import/export timber products' stock exchange

Veneer Logs – 4 sides clear
2 x 40' Northern Red Oak 15"+
2 x 40' Ohio White Oak 16"+
2 x 40' Cherry 14"+
Veneer Logs – 3 sides clear
3 x 40' Hickory 14"+
3 x 40' Northern Red Oak 14"+
5 x 40' Ohio White Oak 16"+
3 x 40' Cherry 14"+
Cherry
5/4 Prime KD Rgh
6/4 Prime KD Rgh
4/4 SEL KD Rgh
8/4 Prime KD Rgh
4/4 Sel&Btr KD Rgh
Yellow Poplar
4/4 #1C KD
4/4 #2C KD
Sycamore
4/4 #1C #1C&Btr Qtr&Rift KD Rgh
White Oak
4/4 Sel&Btr Rift 4" Strips KD Rgh
4/4 Sel&Btr Qtr KD Rgh
4/4 #2C Rift&Qtr KD Rgh

Contact: Ed Hershberger
Yoder Lumber Company Inc.
4515 TR 367
Millersburg, OH 44654
Voice: 330 893-3121
Fax: 330 893-3031

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8mm. 97.5 x 4
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462 to 1,400 pieces
Alder
5 face styles
99 to 1,115 pieces
Maple
6 face styles
320 to 873 pieces
Red Oak
8 face styles
66 to 520 pieces
Cherry
6 face styles
77 to 2,540 pieces
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(50 x 75, 50 x 87, 50 x 123, 62 x 99) and Cross-grains (99 x 38, 99 x 50) available. Call Lazy S Lumber for complete lists.
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Veneer Logs - 4 Sides Clean
2 x 40' Northern Red Oak, 15" /up
2 x 40' Pennsylvania Cherry, 14" /up - grade A
2 x 40' Pennsylvania Cherry, 14" /up - grade A-B
2 x 40' Nortthern White Oak, 14"/up
Veneer Logs - 3 Sides Clean
5 x 40' Pennsylvania Cherry, 13" /up
5 x 40' Northern Red Oak, 13" /up
2 x 40' Northern White Oak, 13" /up
Northern Appalachian Hardwood Lumber - Kiln Dried
4/4 Pennsylvania Cherry - Prime and Comsel grades
4/4 and 5/4 Red Oak - Prime and Comsel grades
4/4 White Oak - Prime and Comsel grades
4/4 Hard Maple - Prime 1+2 White and Comsel grades
4/4 Soft Maple - Prime and Comsel grades
4/4 Ash, Beech, and Poplar - Prime and Comsel grades

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4/4 Hickory Prime	4/4 White Oak 1C
4/4 Hard Maple Prime	
4/4 Poplar Prime	
8/4 Poplar Prime	

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5/4 Sel/Bet 6,411
6/4 Sel/Bet 7,096
8/4 Sel/Bet 3,598
Cumala
5/4 1C/Bet 3,370
8/4 1C/Bet 3,530
Genuine Mahogany
4/4 FEQ 1,882
6/4 FEQ 2,361
6/4 Sel/Bet 477
Jatoba
4/4 Sel/Bet 14,085
5/4 Sel/Bet 8,553
Santos Mahogany
4/4 Sel/Btr 2,569
6/4 Sel/Btr 2,322
8/4 Sel/Btr 4,828
Sapele
4/4 Sel/Btr 3,470
8/4 Sel/Btr 6,305
Spanish Cedar
4/4 1&2 COM 1,150
5/4 1&2 COM 131
6/4 1&2 COM 5,102
8/4 1&2 COM 3,053
8/4 Sel/Btr 11,395

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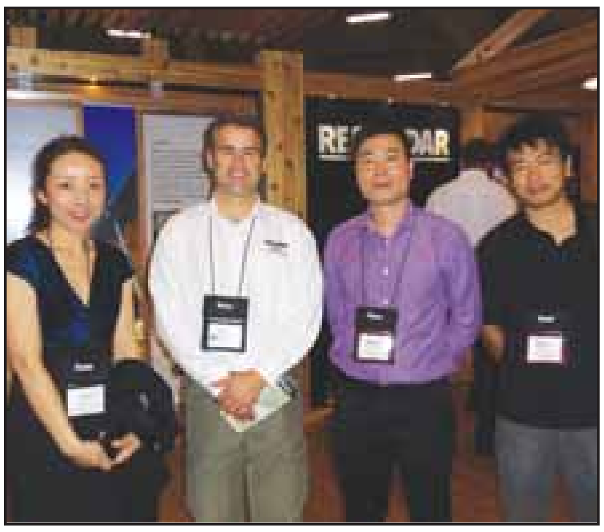
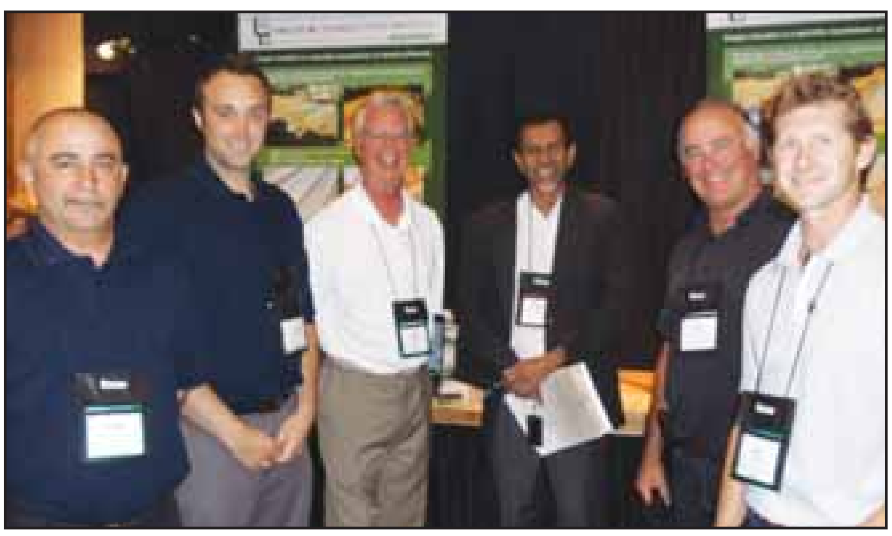
GLOBAL BUYERS PHOTOS - Continued from page 14



Sylvia Sun, International Trade & Investment Office, British Columbia; Greg Smith, Gilbert Smith Forest Products, Barriere, B.C.; and Qinglong Chen and Jiashun Chen, Shanghai Zhenlin Trading Co. Ltd., Shanghai, China

Joe Petree, OrePac Building Products, Tacoma, Wash.; Jack Alley, OrePac Building Products, Wilsonville, Ore.; and Dennis Wight and Tyson Palmer, Pacific Western Wood Works Ltd., Delta, B.C.

