



Points of interest:

B.C. Timber Harvest in 2011

The total harvest volume in 2011 was 69.2 million m³, up 9.3% from 2010 and up 41.7% from the bottom in 2009. The **Coast** harvest was 19.1 million m³ in 2011, up 15.8% from 2010 and up 71.0% from 2009. The **Interior** totalled 50.1 million m³ in 2011, up 7.0% from 2010 and up 33.0% from 2009.

Hemlock was the most popular species harvested on the **Coast**, accounting for 38.2% of coast total harvest in 2011, followed by fir (32.6%), cedar (15.5%), and balsam (8.8%). **Lodgepole pine** was the most popular species harvested in the **Interior**, accounting for 59.2% of interior total harvest in 2011, followed by spruce (20.3%), balsam (6.8%), and fir (5.7%) (*source: HBS, MFLNRO*).

North American Wood Pellet Exports in 2011

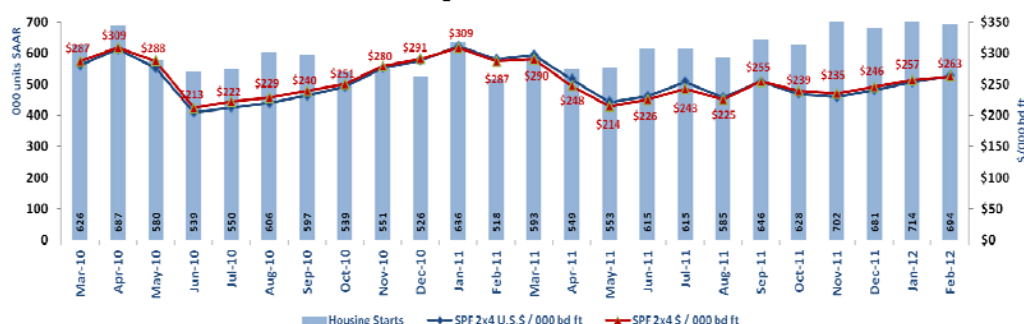
Exports of wood pellets from the U.S. and Canada to Europe reached a record of over two million tons in 2011, up almost 300% from 2008, according to the North American Wood Fiber Review (NAWFR). B.C. pellet producers have dominated North American pellet exports since the first shipments 12 years ago, but this changed in the second half of 2011 when expanded investments in new capacity in the U.S. South put U.S. shipments on par with Canada. Utilities in the Netherlands, the U.K., and Belgium continue to be the largest consuming destinations of North American pellets, with the U.K. showing the steadiest and most vigorous growth (*source: Wood Resources International LLC*).

For further information please contact:

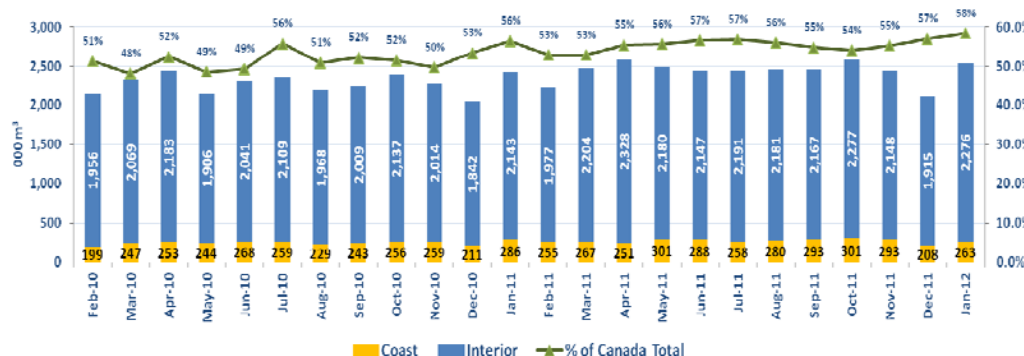
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SOFTWOOD LUMBER MARKET

U.S. Housing Starts* and SPF 2x4 Prices



B.C. Softwood Lumber Production and Share of Canada Total



Data sources: Madison's, US Census Bureau and Statistics Canada. * privately-owned housing starts, seasonally adjusted annual rate (SAAR).

