

A Selection of Monthly Economic Statistics



Points of interest:

**Special Committee Formed on B.C. Mid-term Timber Supply**

A Special Committee on Timber Supply was appointed by the Legislative Assembly on May 16, to examine and make recommendations with respect to mid-term timber supply for B.C., as a result of the mountain pine beetle infestation in the central interior of B.C.

The infestation is the largest in North America's recorded history. An estimated **18.1 million hectares** in B.C. have been affected and an estimated cumulative total of **710 million cubic metres** of timber have been killed, equivalent to about 14 years of interior timber harvests. Since 2001, the provincial government has committed **\$884 million** to battle the mountain pine beetle and mitigate its impacts.

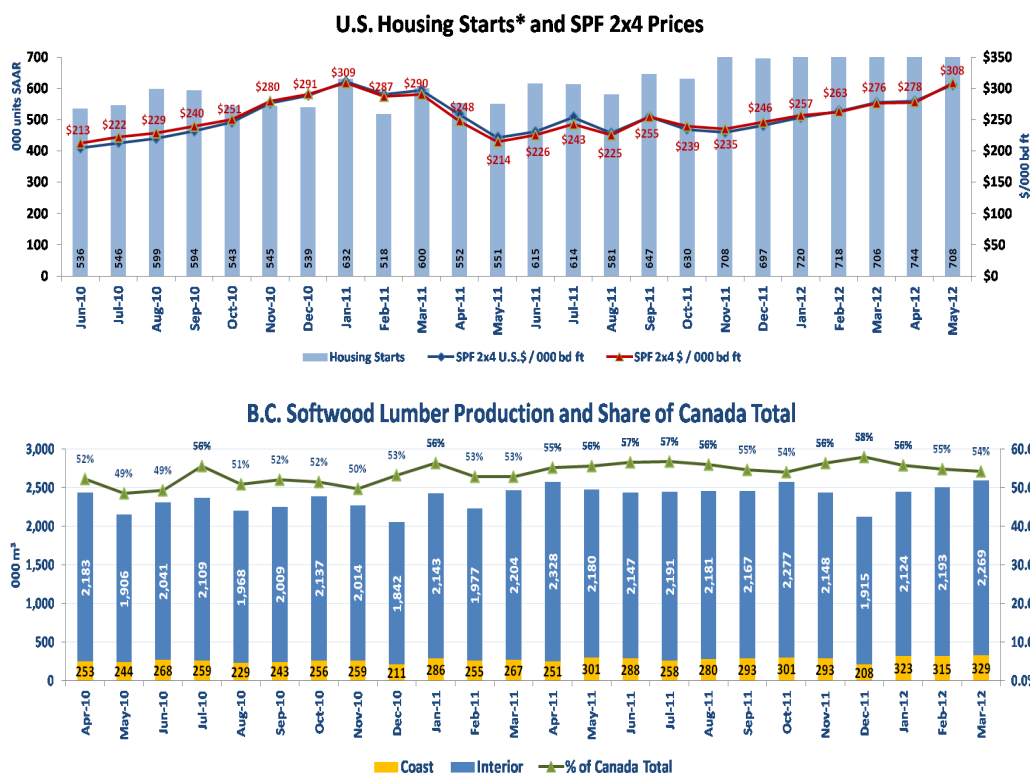
The committee's **terms of reference** are to specifically consider recommendations that could increase timber supply, including direction on the potential scope of changes to land-use objectives, rate of harvest and conversion of volume-based tenures to area-based tenures. The committee is also to consider whether any changes to legislation are required.

The **members** of the Special Committee are seven MLAs from different regions in B.C. The committee is supported by a **technical advisory committee** that includes former provincial chief foresters. The committee conducted public consultations and will deliver a report by August 15, 2012.