Noriyoshi and Reico Aoshima, Toyo Enterprise Co. Ltd., Japan; Dean Fedoruk and Sam Satosono, Andersen Pacific Forest Products, Maple Ridge, B.C.; and Masayo Mori, Toyo Enterprise Co.



Louis Hoy, Nathan Hansen, and Phil Lemon, Oregon-Canadian Forest Products, Surrey, B.C.; Abdullah Sani Shaffie, Kompleks Perkayuan Kelantan SDN BHD, Malaysia; Jack James, Architect, Victoria, B.C.; and Jason Loewen, Elykwood, Langley, B.C.

Jan Fu, China; Yong Wang, Dalian Longhua Wood Products Co. Ltd., China; Brett Li, Cowichan Lumber Ltd., Vancouver, B.C.; and Laura Chalke and Shane Carphin, Cowichan Lumber Ltd., North Vancouver, B.C.

FORECASTS - Callendar

Continued from page 15

the largest and most frequent purchaser of U.S. hardwoods. As the market in China increasingly uses higher grade lumber, it might be a little easier to get price increases as well as helping U.S. suppliers to move their entire inventory and not just the lower grade lumber.

2012 will probably see greatly reduced ocean vessel availability as the steamship lines continue to try to be profitable by reducing their capacity. This will not make life any easier for our logistics folk who are trying to get a heavy product moved over long distances inexpensively and in a timely fashion.

W. M. Cramer International will continue to look at each and every order to find the best way to keep their customers pleased while continuing its long and successful operations. We will work towards improving our relationships with not only our customers, but with our transportation and financial partners, all of whom have helped us get to where we are today.

•

FORECASTS - Xóchihua

Continued from page 4

American economies are still stronger and exports of timber to U.S. is reduced in line with increased demand for in-country domestic use. Southeast Asian supplies' availability continues to fluctuate with seasonal monsoon, licensing issues, etc.

Shipping – cost is always the issue! Fuel costs! Service and availability as well.

We continue to work our established areas while developing one or two new product items to add. In 2011, decking and kiln stick business has been significantly increased.

•

FORECASTS - Beard

Continued from page 4

past 3-4 years. Thank goodness for that because it has caused us to be able to manage sales and inventories a little better this year. We believe that in 2012 we will continue to see some growth. There is still decent demand for many hardwood species. The main concern that we have is in Red Oak. At the time of this writing, Red Oak has been in a free fall for the past 60 days. We are hearing from many of our suppliers that efforts are being made to keep some of the Red Oak supply off the market to stabilize prices. How long mills can do this is unknown because Red Oak still represents a large percentage of the cut in this area. With the exception of Red Oak, heading into winter there are not huge inventories of kiln dried lumber. For the third year in a row expect a supply driven market for the first half of the year.

In this area, lack of timber sales and lack of financing continue to dominate the landscape. Because of this, our tendency to overproduce in good markets will be kept in check. We will continue to see our growth in the export markets. I just don't see much good coming from our domestic markets as the mess in Washington continues to plague our economy.

As always, our industry continues to work hard to face problems that arise. It's been interesting following the hardwood check-off promotion effort. Without a doubt we as an industry need to do a better job telling our story and promoting our products. How we accomplish this fairly is where we struggle to come together right now. Hopefully in the next few months we can figure out a way to accomplish this.

Congratulations to all in the hardwood industry that have "weathered the storm" over the past few years. Our industry was one of the first to experience the Great Recession and hopefully we'll be one of the first to lead our country out of it. Keep your heads up for new opportunities and good fortune in 2012!

•

FORECASTS - Newton

Continued from page 4

tually you're going to get something. Persistence pays off.

Business is on an upward trend. There have been some manufacturing plants come back to the U.S. and that has helped quite a bit. We market to case good manufacturers both in the U.S. and overseas. Ocean freight costs are increasing along with domestic fuel. In 2012 I believe Asian markets will remain about the same but I'm not as certain about European countries.

We've been able to bring in different species to offset the low cost of Poplar this year. We do the majority of our shipping with our own trucks but we do use some outside carriers. So far we haven't had a shortage of trucks. Of course that has a lot to do with the fact that we do our own shipping. Many others I've spoken with are having availability issues with trucks.

In 2012 I don't expect we'll see much of a change in our purchasing practices. I think the best we can hope for moving forward from this recession is a slight increase or at least a year comparable with 2011.

•

Tony Love
Gilco Lumber International
Roderfield, West Virginia

I believe that we will see improved business for the first part of 2012 because I think production will be drastically lower this winter. With reduced production I think we will see higher prices for lumber even though I don't see any increase in demand coming in the near future.

Shipments have increased considerably for us in 2011 but I think our year will end on a decline since the Chinese new year is happening earlier this year and this will affect everyone's shipments ending 2011.

I think the challenges for us in exporting in 2012 will be in container availability, ocean rates and trying to remain competitive in pricing in this global market we are in. We have not had any issues with shipping.

We've had to offer some new products such as a "mixed grade" in some species and we are doing more width sorting than we have in the past.

•

Craig Brouyette,
Sales Manager
Pike Lumber Company
Akron, Indiana

At Pike Lumber Company we are optimistic about our export business in 2012.

Our export sales have been strong and growing the past few years. We attribute this to our effort in stocking and maintaining a large, diverse inventory of high-grade, kiln-dried hardwood lumber. This inventory consists of thicknesses ranging from 4/4 through 8/4. We also produce 10/4, 12/4 and 16/4 in a few species.

Our operating area of Central / Northern Indiana and Southern Michigan produces some of the best quality North American hardwoods. We produce large volumes of Walnut and Rift & Quartersawn White Oak.

Some of our other key production species are: Red Oak; White Oak; Hard Maple; Cherry; Hickory; Poplar.

We continue to invest in our people and facilities. We have added personnel to our sales staff. In the past year we have constructed our third, modern sawmill in Milan, Indiana. We have added a third Walnut steam vat, as well as modern boiler controls. Our business plans for 2012 include additional capital investment.

There are obvious concerns in the global market as we move into the 2012 business year. Our economy is now the world economy. The outlook for this new, world economy changes from week to week, from negative to positive (more negative lately with concerns of Greece and Italy defaulting on their debts). These ever-changing global concerns do nothing to help buyer confidence in the lumber markets.

Regardless of the above concerns, we are confident 2012 will be a successful year for our company. Our company-wide focus will be set on maintaining sufficient inventory levels, additional capital investment and an emphasis on continuous quality improvement.