- **U.S. privately-owned housing starts** in February were at a seasonally adjusted annual rate of 694,000. This is 2.8% below the revised January rate, and is **34.0% above** the February 2011 rate. **Sales of new homes** in the U.S. were at a seasonally adjusted annual rate of 313,000 in January 2012, down 1.6% M/M and up 11.4% Y/Y. U.S. seasonally adjusted unemployment rate was 8.3% in February 2012, down from 9.0% one year ago. (*from U.S. Census Bureau and U.S. Bureau of Labour Statistics*).
- **SPF 2x4 price** increased further to **US\$264** (\$263) in February 2012, up 3.9% M/M and down 9.2% Y/Y. The Canadian dollar averaged \$0.9965 per US\$ in February 2012.
- In January 2012, **B.C. softwood lumber production** totalled 2.54 million m³, up 19.6% M/M and up 4.5% Y/Y. 89.6% of the production was from the Interior.
- In February 2012, **B.C. softwood lumber exports value** totalled \$314 million, up 6.9% Y/Y. **B.C. softwood lumber exports volume** totalled 1.93 million m³, up 15.5% Y/Y. The top three destinations for softwood lumber exports in February 2012 were: U.S. (value: 45.2%; volume: 51.0%), China (value: 25.1%; volume: 30.7%), and Japan (value: 17.5%; volume: 10.2%).

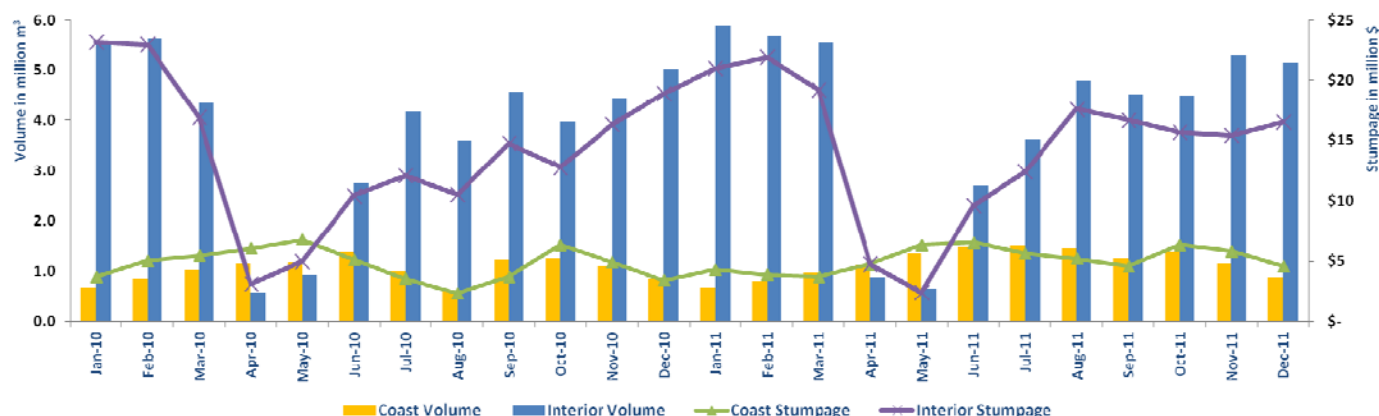
Common Abbreviations:

\$ - Canadian dollars unless noted as US\$
M/M - % change from the previous to current month

Y/Y - % change from the same month in the previous year to the current year
YTD - year-to-date
China - refers to China, including Hong Kong

HARVESTING

B.C. Crown Land Monthly Harvest Volume* and Stumpage Revenue Collected



Data source: Harvest Billing System of Ministry of Forests, Lands and Natural Resource Operations

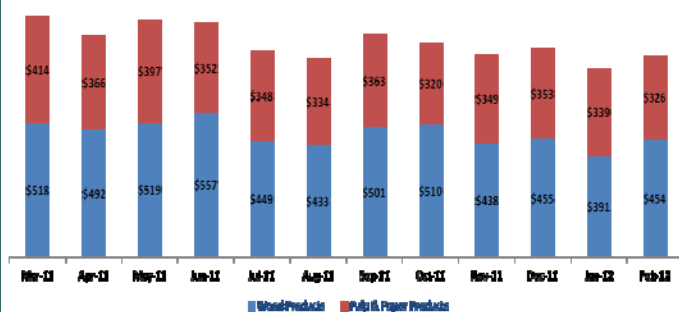
*Based on scale data, all logs (BCTS & Major), special forest products, species and grades billed to Crown land excluding waste, reject and Christmas trees. Data in recent months is subject to change.