For further information please contact:

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SOFTWOOD LUMBER MARKET



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

- **U.S. privately-owned housing starts** in May were at a seasonally adjusted annual rate of 708,000. This is 4.8% below the revised April rate, and is 28.5% above the May 2011 rate. **Sales of new homes** in the U.S. were at a seasonally adjusted annual rate of 343,000 in April 2012, up 3.3% M/M and up 9.9% Y/Y. **U.S. seasonally adjusted unemployment rate** was 8.2% in May 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\$305 (\$308) in May 2012, up 9.0% M/M and up 37.8% Y/Y. The Canadian dollar averaged \$1.0098 per US\$ in May 2012.
- In March 2012, **B.C. softwood lumber production** totalled 2.60 million m³, up 3.6% M/M and up 5.2% Y/Y. 87.3% of the production was from the Interior.
- In April 2012, **B.C. softwood lumber export value** totalled \$337 million, down 4.0% Y/Y. **B.C. softwood lumber export volume** totalled 2.02 million m³, down 6.0% Y/Y. The top three destinations for softwood lumber exports in April 2012 were: U.S. (value: 45.0%; volume: 47.3%), China (value: 25.3%; volume: 32.4%), and Japan (value: 17.0%; volume: 11.2%).

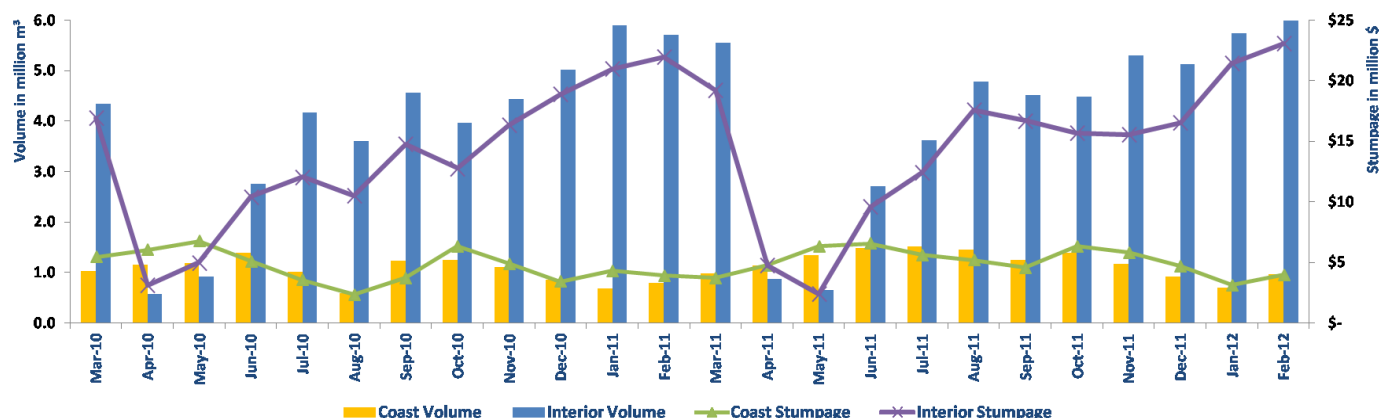
Common Abbreviations:

\$ - Canadian dollars unless noted as US\$  
China - refers to China, including Hong Kong

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

## 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

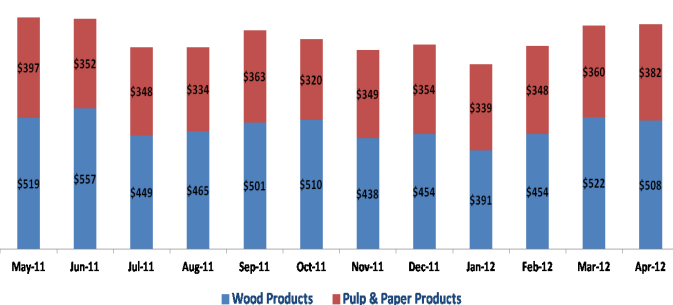
\*Based on scale data, all logs (BCTS & Major tenures), special forest products, species and grades billed to Crown land excluding waste, reject and Christmas trees. Data in recent months is subject to change.