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Continued on page 20

FORECASTS -

Continued from page 19

Romel Bezerra
InterSomma LLC
Pembroke Pines, Florida

Our continued participation in various trade shows across this great nation allow us to get a good pulse of the actual market conditions and the feedback we are getting from most of our friends and customers is fairly optimistic. Despite the repeated noises from the big media about the crisis here and in Europe and the imminent doom and gloom of the world economy, I am learning that companies, which continue to be aggressive, proactively pursuing innovation and doing the right things are prospering and in very good shape. Unfortunately, companies that are still insisting on the old ways and refusing to adjust are dropping right and left and leaving many open spaces, which are then quickly occupied by smart and effective operators. It seems that all major economic indicators are not too bad, except for the housing industry, which affects us all most directly. But the fact is that life goes on and some markets are still quite active.

2011 will end up better than 2010, especially because we are implementing some new programs, mostly directed to or from emerging countries, and that will certainly help to compensate for the difficulties we face domestically.

The most difficult challenges we may encounter in 2012 will probably be consequences of the artificial (to some extent) negative perceptions of the marketplace created by the big media or the appalling inability of some well-known politicians to face long-standing problems head-on. Jobs creation and deficit reduction are two major threats that cannot continue to exist if we are to get back on track.

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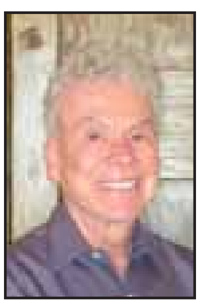

Jim Summerlin
Robinson Lumber Co.
New Orleans, Louisiana

We at Robinson Lumber Company expect the business climate in 2012 to be similar to 2011 because of the negative economic concerns worldwide. At this time there is no evidence that the situation will improve substantially in 2011 with the possibility of some upturn in the second half due to political pressures to improve the U.S. economy before the election. Whether this will be a major factor or successful is anyone's guess.

Our overall business in 2011 was about the same as in 2010 but more spotty. Some months were quite positive followed by months of disappointment.

Besides lackluster demand, continuous, reliable supply remains a problem. Customers being uncertain of the future are expecting us to carry more inventory because they are reluctant to purchase large quantities. This not only challenges our cash flow but also our storage capacity.

We have noticed that shipping lines have been more bureaucratically staffed with people who don't know the business. In addition, current freight rates are not always fully clarified reflecting the true total container cost due to unexpected surcharges and hidden fees.

RLC has been diversifying to help meet more of our customers needs, especially with imported flooring. We also have enlarged our sourcing worldwide, relying less on any particular country for supply. We feel these changes will make us more effective during these challenging times.

•

Sally Johnson
Batey Ltd.
Mount Pleasant, Iowa

As for challenges in the export/import wood industry, it can't be a sense of desperation that we portray. Somehow we've got to attack these markets. Our lumber industry has rules that we've put into place. Getting them to be receptive to that on the other end, to me, that's going to be a challenge. When this is done we'll be able to feel more confident. I think the whole world is in such a turmoil that even though you may have these purchase orders for 20 or 30 loads, or however many loads, I don't think purchase orders really mean a lot any more.

We kind of come across as a desperate exporting nation. You know we used to be about 95 percent domestic, 5 percent export and that's like 30-70 now. That's a big transition in a small amount of time, and the whole world knows it. So I think that will be one of the biggest challenges we face is that we're not desperate exporters, that we are able to establish some rules and to have some respect.

•

J.T. Kim
Johnson International Industries
Kent, Washington

Our main import/export challenge in 2012 will be the pricing. The customers are asking for low prices and supplies are holding on. So the pricing will be the main thing for us, not making enough margin, and we have to take the low margin. Customers don't keep much inventory so they want to get the cargo quickly. They keep low inventory.

In regard to shipping, we have a problem with when we export, we ship it without down payment and the cargo arrives and we don't get paid quickly. Some shipping lines have good rates but we cannot get containers and then we have to pay higher rate. We make a quotation based on lower rate, and we end up paying higher than what we estimated, so our cost goes up.

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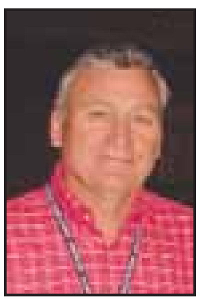

Craig Miller
Battle Lumber Co.
Wadley, Georgia

I believe the domestic hardwood business will stay relatively flat for 2012 due to the housing market. Until the housing market improves substantially, it will continue to be difficult to sell good volumes of lumber to any end user such as flooring, cabinet, and millwork companies. Our company's flooring plant will continue to limit purchases of lumber from outside mills until flooring demand increases and stability is achieved in the marketplace. As I always say, "If no one is building houses, no one is buying wood flooring."

The export markets should maintain strength into 2012 and beyond. China had stopped purchasing lumber in any volume in July due to large volumes of inventory and the government induced slowdown of the economy. However, beginning in October, shipment volumes have returned to almost 2010 levels, but unfortunately at much lower lumber pricing. Because shipments have resumed, this means China is again using good volumes of lumber. This should increase demand of hardwood lumber and prices will increase going forward into 2012 as it is my belief that supplies of in process lumber are in relatively short supply.

2010 as a whole was a much better year for us than 2011. Early 2011 was quite strong but fell drastically in mid-year until the beginning of October.

The largest challenge facing any export company at the present time is the worldwide financial turmoil we find ourselves in today. Along with these financial issues comes credit problems and the inability for customers to pay or secure bank credit. We have to be extremely careful of the financial strengths or weaknesses of our customers.

Availability of container equipment is always a challenge. Obviously, along with equipment volatility, ocean freight prices will always be unstable and it will continue to be difficult to price and confirm long term orders.

Battle Lumber has always been focused on supplying high quality lumber that allows our customers the highest yield possible from each grade. Our company was the leader in supplying large volumes of width sorted lumber in any specie or grade and we will continue to make improvements for our customers' benefit. We believe that when the lumber market is most difficult is the time the mill should supply the highest quality of lumber available in the market.

•

Orn Gudmundsson Jr.
Northland Corp.
LaGrange, Kentucky

We're looking for a very modest improvement in 2012 and I guess the reasons would be because there's no real catalyst for any kind of growth. In general, supply chains are still relatively empty and I would say that there's still a slight level of growing demand out there. But it's not being driven by anything more than just some modest organic growth.

For us 2011 was better than 2010 because we experienced a slight increase in sales. I think our strengths in 2011 would be a pretty diversified inventory, diversified customer base, attention to quality and service.

As for challenges going forward in 2012, I would say that working capital is going to be challenging for a lot of our customers because pricing is going up and just to process the same amount of wood, they will need to hold more in inventory and their accounts receivable will go up from a dollar standpoint. The buyers of hardwood lumber are going to see themselves with some challenging working capital needs and I don't see the banking industry or the profits coming from these companies coming around fast enough to take care of their working capital needs in a meaningful way. So I think that the biggest challenge we'll see going forward in general as wood exporters is kind of making sure that the customers have working capital needs that are gonna be complicated. I'd say that in many cases there's more risk during the upturn, that companies that go out of business as opposed to right now.