COAST harvest volume for all land (including Crown, private and federal) totalled 1.25 million m³ in December 2011, up 6.8% Y/Y. Crown land harvest volume totalled 0.89 million m³, up 4.8% Y/Y. **Stumpage revenue** collected was \$4.58 million in December 2011, up 33.6% Y/Y.

INTERIOR harvest volume for all land (including Crown, private and federal) totalled 5.21 million m³ in December 2011, up 1.8% Y/Y. Crown land harvest volume totalled 5.14 million m³, up 2.4% Y/Y. **Stumpage revenue** collected was \$16.51 million in December 2011, down 12.6% Y/Y.

EXPORTS

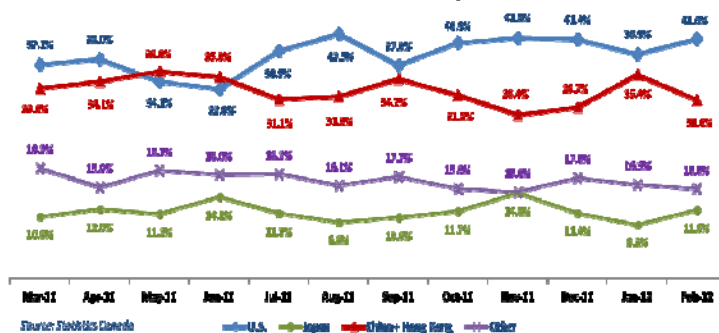
B.C. Forest Product Export Value (\$million) by Sector



B.C. forest product exports totalled \$780 million in February 2012, up 6.9% M/M, up 4.7% Y/Y, and up 1.9% YTD from 2011:

- **Wood product exports** totalled \$454 million in February, up 16.3% M/M, up 7.8% Y/Y, and up 5.7% YTD from 2011; and
- **Pulp & paper product exports** totalled \$326 million in February, down 3.9% M/M, up 0.8% Y/Y, and down 2.6% YTD from 2011.
- **Export value shares by product** in February 2012: Softwood Lumber (40.2%), Logs (5.8%), Other Wood Products (12.2%), Pulp (29.9%), and Other Pulp & Paper Products (11.9%).

Shares of B.C. Forest Product Export Value



In February 2012, U.S. was the largest destination market for B.C. forest product exports value with a share of 41.6%, while China accounted for 31.0%, Japan accounted for 11.9% and other destinations accounted for 15.5%.

- **Exports to U.S.** totalled \$324 million, up 14.2% M/M, up 12.6% Y/Y and up 5.2% YTD from 2011.
- **Exports to China** totalled \$242 million, down 6.4% M/M, down 3.3% Y/Y and up 4.4% YTD from 2011.
- **Exports to Japan** totalled \$93 million, up 35.9% M/M, up 12.0% Y/Y and down 0.4% YTD from 2011.

