

Lumber prices expected to rise according to study

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Lumber prices should rise back to their long-term average of around \$400 per 1,000 board feet in 2011, according to a recent study from Toronto Dominion Financial Group.

Writers of the study believe the market has hit bottom at around \$200 per 1,000 board feet and is now on the way back up.

Consumption should pick up next year as the U.S. and Canadian housing markets get better and other end-use markets improve.

Production curtailments have improved the

supply-demand balance but, even with utilization rates around 50 per cent, further capacity reductions are likely through 2010.

Canadian lumber producers face additional

difficulties, including a rising Canadian dollar and a tax on exports going to the United States.

Group studies ways to expand lumber markets

Daily Gleaner October 1st, 2009

Appointed | UNB professor is scientific director of Innovative Wood Products and Building Systems Strategic Network

Ying Hei Chui says the forestry industry needs to start working against the grain.

"What we need to do is try not to put all our eggs in one basket, by expanding into other markets," said the UNB forestry professor, who has been named the scientific director of Innovative Wood Products and Building Systems Strategic Network comprised of about 40 researchers from coast to coast with expertise in architecture and forestry

Chui said the Canadian lumber industry must broaden its focus and cater to more customers than Americans looking to build low-rise buildings.

"As you know there are numerous mill closures around the country and the situation will not improve until the housing starts begin to pick up in U.S.A.," he said, adding that recovery will take at least another year, and even then it may be too little too late.

Chui said the industry must become more proactive and reach out to contractors looking to build mid-rise buildings. By literally setting its sights a little higher, by a few floors at least, Chui said the industry could open up a whole new market for itself.

Of course, achieving such a goal is anything but easy. Chui said while wood may be cheaper, it simply isn't as strong as steel. He said, traditionally, there have been several technical barriers blocking wood from becoming a mainstream material used in mid-rise and high-rise buildings. In order for that to change, local jurisdictions and consumers need to know that lumber is safe enough for their structures, that it can demonstrate an acceptable performance in structural properties, serviceability, fire resistance, sound insulation, durability and thermal insulation. The research network will investigate the viability of traditional light-weight wood frame methods in mid-rise construction for residential sectors, along with their potential in new approaches that combine wood with other materials.

Chui said the potential advantages for using timber products in bigger buildings are fairly simple - their construction time is considerably less than welding together steel frames, and their lighter weight can minimize the costs of foundation construction.

He said such outside-of-the-box thinking is needed for the industry to survive, let alone thrive.

"What we need to do is to look at new ways to derive products like composites and bio-fuels, and services like eco-tourism from our forests, and be less dependent on the commodity products like logs, dimension lumber, pulp and paper," he said. "With the large proportion of forest lands in the (New Brunswick) land base, it does not make sense to me to abandon forestry."

Forward Thinking is a Thursday feature that explores research and development, as well as new technologies in our community. Send your comments and story ideas to news@dailygleaner.com.)

Moody's: Forestry will stay weak in the near future

The Canadian Press September 25th, 2009

NEW YORK - A new report from Moody's Investors Service suggests conditions in the forestry sector are expected to remain weak in the near-term.

The ratings agency says demand for paper products continues to flag as consumers rely more heavily on digital media and shy away from heavier packaging materials.

The report also says competition from emerging paper markets is taking a toll on more established producers.

But Moody's says conditions in the industry may improve in North America if the economy revives.

The agency says a turnaround in the depressed U.S. housing market will be a key factor in any long-term recovery.