It will be very difficult for everyone to manage their working capital needs because we can see prices go up 30, 40, 50 percent or something like that over a relatively short period of time and you have an increase in volume and you have people that are starved for orders. They're going to take the orders so people will probably take as much business as they possibly can, but they will find they don't have the cash to handle all of it.

I think we'll live for the next several years in a deleveraging environment where governments and companies and individuals are all trying to deleverage to a certain extent. That's going to slow growth down. I think that that growth though – that slower growth – is very healthy and I think it's going to start the next 5 or 10 years. I think we could be in for a sustained moderate period of growth worldwide and, unfortunately, I think a lot of that growth will be driven by population growth demographics rather than economic.

•

Nathan Osborne
Osborne Forest Products
South Pasadena, California

In general I am optimistic. We have to be to stay in this business.The last three years have tested all of us. Sales are inconsistent but improving. The people that are left are the ones that are seriously committed and it is good to work with these people.

2011 is ending better for us than 2010.

A challenge we see in the export/import wood industry in general in 2012 is the Lacy Act and the general predatory nature of our border protection.

I am concerned that the freight rates will keep making things challenging.

We are doing more custom milling and smaller orders. A lot of the orders have special requirements for each individual customer. We cater to the individual needs of our customers.

•

Bill Germann
ROLCO Pacific Inc.
Seattle, Washington

Our business forecast for 2012 is very good! I am exporting softwood logs to China from Alaska by breakbulk vessel and from Washington by container and the market is fairly good.

The China log market is ending the year with an over supply – there is a surplus of logs, and ships are having to wait to unload. There will be few logs purchased until after Chinese New Year and those that are bought will be at distressed prices. But overall it has been a good year with some very good pricing in the 1st and 2nd quarters.

For the China market there is a possibility of Russia getting back some of their lost marketshare and over supply problems again in the 3rd and 4th quarters.

Containers rates have just increased another $100 from west coast ports and if oil continues upward, shipping costs could hinder export volumes from the U.S.

•

Eugene Walters
Rolling Ridge Woods
Parkersburg, West Virginia

I remain optimistic for 2012. Primarily because I wish to be positive in spite of the global economy and tough business conditions! Business remains extremely challenging and it takes hard work and commitment to be successful. 2011 has shown an improvement over 2010 for us.

There are many challenges we face. Rising costs and the market price is steady at best. Cash flow seems to be an issue for everyone. The U.S. housing market HAS to rebound one of these days, doesn't it?

We have had some aggravations with shipping, but no huge issues at this point in 2011.

We continue to emphasize that we exceed our customers' expectations. And take care of our long-term partners.

•

Alfred Mayo
Parton Lumber Co.
Rutherfordton, North Carolina

Our business forecast for 2012 is hopefully somewhat better. I understand the foreclosures have slowed down some. Maybe that indicates people are working more and able to meet financial needs.

2011 is ending with an approximate increase of 19 percent over what 2010 did for us.

A challenge we foresee in the export/import wood industry in general for 2012 is having to deal with low prices people are wanting to pay.

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DEER PARK -

Continued from page 5

board feet and an annual production of approximately 12 million board feet. The average lumber inventory available is 2.5 million board feet, log inventory is approximately 800-950,000 board feet to allow about a three week turn around to prevent defects and staining in log form. The kiln-dried warehouse will hold about 3.5 million board feet.

Sales and Purchasing Representative Cam Koons said the company also installed a new dry grading line. "After entirely removing our old line, we installed a grading line that grades from the end of the board, with two graders versus our old waterfall system which had one grader. With this new line our goal is to process 50 to 60,000 board feet of lumber daily."

Koons explained how the new grading line operates. "The first thing it does is the lumber goes through a reader to measure the board footage, so the graders have a LED right in front of them telling them the surface measure of each board so they don't have to worry about surface measure, all they have to think about is grade. Next they push the button for grade and it has the shark fin turners so they don't have to turn the boards, they are automatically turned for them to look at both sides. It's set up so if the first grader misses a board, it flips it for the second grader to grade. If it doesn't get graded it's printed with an error message so it's brought back around and regraded."

"It also helps train our new graders," Zona added. "Our most experienced grader is the second grader on the line and this equipment helps him identify the grading mistakes of the junior grader and he can stop and explain what the mistake

Continued on page 21

DEER PARK -
Continued from page 20

is." Manufactured by Kincaid Automated Rough Mill Systems Inc., Hudson, N.C., Koons said Weinig installed the software used to run the equipment. "Control Logics is the software package. Weinig has tied it right into our lumber track system, so as a pack is finished, it goes right into our inventory, so when the pack is complete, it prints the pack with a barcode and automatically updates our inventory system online."

At the firm's air drying yard 6-inch steel rods reinforced cement tops are placed on the lumber, which follows the lumber through into the kilns keeping the top two layers from twisting and warping. "It keeps the lumber nice and flat," Koons noted.

Deer Park's history of providing quality lumber dates back to 1965 when John Davenport and Henry Kalinowski established D & K Lumber Co. on Deer Park's current mill site. Cutting 8,000 board feet per day, a second sawmill was installed in 1972, which increased production to 10,000 board feet per day.

The Deer Park Lumber Construction Company purchased D & K in August of 1972. The partnership incorporated in 1978 and became Deer Park Lumber Inc. By 1982 the firm was purchased by Ronald Andrews, who, according to the company history section of Deer Park's website, would forever change the dynamics of the operation by leading the way for it to become the prosperous business it is today.

Andrews and his family manage the business today by promoting self-growth, customer service and quality. Because of his dedication to sustainable forestry for both the state of Pennsylvania and the rest of the country, Andrews purchased and donated a truck and trailer for the WoodMobile, which travels Pennsylvania as an educational exhibit.

The company also added a forestry division that helps individuals make informed decisions where their woodlot is concerned thereby preventing the total destruction of forestry resources. Notably Deer Park Lumber is also one of the few companies that has an educational coordinator who hosts school tours of the sawmill and presents a forest products educational program to students in their classrooms.

"We are focused on keeping up with technology in our equipment and sawing practices to insure full utilization of all the logs processed," Zona explained. Attention to detail and changeable specifications are an example of what we offer, for example, our 4/4 lumber end sawn on the plump side of 1 and 1/8-inch to give our customers more to work with when machining. We are focused on building lasting relationships and will work hard to insure our customer's needs are met. We know our success depends on our customer's success!"