**COAST harvest volume** for all land (including Crown, private and federal) totalled 1.44 million m³ in February 2012, up 18.8% Y/Y. Crown land harvest volume totalled 0.97 million m³, up 21.3% Y/Y. **Stumpage revenue** collected was \$3.97 million in February 2012, up 1.9% Y/Y.

**INTERIOR harvest volume** for all land (including Crown, private and federal) totalled 6.10 million m³ in February 2012, up 5.8% Y/Y. Crown land harvest volume totalled 5.99 million m³, up 5.1% Y/Y. **Stumpage revenue** collected was \$23.06 million in February 2012, up 5.1% Y/Y.

## EXPORTS

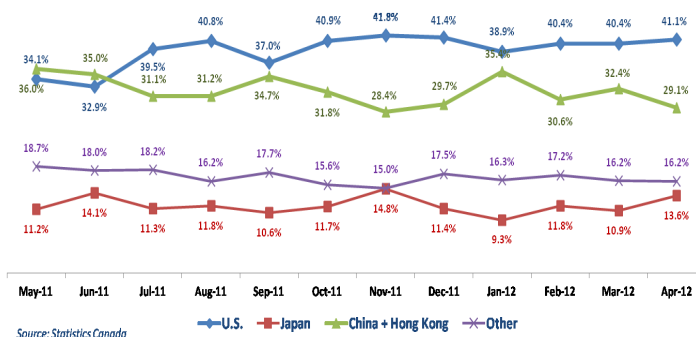
B.C. Forest Product Export Value (\$million) by Sector



B.C. forest product exports totalled \$889 million in April 2012, up 0.8% M/M, up 3.7% Y/Y, and up 1.0% YTD from 2011:

- **Wood product exports** totalled \$508 million in April, down 2.7% M/M, up 3.2% Y/Y, and up 3.6% YTD from 2011; and
- **Pulp & paper product exports** totalled \$382 million in April, up 5.9% M/M, up 4.3% Y/Y, and down 2.2% YTD from 2011.
- **Export value shares by product** in April 2012: Softwood Lumber (37.9%), Logs (5.3%), Other Wood Products (13.9%), Pulp (31.7%), and Other Pulp & Paper Products (11.2%).

Share of B.C. Forest Product Export Value



In April 2012, **U.S. was the largest destination market** for B.C. forest product exports value with a share of 41.4%, while China accounted for 29.1%, Japan accounted for 13.6% and other destinations accounted for 16.2%.

- **Exports to U.S.** totalled \$366 million, up 2.7% M/M, up 12.1% Y/Y and up 6.4% YTD from 2011.
- **Exports to China** totalled \$259 million, down 9.4% M/M, down 11.5% Y/Y and down 2.8% YTD from 2011.
- **Exports to Japan** totalled \$121 million, up 25.2% M/M, up 17.6% Y/Y and up 4.2% YTD from 2011.

