBER PRICE INDEX				
JAPAN <i>WM</i> LUMBER INDEX	\$858	384	+7	+40
U.K./EUROPE <i>WM</i> LUMBER INDEX	\$726	308	+17	+143
U.S. <i>WM</i> LUMBER INDEX	\$362	233	+20	+85
TO JAPAN				
Neda, Douglas fir, KD, 45x105mm, 4m	905	384	+3	+30
Neda, hemlock, KD, 45x105mm, 4m	1,005	427	+7	+38
Squares, hemlock, green, 105mm, 4m	790	335	+1	+26
Squares, D. fir, green, 105mm, R/L, 2nd growth	745	315	+11	+53
Lam. squares, spruce (dom.) 105mm, 5-ply, 3m	1,190	505	+3	+124
Hirakaku beams ⁴ , D. fir, green, 4m, 2nd growth	840	357	+1	+26
Hirakaku beams ⁴ , D. fir, KD, (domestic) 4m	1,065	453	-17	+30
Hirakaku glulam, D. fir, KD, (dom.) 105x300, 4m	2,000	848	-31	+57
Hirakaku glulam, spruce, KD, 105x300mm, 4m	1,145	486	-8	+28
Eur. whitewood lamstock, KD, Rough, 22x107mm	750	318	+4	+75
Eur. whitewood genban, 42&47x150mm/wdr	615	261	-3	-10
SPF J-Grade, KD, 2x4", 10-20 [*]	450	290	+2	+38
SPF J-Grade, KD, 2x4", stud 2,336mm [*]	475	320	-1	+43
SPF J-Grade, KD, 2x10", 10-20 [*]	555	338	+4	+39
Radiata pine flitches, 250 & 300mm squares	550	233	+10	+19
Radiata pine thin board, 11x20mm & wider ³	640	272	+15	+20
Spruce plywood JAS 9.5mm (3/8"), 4x8 ¹²	335	379	+28	+45
OSB JAS 9.5mm, 3x6 ¹²	265	298	+8	0
TO TAIWAN				
SPF economy, KD, S4S, 2x4", 8/20 [*]	295	190	+26	+70
Hemlock utility squares, green, 4-1/8", 8/20 ¹	460	195	+3	+38
TO CHINA				
Hem-fir #3&btr, green, 1-7/8"x R/W, 8/20 ¹	465	197	+10	+20
Hemlock #3&btr, 40x90mm, rough green	460	195	+8	+195
SPF Utility, KD, 2x4", 8/20 ¹	320	206	+31	+66

^{*}Based on "nominal sizes" in \$/Mbf and "net (or actual) size" in \$/cubic metres (\$/m³)
¹Average delivered selling prices ²Panel prices in Msf (not Mbf)
³Before tariff ⁴105x150mm & wdr
 Source: WOOD MARKETS

APRIL 2010 ¹	US\$/Mbf or \$/Msf	US\$/m ²	1-Month Change US\$/m ²	12-month Change US\$/m ²
TO AUSTRALIA				
Douglas fir scantlings 1-7/8x4", 8/24' std & btr, grn	600	281	+9	+40
Radiata pine MGP10, KD, 100x38mm, R/L	565	288	+2	+7
TO UNITED KINGDOM				
Swedish carcassing, C16, KD, 47x100mm, R/L	625	265	+6	+78
Baltic red pine, structural ungraded, 47mm	745	316	+29	+165
Finnish red pine, fifths, 50x175mm, R/L	725	308	+7	+147
TO EUROPE				
D. fir, #2 clear & btr (15% #3), KD, 3x6"/wdr	1,820	772	0	+4
Hemlock, #2 clear & btr (15% #3), KD, 3x6"/wdr	1,745	741	+16	+28
WRC, #2 clear & btr, green, 3x6"/wdr	3,095	1,312	+29	-6
SYP, saps, KD, 1x6", 10-16 ¹	1,060	449	+4	+25
SYP, export prime, KD, 2x8"/wdr, 10-20 ¹	1,300	551	+21	+47
Finnish whitewood, sawfalling, KD, 47x75-225mm	855	362	+10	+136
Finnish red pine, fifths, 63&75x150mm & wider	735	311	+7	+109
TO MIDDLE EAST				
Chilean radiata pine, green, 22 & 50x100mm	565	240	+5	+35
Scandinavian/Baltic whitewood & red pine 22 & 50x100mm, sixths, KD	600	255	+4	+69
TO USA				
W-SPF, KD, stud, 92-5/8x4", PET, d'lvd Chicago [*]	380	254	+17	+95
E-SPF, KD, stud, 92-5/8x4", PET, d'lvd Great Lakes [*]	380	254	+20	+94
W-SPF, KD, #2 & btr, 2x4", R/L d'lvd Chicago [*]	364	235	+13	+83
E-SPF, KD, #2 & btr, 2x4", R/L d'lvd Great Lakes [*]	382	247	+19	+82
SYP (West), KD, #2 & btr, 2x4", R/L FOB mill [*]	405	262	+39	+96
Hem-fir (Inland), KD, #2 & btr, 2x4", R/L FOB mill [*]	322	208	+26	+95
D. fir (Coast), green, #2 & btr, 2x4", R/L FOB mill [*]	265	171	+19	+52
W-SPF, KD, #2, 2x10", R/L d'lvd Chicago [*]	412	252	+1	+97
SYP (West), KD, #2, 2x10", R/L, FOB mill [*]	351	215	+21	+73
SYP (West), CDX, 3-ply plywood, 15/32" FOB mill ²	400	360	+45	+137
OSB (North-Central), 7/16", FOB mill ²	300	290	+71	+147
D. fir, CDX, 4-ply plywood, 1/2", d'lvd Chicago ²	479	406	+50	+147

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