Deer Park Lumber Inc. is a member of the National Hardwood Lumber Association (NHLA), Penn-York, Northern Tier Keystone Wood Products Assoc., Indiana Hardwood Lumberman's Assoc. (IHLA) and Northern Tier Hardwoods Assoc. For more information visit www.deerparklumberinc.com.

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DEAN ARTICLE -
Continued from page 6

to do to be more successful because of the new rules and regulations we have to deal with concerning healthcare and taxes. Part of our success will depend on what happens in Washington.

•

REDD -
Continued from page 8

primary forest. Part of the concession will be set aside and protected. The bulk of the property will be managed carefully to maintain the carbon sequestration, biodiversity, and community benefits of the forest to the greatest extent possible. The sustainable forestry component has already been certified by the international Forest Stewardship Council. The carbon sequestration value of the project will be certified internationally by the Verified Carbon Standard (VCS). The biodiversity and community benefits of the project will also be certified internationally by the Climate, Community, and Biodiversity Alliance. The result will be a project where buyers of verified emission reduction credits can be assured that the value of the project is real, independently verified, conservatively measured, and a net positive benefit to both biodiversity and communities.

Bozovich has partnered with Forest Carbon Offsets LLC (FCO), a developer of forest carbon projects in the tropics. Bozovich is an award-winning leader in sustainable forestry practices, and FCO is a U.S. company that has successfully received certification for the first VCS REDD project in the tropical Western Hemisphere. The partnership between the two companies has resulted in an extremely strong team that can successful integrate the emerging carbon markets into the forest products industry in Peru.

The forest products industry is poised to be a major player in coming decades in the global climate change challenge. Well-managed forests sequester carbon, protect biodiversity, and provide livelihoods for local communities. The world is unlikely to limit global warming without first addressing deforestation and forest degradation, and the forest products industry is clearly a major player that must be engaged to achieve success.

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BUSINESS TRENDS (ABROAD)

Japan—Tropical log prices quoted for the Japanese market, which had been falling since June, have leveled off according to the Japan Lumber Reports (JLR). This, the JLR said, is because buyers in India and Taiwan P.O.C have become more active in the market.

Tropical log suppliers in Malaysia have become more bullish and are moving to raise prices across the board. Meranti regular log FOB prices are up by US$10 per cubic meter. FOB compared levels in August.

The JLR reports that current price quotes are at US$275- 320 per cu.m FOB for regular Meranti logs. Prices for small and super small Meranti logs have also moved up by around US$5 per cu.m.

In a reaction to the latest round of increases Japanese buyers indicated that US$300 per cu.m FOB for Meranti is too high for this market and that at this price the consumption of tropical logs in Japan will start to decline. In the producer regions in Southeast Asia, the rain season is approaching so log supplies will fall again over the next few months and this shortage will result in further price increases in the short term.

In the wholesale market in Japan Meranti regular log prices recently peaked at Yen 10,000 per koku, but with the combined effect of weakening FOB prices and the appreciation of the Yen, the prices are now 9,200-9,300 yen per koku CIF.

Total housing starts in Japan recently during August were 81,986 units, 14 percent more than the same month a year ago reports the JLR. This represents five consecutive monthly increases. It was found that monthly housing starts were over 80,000 units for two straight months.

Japan Forestry Association offered suggestions for revising taxes. Groups within the Japan Forestry Association recently had the opportunity to present suggestions for revising the tax structures for forestry and forest industry enterprises. To promote revitalization of the forest and forest industry sectors the Association submitted the following suggestions.

• Establish a new tax system to promote maintenance of the forest and utilization of wood.
• Establish a new structure for payment of inheritance and gift taxes.
• Set up a tax exemption or refund measure on taxes imposed on oil and coal.
• Extend the reduced tax on light oil transaction tax.
• Expand the special tax measure on business office tax.
• Reduce the property tax.
• Reduce income tax on forest revenue.
• Extend the reduction on income and corporate taxes.
• Reduce consumption tax on wood trad-

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BUSINESS TRENDS (ABROAD)

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ing.

Japanese house builders are increasing the usage of laminated lumber for posts and beams. The Japan Forest Products Journal has once more surveyed house builders on their use of wood products. In its thirteenth survey of 61 house builders it was found that the use of laminated lumber for posts and beams has increased further.

Overall it was found that the use of laminated lumber for house posts amounted to 72 percent, which is close to the record use found in 2002. For beams the use of laminated lumber was found to have increased by 10 percent bringing overall use across the industry to 69 percent.

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Sweden—Sodra Timber, headquartered here, will limit production at two of its sawmills for one week and a number of sawmills over the Christmas and New Year break. "Demand for timber products has fallen, and we have profitability problems. Production capacity must be adapted to fit in with this reduced demand so that we can create the conditions for a price level which will improve our margins," said Peter Nilsson, CEO of Sodra Timber.

Sodra Timber has decided to shut down production at Langasjo and Ramkvilla in week 44. Kinda, Unnefors, Ramkvilla, Orrefors, Torsas and Langasjo will also be stopping production between December 23 and January 9. It is estimated that this will reduce production by a total of 40,000 cubic meters of product. Staff will be offered holidays during these periods.

For more information visit www.sodra.com.

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China—China's 12th five-year plan sets out economic and environmental objectives for the period of the plan. The plan states that the national economy is expected to grow at an annual rate of 7 percent over the next five years and GDP will exceed RMB 55 trillion by 2015.

In terms of forestry the objective is to achieve a forest cover of 208 million hectare to raise the forest cover to 21.66 percent. In terms of growing stock, this is expected to rise to 14.3 billion cubic meters. 'Greening' in urban areas is expected to expand by almost 40 percent. In addition, some 50 million ha. of improved grassland will be established.

Timber production further reduced in Heilongjiang Province and Inner Mongolia. Being the largest two state-owned forest areas in China, Heilongjiang Province and the Inner Mongolia Autonomous Region have been major timber producing regions for a long time. However, due to over-logging for many years the resources have declined and the forest environment has deteriorated in these regions.

To improve this situation these two provinces are going to further reduce timber harvesting during the second phase of Natural Forest Protection Programme (2011-2020). The plan in Heilongjiang Province is to reduce timber cutting from 6.33 million cu.m to 1.54 million cu.m in major state-owned forest areas over the next three years; to improve the environment and to reduce the number of forest farms. This plan will involve relocating around 120,000 people to reduce forest destruction through human activities.

The plan indicates that the state will invest a total of RMB 77.5 billion for the duration of the plan (7.75 billion yuan each year) to support major state-owned forest areas. By 2020 it is anticipated that forested areas in major state-owned forest regions will reach 15.5 million ha., up 3 percent from 2010; the growing stock will increase to 1,550 million cu.m, (up 21 percent) and the forest cover will increase by almost 2.5 percent.