## DATA SUMMARY

## Selected Monthly Economic Statistics - May 2012

|                                                             | Latest Month |        | Month Ago | M/M Change | Year Ago | Y/Y Change | Current YTD | Previous YTD | YTD/YTD* Change |
|-------------------------------------------------------------|--------------|--------|-----------|------------|----------|------------|-------------|--------------|-----------------|
| <b>Lumber Prices (US\$/000 bd ft)</b>                       |              |        |           |            |          |            |             |              |                 |
| SPF 2x4                                                     | May 12       | \$305  | \$280     | 9.0%       | \$222    | 37.8%      | \$269       | \$289        | -7.1%           |
| Random Lengths Lumber Composite                             | May 12       | \$338  | \$303     | 11.7%      | \$259    | 30.5%      | \$291       | \$292        | -0.2%           |
| SPF 2x10                                                    | May 12       | \$357  | \$315     | 13.3%      | \$261    | 37.1%      | \$310       | \$326        | -4.8%           |
| SPF Stud                                                    | May 12       | \$353  | \$297     | 18.8%      | \$231    | 52.4%      | \$275       | \$273        | 0.7%            |
| Cedar 2x4                                                   | May 12       | \$720  | \$635     | 13.4%      | \$630    | 14.3%      | \$631       | \$647        | -2.4%           |
| Hemlock Squares                                             | May 12       | \$805  | \$805     | 0.0%       | \$815    | -1.2%      | \$814       | \$793        | 2.7%            |
| <b>Panel Prices (US\$/000 sq ft)</b>                        |              |        |           |            |          |            |             |              |                 |
| Plywood                                                     | May 12       | \$371  | \$348     | 6.5%       | \$295    | 25.8%      | \$331       | \$310        | 6.9%            |
| OSB                                                         | May 12       | \$229  | \$213     | 7.6%       | \$195    | 17.3%      | \$207       | \$204        | 2.0%            |
| <b>Pulp &amp; Paper Prices (US\$/tonne)</b>                 |              |        |           |            |          |            |             |              |                 |
| NBSK Pulp                                                   | May 12       | \$853  | \$850     | 0.3%       | \$1,010  | -15.5%     | \$837       | \$963        | -13.2%          |
| Newsprint (U.S. Eastcoast)                                  | May 12       | \$622  | \$623     | -0.1%      | \$625    | -0.4%      | \$623       | \$627        | -0.5%           |
| <b>\$/US\$ Exchange Rate</b>                                |              |        |           |            |          |            |             |              |                 |
|                                                             | May 12       | 1.0098 | 0.9926    | 1.7%       | 0.9680   | 4.3%       | 0.9991      | 0.9791       | 2.0%            |
| <b>Housing Starts (000 units)</b>                           |              |        |           |            |          |            |             |              |                 |
| U.S. (Seasonally Adjusted Annual Rates)                     | May 12       | 708    | 744       | -4.8%      | 551      | 28.5%      | 719         | 571          | 26.0%           |
| Canada                                                      | May 12       | 211    | 244       | -13.3%     | 190      | 11.4%      | 215         | 182          | 17.8%           |
| Japan (Wood-based)                                          | Apr 12       | 37     | 36        | 4.2%       | 35       | 5.2%       | 143         | 140          | 2.4%            |
| <b>B.C. Timber Harvest Volume** (000 m<sup>3</sup>)</b>     |              |        |           |            |          |            |             |              |                 |
| Coast Crown land                                            | Feb 12       | 7,545  | 6,904     | 9.3%       | 6,951    | 8.5%       | 14,448      | 14,002       | 3.2%            |
| Interior Crown land                                         | Feb 12       | 968    | 693       | 39.8%      | 799      | 21.3%      | 1,661       | 1,483        | 12.0%           |
|                                                             | Feb 12       | 5,991  | 5,736     | 4.4%       | 5,702    | 5.1%       | 11,727      | 11,595       | 1.1%            |
| Total private/federal land                                  | Feb 12       | 586    | 475       | 23.4%      | 451      | 30.0%      | 1,060       | 924          | 14.7%           |
| <b>B.C. Lumber Production (000 m<sup>3</sup>)</b>           |              |        |           |            |          |            |             |              |                 |
