

Global Timber and Wood Products Market Update

- a news brief from ForestEdge LLC and Wood Resources International LLC

Canada will continue to be a major supplier of softwood lumber to the US in the next decade, with the export volume from the Eastern provinces being forecasted to increase substantially, according to a study by ForestEdge and WRI

The softwood sawmilling sector in Eastern Canada will play an increasingly important role as a key supplier to the growing US lumber market in the future, according to a new study. The increasing lumber consumption in the US will also likely result in increased investments in production capacity in the US, changes in Canadian lumber trade flows, a rise in overseas supply, and upward pressure on sawlog prices.

Seattle, USA. Consumption of softwood lumber in the US is forecasted to increase over the next decade and reach an all-time high by 2030. Canada is poised to continue being a dominant supplier of softwood lumber to the US, but there will be changes in log availability. The timber harvests on public lands in British Columbia are set to decline over the next decade and uncertainty surrounds log availability in the eastern provinces.

The recently released multi-client study “Future Suppliers of Softwood Lumber to the US Market – Supply and Demand Outlook 2017-2030” provides detailed regional profiles of Canada’s future sawlog availability, forecasted sawlog prices, the outlook and competitiveness of Canada’s lumber industry, and likely regional Canadian lumber supply for the US market. The two major lumber-producing regions of Canada, the Western region (British Columbia and Alberta), and the Eastern provinces (Ontario, Quebec, and the Maritimes), each face complex factors that will further decrease the Annual Allowable Cuts (AAC). However, despite declining AAC’s, there is still the possibility that softwood roundwood production will increase in the future in Eastern Canada as current harvest levels are far below sustainable levels.

The more than decade-long infestation of the Mountain Pine Beetle in Interior British Columbia is coming to an end. Harvest levels are predicted to fall over the 2016-2030 forecast period, though log supply for the local sawmills could be modestly augmented by slightly increasing harvests in Coastal BC and a likely reduction in log exports to the Pacific Rim.

Another of the study’s conclusion is that lumber exports from Eastern Canada to the US are likely to increase substantially between 2017 and 2030. The in-depth analysis showed

some interesting results in terms of Canada's role as a future lumber supplier to the US. This was particularly true in the study's high demand scenario.

The main contents of the comprehensive 218-page study include:

- Demand forecasts of softwood lumber in the US from 2017 to 2030.
- Projected domestic and international suppliers that will meet US softwood lumber demand during the forecast period.
- Supply Curve Analysis with alternative scenarios of lumber supply and demand.
- Conclusions and Sensitivities.

*The new multi-client study “**Future Suppliers of Softwood Lumber to the US Market – Supply and Demand Outlook 2017-2030**” is published by ForestEdge LLC and Wood Resources International LLC. For more information about the study or to inquire about the purchasing of the 218-page report, please contact either Robert Hagler (robert@forestedgellc.com) or Hakan Ekstrom (hakan@woodprices.com).*

More information about the study, including the table of contents, and subscription costs can be found at our website. [Click here!](#)

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