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Finland—Sources in Finland recently reported fairly good news for the timber market. Timber prices were high in comparison to long-term average and all timber grades were in good demand. Stumpage prices remained on the high level achieved one year ago, although a slight month-on-month decrease was recorded. The stumpage price of Pine saw logs was around €55 per cubic meter while Spruce saw logs fetched €56 and Birch sawlogs €42 per cubic meter. The average price of Pine and Birch pulpwood was €16 per cubic meter, and the average price of Spruce pulpwood was €19 per cubic meter.

The forest industry purchased 2.9 million cubic meters of wood from private forest owners in the fourth quarter of 2011. The aggregate purchase volume for the year now stands at 17.8 million cubic meters, with pulpwood procurements accounting for 9.9 million cubic meters and saw log procurements for 7.2 million cubic meters of this.

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Guyana—Firm demand is sustaining favorable price levels for sawn wood here. During the period under review only fair sawmill quality Greenheart logs were exported. In contrast there was firm export demand for all qualities of Purpleheart logs but Standard sawmill quality log prices were lower than for earlier shipments.

Prices for fair and small sawmill quality Purpleheart logs remained unchanged whereas prices for Mora logs were encouraging.

A larger than usual volume of sawn wood exports was recorded in the period under review. Undressed Greenheart (select) quality sawn wood prices improved to US$975 per cubic meter and Undressed Greenheart (sound) quality sawn wood prices were US$847 per cubic meter merchantable quality prices were US$500 per cubic meter. For Undressed Purpleheart (select) sawn wood, prices remained unchanged during this period, as did prices for Undressed Mora sawn wood.

Dressed Greenheart prices remained firm at levels seen a month ago while Dressed Purpleheart sawn wood prices fell from US$1,060 to US$912 per cubic meter. Dressed Red Cedar (Cedro) sawn wood was sold on the export market for US$1,272 per cubic meter. Similarly Dressed Locust (Jatoba, Courbaril) also fetched good prices at US$1,166 per cubic meter on the export market.

Encouraging product diversification will boost domestic manufacturing according to The Forest Products Development and Marketing Council of Guyana Inc. (FPDMC). FPDMC is working to help boost the value-added industry by encouraging product development for the domestic wood-processing sector.

This in turn is expected to create high –end niche markets for these products locally. This initiative is aimed at encouraging the value-added industry to expand the range of products marketed.

Product profiles are being prepared by the FPDMC with the aim of steering entrepreneurs to additional added value product lines and also to build on existing product lines that can be fostered and expanded. This is seen as a cost effective venture and the products produced can be used by domestic consumers as there is at present a housing boom taking place in Guyana. The aim is to keep the products affordable and is made out of sustainable harvested lesser-known species of woods.

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BUSINESS TRENDS (CANADA)

ONTARIO

In Ontario it is business as usual, and as best as you can manage. The winter months will see a slowdown in activities overall, with inventories being maintained to an as required basis. Mills and yards are controlling their inventories to avoid excess supplies. It is reported that green and kiln dried volumes are adequate but not excessive in the marketplace.

The October provincial elections resulted in a minority government for the Liberals by one seat. Recently, Premier McGuinty announced his cabinet ministers, some of which are as follows: Michael Gravelle, Natural Resources, which includes Forestry; Rick Bartolucci, Northern Development and Mines; Dwight Duncan, Minister of Finance; Bob Chiarelli will head up the combination of Ontario's infrastructure and transportation ministries; Kathleen Wynne, Municipal Affairs and Housing, as well as Aboriginal Affairs; Chris Bentley, Energy; Linda Jeffrey will pull double duty for Labour and Responsible for Seniors; Margarett Best, Consumer Services, and Brad Duguid, Economic Development and Innovation.

The Minister of Natural Resources Michael Gravelle said he was pleased with his new role, which maintains the Forestry portfolio. Gravelle was the former minister of Northern Development and Mines and Forestry. He noted that natural resources is a very important ministry in the Liberal gov-

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BUSINESS TRENDS (CANADA)

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ernment, and that it is also important to people in Northern Ontario.

For the past year, forestry operations throughout Northern Ontario have been expressing their concerns about the proposed Caribou Conservation Plan. It appears they are now being realized. New forest management plans for units across the north are showing an immediate impact: marked reductions in harvestable areas, which are attributed to the province's new direction in caribou conservation. Several areas in the north are looking at reductions in wood volumes from 21 percent to 25 percent.

Affected communities and municipal leaders were caught off-guard by these proposed changes. Mayors from many northern communities held an emergency press conference in Timmins recently to voice concerns for communities economically dependent on forestry in that region.

If confirmed, these reductions in wood supply could jeopardize future forest sector investments and eliminate employment opportunities generated from forest activities, which would impact the economy of the 25 northern communities dependant on forestry.

The communities are calling for a "transparent and balanced approach involving the relevant stakeholders" that ensures economic, social and environmental issues are addressed. Collaborative work is needed to revisit the proposed implementation of the Plan, which needs to factor in the impact of wood supply and its corresponding effects on future employment.

A suggested solution would be to have a reassessment of the southern boundary of the Kesagami range by the Ontario Ministry of Natural Resources, by moving the boundary of the range where the caribou is not present. This could be done separately from the current forest management plan, as most agree that the wood supply for the next 10 years is adequate for current needs.

The reduction in harvestable areas is also evident in other parts of the province where additional protective measures for endangered species also resulted in the loss of available forest areas. While forestry is the sector most impacted by the regulations, it says it is not posing a threat to endangered species.

The forest industry warned all along the process that the inevitable widespread reduction of harvestable forests would result. The industry feels that the social and economic pillars are being ignored by the Caribou Conservation Plan.

"Ontario residential construction activity has moderated for a second consecutive month. Uncertainty in global financial markets, slower job growth and more choice in resale markets should temper the pace of construction activity in the months ahead," said CMHC's Ontario Regional Economist. The Ontario preliminary Seasonally Adjusted Annual Rate (SAAR) of home starts across urban centres inched lower in September. An estimated 63,000 residential housing units got started, down from a revised 65,300 units in July. Single detached home construction remained steady while multi-family home construction, which includes semi-detached homes, townhomes and apartments edged lower. More major urban areas posted increases versus declines from the same month one year ago. For the year ending September, new home construction in Ontario urban areas is running 13 percent above levels this time last year.

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QUEBEC

Businesses are operating with cautious optimism, with most companies reporting purchasing only what they need, and mills carrying minimal inventories going into the winter months. There is also uncertainty as it relates to the U.S. housing sector and when it will start to rebound and as to when the economic turmoil will ease. Those in the hardwood lumber and forestry sectors feel it will improve; they just don't know when.