|                                                             | Mar 12       | 2,598  | 2,508     | 3.6%       | 2,470    | 5.2%       | 7,553       | 7,131        | 5.9%            |
| Coast                                                       | Mar 12       | 329    | 315       | 4.4%       | 267      | 23.4%      | 967         | 808          | 19.7%           |
| Interior                                                    | Mar 12       | 2,269  | 2,193     | 3.5%       | 2,204    | 3.0%       | 6,586       | 6,323        | 4.2%            |
| <b>B.C. Market Pulp Shipments (000 tonne)</b>               |              |        |           |            |          |            |             |              |                 |
|                                                             | Apr 12       | 405    | 415       | -2.4%      | 366      | 10.7%      | 1,613       | 1,529        | 5.5%            |
| <b>B.C. Forest Product Manufacturing Sales (million \$)</b> |              |        |           |            |          |            |             |              |                 |
|                                                             | Apr 12       | \$945  | \$1,039   | -9.1%      | \$985    | -4.1%      | \$3,548     | \$3,802      | -6.7%           |
| Wood Products                                               | Apr 12       | \$526  | \$538     | -2.2%      | \$526    | 0.1%       | \$1,941     | \$1,993      | -2.6%           |
| Pulp & Paper Products                                       | Apr 12       | \$418  | \$501     | -16.5%     | \$459    | -8.8%      | \$1,607     | \$1,809      | -11.2%          |
| <b>B.C. Forest Product Export Value (million \$)</b>        |              |        |           |            |          |            |             |              |                 |
|                                                             | Apr 12       | \$889  | \$882     | 0.8%       | \$858    | 3.7%       | \$3,304     | \$3,271      | 1.0%            |
| Wood Products (incl. log exports)                           | Apr 12       | \$508  | \$522     | -2.7%      | \$492    | 3.2%       | \$1,875     | \$1,809      | 3.6%            |
| Pulp & Paper products                                       | Apr 12       | \$382  | \$360     | 5.9%       | \$366    | 4.3%       | \$1,429     | \$1,462      | -2.2%           |
| <b>Shares of B.C. Forest Product Export Value (%)</b>       |              |        |           |            |          |            |             |              |                 |
| U.S.                                                        | Apr 12       | 41.1%  | 40.4%     | 1.8%       | 38.0%    | 8.1%       | 40.3%       | 38.2%        | 5.4%            |
| China                                                       | Apr 12       | 29.1%  | 32.4%     | -10.2%     | 34.1%    | -14.7%     | 31.8%       | 33.0%        | -3.8%           |
| Japan                                                       | Apr 12       | 13.6%  | 10.9%     | 24.2%      | 12.0%    | 13.4%      | 11.5%       | 11.1%        | 3.2%            |
| Other                                                       | Apr 12       | 16.2%  | 16.2%     | -0.4%      | 15.9%    | 2.0%       | 16.5%       | 17.7%        | -6.6%           |
| <b>B.C. Stumpage (million \$)</b>                           |              |        |           |            |          |            |             |              |                 |
|                                                             | Feb 12       | \$27.0 | \$24.6    | 10.0%      | \$25.8   | 4.6%       | \$51.6      | \$51.1       | 1.0%            |
| Coast                                                       | Feb 12       | \$4.0  | \$3.1     | 26.8%      | \$3.9    | 1.9%       | \$7.1       | \$8.2        | -13.2%          |
| Interior                                                    | Feb 12       | \$23.1 | \$21.4    | 7.6%       | \$21.9   | 5.1%       | \$44.5      | \$42.9       | 3.7%            |
| <b>B.C. Forest Sector Employment (LFS) (000 jobs)</b>       |              |        |           |            |          |            |             |              |                 |
|                                                             | May 12       | 57.2   | 57.1      | 0.2%       | 55.3     | 3.4%       | 51.7        | 53.6         | -3.4%           |
| Forestry & Logging                                          | May 12       | 20.3   | 18.3      | 10.9%      | 13.9     | 46.0%      | 15.8        | 11.8         | 34.7%           |
| Wood Products                                               | May 12       | 24.7   | 25.9      | -4.6%      | 32.5     | -24.0%     | 25.5        | 31.9         | -19.9%          |
| Paper Products                                              | May 12       | 12.2   | 12.9      | -5.4%      | 8.9      | 37.1%      | 10.4        | 9.9          | 4.4%            |

\* 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.