

SPECIAL REPORT

CANADA/U.S. TOP 20 PRODUCERS

A Banner Year for Sawmills in 2016

The top five Canadian producers were West Fraser, Canfor, Tolko, Resolute and Western Forest Products. Many of the larger Canadian companies are consolidating production and optimizing for anticipated changes in the log profile and projected timber supply reductions. Canadian mill investments in the U.S. South are proving very strategic due to ample timber supply in the region and high sawmilling margins (the result of low timber prices). With U.S. duties on Canadian lumber shipments commencing in May, Canadian mill ownership in the U.S. is a very astute move.

Weyerhaeuser retained its first-place U.S. position and grew through the acquisition of Plum Creek Timber — the blockbuster deal of the year. Georgia-Pacific remained in second position; third place was West Fraser; Sierra Pacific came in fourth; and Interfor retained fifth place. ■

MARKET REPORT

MDF/PARTICLEBOARD: OUTLOOK 2017-18

Further U.S. Growth Expected, Especially in Imports

Generally improving consumption drivers point to steady growth in both particleboard and MDF consumption in 2017 and 2018. Although a strong U.S. dollar has tempered growth in U.S. industrial output and the furniture production sector, the forecast is generally positive. The theme of balanced capacity amid increasing demand, improving operating rates and continued industry consolidation suggests stable to even rising particleboard and MDF prices over the next two years. However, the downside risk in MDF will be related to the role of imports, additionally impacted by a strong U.S. dollar that will continue to put pressure on prices. In the end, there will be times when some producers could be forced to meet slightly lower market prices. ■

(Additional details are available in the full articles, complete with graphs to offer further insight into the global lumber market.)

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Quarterly Log and Sawmill Costs, with Lumber/By-Product Revenues/Prices, Starting from Q1/2017 for 20 Countries/Regions

- Available March 2017
- <https://www.woodmarkets.com/publication/global-cost-benchmarking/benchmarking-quarterly-update-2016h1/>

Global Timber/Sawmill/Lumber Cost Benchmarking Report – 2016 Annual Basis & Q1/2017

- Available July 2017
- <https://www.woodmarkets.com/publication/global-cost-benchmarking/benchmarking-report-2016/>

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- May 11, 2017
- Hyatt Regency Vancouver
- <https://www.woodmarkets.com/conference/conferences-vancouver/2017-global-softwood-conference/>

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