Established business activity is somewhat depressed, and trying to find new customers is harder to accomplish, comment some contacts. Some say they are faring well despite the difficult economic situation, as demand for the regionally important species Hard Maple has been holding up. There appears to be a balance of supply and demand for this species.

Demand for Aspen has been based on ongoing business between established buyers and sellers, with volumes remaining consistent.

A slowdown in China's trade growth is raising fears that the driver of the global economy is cooling, and could drag on Canada's sluggish economy. Reports show that exports from China increased at the slowest pace in seven months in September, as demand from Europe and the U.S. waned, and a stronger Chinese currency pinched manufacturers. The pace of import growth also slowed sharply, increasing concerns that demand for materials from resource-rich nations such as Canada will decline.

It is not a good sign when China is vulnerable to slowing growth in Europe and the U.S., as these new markets for Canadian exporters will not be immune to a downturn. U.S. and European customers have reduced orders and it is reported that those from Europe in particular are having trouble securing financing. Orders from emerging market customers remain strong but there are growing concerns of a slowdown.

The impact from China is not yet seen, but falling commodity prices are an indicator of slowing economic activity, which will impact global demand. Canada's recent trade figures show that exporters and manufacturers are continuing to diversify away from their reliance on the U.S. market, which now accounts for 70 percent of Canadian sales abroad – the lowest share since 1982. Trade with countries other than the U.S. rose for a fourth-consecutive month, Statistics Canada said in October, soaring almost 8 percent to a record $11.2-billion.

The Bank of Canada Governor and other leaders urged businesses to avoid feeling "paralyzed" by global uncertainty and to forge ahead with plans to make themselves less dependent on the U.S. and Europe, where demand could be sub-par for years.

Canadian companies are turning towards Export Development Canada, the government's export-financing arm, and making use of it's established trend of diversification to help them with new markets. A CIBC World Markets economist said that by 2020, the U.S. share of Canadian exports will have fallen to 60 percent, with 90 percent of the difference going to emerging markets.

Though China's trade growth is slowing, most economists expect third-quarter GDP growth above 9 percent and predict the world's second-largest economy will avoid a "hard landing." Canadian firms are relying on long-term growth in China.

The Bank of Canada commented that the global economy has slowed markedly along with an increase in financial market volatility and a cutback in risk-taking.

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BUSINESS TRENDS (U.S.A.)

NORTHEAST

Northeastern hardwood lumber suppliers report sluggish market conditions. Citing weather and a sluggish economy as contributing factors, a source in New York said, "The weather has a lot to do with production in this region. Logs are in short supply because the loggers can't get to the logs."

He noted downward pressure on pricing. "When the weather improves we'll start driving the price of green lumber back up."

When asked about transportation issues he mentioned gas drilling and steel pipe loads for the Marcellus Shale are continued competition for trucking availability.

"Going into 2012, I think we're headed for more of the same. We've been in this recession for three years. I do green buying and domestic sales and my customers and suppliers are concerned," he confirmed. "I'm trying to think of a bigger word than concerned. Nobody is fearful but everybody is concerned. This market is uncharted. There's really no direction. We're swinging from one side to the other and it's challenging trying to figure out where you need to be."

In Pennsylvania a source added, "It's pretty difficult to take a look at the future of where this market is going. Trying to figure this market out is very cloudy right now. It's very hard to see where we're going in the future.

"We have to pay close attention to what we

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BUSINESS TRENDS (U.S.A.)

Continued from page 23

need as a company to remain lean," he continued. "It seems like there are constant changes to orders right now and everybody wants something quick and just when they want it. I think everybody is going to be surprised when they find out the inventory is not going to be there when they want it."

A hardwood supplier in Connecticut attributes the housing market to the lack of sales in his local area and globally. "The debt level here in the U.S. and globally is having the hugest impact on our industry. We figure the industry is downsized by 60 percent. So we have 60 percent fewer customers, 60 percent less suppliers and so right now you have to be lean. The entire market and landscape has changed. You have to continue to think of innovative ideas and ways to put lumber together to sell."

Handling all domestic Northern Appalachian hardwoods he said all species were moving about the same. "What we've been doing is keeping diverse inventory of species. Where we used to ship one item on a truck, now we are shipping anything from two to seven items on a truck. We're seeing orders for many different items, different grades, species and everything is very particular.

"Years ago you could buy ahead of time and know that you would sell it at some point and time. But now it's only safe to buy what you need," he remarked.

As for product availability he noted spotty conditions. "We're finding what we need; it's just finding certain species when we're looking for them."

He mentioned his kiln-dried inventories are higher then they were at this time last year. "We are sitting at higher levels than what we had, but we feel there are going to be certain items that are not out there. Once the market does pick up, I don't feel there's going to be enough supply to support it."

A source in New Jersey commented that his export markets are spotty. "Some areas in the world have slowed down but other areas are doing okay. The global market is hard to peg right now. There are so many factors that change so quickly. You may get a large order all of a sudden and it will start chewing up the inventory and when you go back and fill that inventory, the demand will not be there by the time you get that material back in the system. So it's a tough market right now. With this type of market you really have to have a pulse for it."

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LAKE STATES

Sources in the Lake States region report flat business conditions for 2011 as a whole. "We had some spotty trends this year but mostly activity has been about the same as 2010," a source in Indiana said. "I don't notice conditions getting any worse or any better."

When asked what the primary factors for his area were, the source said, "Consumer confidence and availability of substitutes are the two main factors. If you have the right species at hand, certain species are moving and others are not.

"Hickory, Sassafras, Red Oak, and Poplar are moving the best," he continued. "Hard Maple and upper grade Walnut are probably the slowest moving items. One of the largest problems for us right now is cash flow. Our inventory of logs are a little higher than six months earlier; kiln-dried lumber is also higher but our air dried inventory is about the same."

Marketing to manufacturers and distribution yards, he said his customers markets are slow. "The end users are slower than last year at this time, and our distributors are slowing down now," he explained.

"What I see currently is two or three weeks of busy activity and then two or three weeks of slow activity," a contact in Wisconsin said. "I haven't seen anything that is going to change my mind on that being the case for 2012."

The hardwood supplier did say that logging conditions were favorable in the previous two months, providing the market with what he believes may be an excess of lumber that will not be consumed in 2012. "I think we've got to be extremely careful in 2012," he mentioned. "What orders do come through are species specific and much attention needs to be paid to which combinations of species and grades and thicknesses are purchased."

In Michigan a source said Red Oak is experiencing increased competition, although much of the pressure is coming from other regions that are contending with slower exports. "Regardless of the competition in Red Oak, I think if production was higher, it would provide a greater challenge."

When asked about pricing the contact said keeping a close eye on production and inventory have stabilized prices for many items. However he is experiencing some spot shortages.

As for 2012 he doesn't look for a change until at least the middle of the second quarter.