DATA SUMMARY

Selected Monthly Economic Statistics - March 2012

		Latest Month	Month Ago	M/M Change	Year Ago	Y/Y Change	Current YTD	Previous YTD	YTD/YTD *Change
Lumber Prices (US\$/000 bd ft)									
SPF 2x4	Feb 12	\$264	\$254	3.9%	\$291	-9.2%	\$259	\$301	-14.0%
Random Lengths Lumber Composite	Feb 12	\$285	\$280	1.9%	\$296	-3.6%	\$282	\$300	-5.8%
SPF 2x10	Feb 12	\$302	\$310	-2.7%	\$336	-10.1%	\$306	\$340	-10.1%
SPF Stud	Feb 12	\$259	\$262	-1.2%	\$275	-5.9%	\$260	\$274	-5.1%
Cedar 2x4	Feb 12	\$630	\$630	0.0%	\$650	-3.1%	\$630	\$650	-3.1%
Hemlock Squares	Feb 12	\$825	\$825	0.0%	\$785	5.1%	\$825	\$785	5.1%
Panel Prices (US\$/000 sq ft)									
Plywood	Feb 12	\$319	\$312	2.4%	\$310	2.9%	\$315	\$309	2.1%
OSB	Feb 12	\$199	\$200	-0.5%	\$203	-1.7%	\$200	\$206	-3.3%
Pulp & Paper Prices (US\$/tonne)									
NBSK Pulp	Feb 12	\$829	\$832	-0.3%	\$949	-12.7%	\$830	\$949	-12.5%
Newsprint (U.S. Eastcoast)	Feb 12	\$623	\$624	-0.2%	\$627	-0.6%	\$624	\$626	-0.4%
\$/US\$ Exchange Rate									
	Feb 12	0.9965	1.0133	-1.7%	0.9876	0.9%	1.0049	0.9907	1.4%
Housing Starts (000 units)									
U.S. (Seasonally Adjusted Annual Rates)	Feb 12	694	714	-2.8%	518	34.0%	704	577	22.0%
Canada	Feb 12	205	202	1.7%	180	14.1%	204	174	17.2%
Japan (Wood-based)	Feb 12	36	35	1.3%	34	6.1%	71	69	2.0%
B.C. Timber Harvest Volume** (000 m ³)									
Coast Crown land	Dec 11	6,466	6,932	-6.7%	6,293	2.8%	69,328	63,317	9.5%
Interior Crown land	Dec 11	893	1,161	-23.1%	852	4.8%	14,068	12,324	14.2%
Interior Crown land	Dec 11	5,138	5,288	-2.8%	5,016	2.4%	49,175	45,519	8.0%
Total private/federal land	Dec 11	436	483	-9.8%	425	2.6%	6,085	5,475	11.2%
B.C. Lumber Production (000 m ³)									
Coast	Jan 12	2,539	2,123	19.6%	2,429	4.5%	2,539	2,429	4.5%
Coast	Jan 12	263	208	26.2%	286	-8.1%	263	286	-8.1%
Interior	Jan 12	2,276	1,915	18.9%	2,143	6.2%	2,276	2,143	6.2%
B.C. Market Pulp Shipments (000 tonne)									
	Feb 12	380	413	-8.0%	337	12.8%	793	729	8.8%
B.C. Forest Product Manufacturing Sales (million \$)									
Wood Products	Jan 12	\$845	\$801	5.4%	\$916	-7.8%	\$845	\$916	-7.8%
Wood Products	Jan 12	\$455	\$404	12.7%	\$480	-5.1%	\$455	\$480	-5.1%
Pulp & Paper Products	Jan 12	\$389	\$397	-2.0%	\$436	-10.7%	\$389	\$436	-10.7%
B.C. Forest Product Export Value (million \$)									
Wood Products (incl. log exports)	Feb 12	\$780	\$730	6.9%	\$745	4.7%	\$1,510	\$1,482	1.9%
Wood Products (incl. log exports)	Feb 12	\$454	\$391	16.3%	\$422	7.8%	\$845	\$799	5.7%
Pulp & Paper products	Feb 12	\$326	\$339	-3.9%	\$323	0.8%	\$665	\$683	-2.6%
Shares of B.C. Forest Product Export Value (%)									
U.S.	Feb 12	41.6%	38.9%	6.8%	38.7%	7.5%	40.3%	39.0%	3.3%
China	Feb 12	31.0%	35.4%	-12.4%	33.6%	-7.7%	33.1%	32.3%	2.4%
Japan	Feb 12	11.9%	9.3%	27.1%	11.1%	6.9%	10.6%	10.9%	-2.3%
Other	Feb 12	15.5%	16.3%	-4.8%	16.6%	-6.6%	15.9%	17.8%	-10.3%
B.C. Stumpage (million \$)									
Coast	Dec 11	\$21.1	\$21.2	-0.6%	\$22.3	-5.5%	\$234.6	\$223.2	5.1%
Coast	Dec 11	\$4.6	\$5.8	-21.0%	\$3.4	33.6%	\$61.6	\$56.4	9.2%
Interior	Dec 11	\$16.5	\$15.4	7.1%	\$18.9	-12.6%	\$173.1	\$166.8	3.7%
B.C. Forest Sector Employment (LFS) (000 jobs)									
Forestry & Logging	Feb 12	49.3	51.2	-3.7%	52.6	-6.3%	50.3	52.3	-3.9%
Forestry & Logging	Feb 12	15.0	12.6	19.0%	11.6	29.3%	13.8	11.2	23.2%
Wood Products	Feb 12	25.8	29.1	-11.3%	31.5	-18.1%	27.5	31.2	-12.0%
Paper Products	Feb 12	8.5	9.5	-10.5%	9.5	-10.5%	9.0	9.9	-9.1%

* based on calendar year, change % from the same year-to-date period of the previous year to the year-to-date of current year.

** Preliminary data and subject to change.