In other regional news, commercial construction sources said activity has increased slightly since the last report. Construction in the Upper Peninsula of Michigan increased recently, according to a labor official. In Minnesota, a telecommunications equipment provider is building a large addition. In Montana, an agricultural supplier plans to expand its research center. According to recent data, however, a survey by a Minnesota building contractors association revealed a slight decline in activity over the past month. Residential construction increased. A bank director also noted strong building activity in North Dakota. The value of residential building permits increased from last year in the Sioux Falls area. A large developer announced plans to build a $100 million apartment tower in downtown Minneapolis.

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SOUTHEAST

Sources in the Southeast region are concerned about the continued lack of demand for wood and wood products. In Kentucky a contact explained, "The largest factor is the price of timber compared with the price of lumber. The demand for wood is low and the price fluctuations are not helping."

Handling Red and White Oak, Poplar, Hard and Soft Maple and Cherry, he said White Oak is moving better than the others. "Red Oak is moving the slowest. You can move just about anything right now, but the price level is so low it's not advisable to do that."

An Arkansas hardwood supplier mentioned he is reducing inventories as the winter approaches. "We're going into winter and the sawmills are not producing anything like they should be, but your kilns keep on running and you keep on sailing with what you got. So we're working our inventory off."

He also noted that his prices are stable, but he doesn't view that as a positive thing. "We're stuck at a point where prices can't get any cheaper because loggers just aren't surviving and you can't afford to pay any more because that doesn't make any sense. So pricing hasn't changed in the last six to eight months."

In North Carolina, a hardwood wholesaler addressed cost of fuel and availability of trucking issues. "The cost of fuel is trending down right now, but availability of trucks is tighter. That's a huge hurdle for some of our customers that are far away."

Marketing to kitchen cabinet, flooring and millwork manufacturers as well as railroad tie producers, he indicated his customers that purchase lower grade material are doing better than others. "Our customers that make ties are going pretty good right now. We've heard from some pallet manufacturers that they have a material shortage. I think that's more of an issue that there aren't enough mills cutting the material that they need versus having a lot more business than usual. The kitchen cabinet manufacturers are slow but the flooring producers are really experiencing a slow down."

When asked about 2012, he predicted, "Log inventories seem to be low all over. Consumer production is going to continue to decrease. Hopefully we'll see certain items turn around. We may have some price increases because of supply shortages."

A Tennessee hardwood lumber supplier said the last two to three months have improved. "The last few months have seen an improvement but there has been a slow constricting of activity. People are showing more concern as we get into the winter months and they are more reserved about making purchases and trying to get their inventory down."

Handling most domestic hardwood species, he noted Hard Maple as his best seller. "4/4 Face and Better Cherry is our slowest item. Our prices are down right now and I anticipate more downward pres-

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BUSINESS TRENDS (U.S.A.)

Continued from page 24

sure in 2012."

Marketing to a diversified customer base he said, "I think before the winter is out there will be a shortage of a few species simply because a lot of the mills have not made large investments in accumulating logs and having large log inventories because they are unsure of what the market is going to do as well.

"It may be January or February but I think we will eventually see a shortage. Some of the species like Face and Better Red Oak that there is so much of out there; I don't think we'll see a shortage in this species this winter. But some of the other species like Hard Maple, Ash and Poplar that turn over quickly will be harder to find."

According to the Federal Reserve's Beige Book, other contacts in the region indicated that economic activity continued to expand at a modest pace. Homebuilders and real estate brokers reported that new and existing home sales remained weak and home prices continued to decline. Commercial developers indicated that construction activity increased moderately compared with weak year-ago levels, and brokers noted an increase in relocation activity.

Weakness in loan demand persisted, according to banking contacts as both consumers and businesses refrained from borrowing. Hiring for permanent positions remained very subdued across most sectors. Pricing pressures moderated somewhat as input costs declined or leveled off.

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WEST COAST

On the West Coast hardwood lumber suppliers report continued flat market conditions. An Oregon contact said housing and employment are the primary factors.

Handling all domestic hardwood species he said Poplar, Maple and Alder are moving better than the others. "Cherry and European Beech are both very slow."

As for availability he said, "At the moment we're in good shape as far as availability. Compared with 90 days ago, our inventory levels are trending down and they will continue to trend down through the middle of the first quarter. Then we'll start adding inventory back in."

He noted pricing is "species specific, but our primary species are trending downwards."

Concerning transportation he indicated fuel costs and container availability have been an issue for some time. "We bring everything in from the east on containers. Availability and cost of containers is always an issue and we don't look for that to change any time soon."

In California a hardwood supplier who markets to cabinet and furniture manufacturers said his cabinet customers report slow conditions. "Commercial work seems to be doing a little better than residential and furniture markets are just flat."

When asked about certified products he explained that he has noticed an increase in inquiries for 'green' products, but there has not been an increase in purchases or demand.

Looking ahead at 2012, the source expects a soft start. "I think the remainder of this year and early next year are going to be soft and I think we may see a pick up in demand late first quarter or early second quarter next year."

Also in California a contact mentioned two items that have softened noticeably. "This Fall all grades of 4/4 Red Oak and 4/4 upper-grade Walnut have dropped," he explained. "We're being inundated with offers for all kinds of Walnut sorts that I'm sure were going overseas earlier this year.

"Looking at a snapshot of hardwood demand in Southern California over the course of 2011 will show a relatively flat line. A week-by-week look, though, will show quick spikes followed by sharp drop-offs. That's what is causing headaches. Paring down inventory is easy. Being ready and able to handle the next quick surge is extremely important because incoming orders have a short shelf life. If you can't deliver in a timely manner, there's a really good chance your customer is on the phone trying to find someone who can."

Contacts in the region said home demand remains weak, and demand for commercial real estate is unchanged. The pace of home sales stayed sluggish throughout the region. According to sources, the large number of distressed properties kept inventories of available homes high, putting downward pressure on prices and the pace of new home construction. However, demand for residential rentals improved, spurring expanded construction of multi-family units in some areas.

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NEWSWIRES

Denmark—DLH Group, based here, announced a rise in first-half profits from DKr42m over DKr39m in 2010.

The Group which reported a largely unchanged turnover on a year ago of DKr1630m, also said it now plans to roll out turther structural changes over the next quarters, including amalgamation of some inventory and sales functions in Scandinavia and the expansion of activities in Hong Kong. DLH's western Europe business reported a rise in profits to DKr31m over 2010's DKr24m. Sources say the American market remains difficult because of the adverse property sector, U.S. tropical hardwood sales were satisfactory, and trade in sheet materials and decking was below last year's level.

DLH booked a DKr6m loss from discontinued operations, primarily as a result of the sale of its United Kingdom operation.

The company said it expects to achieve a turnover of DKr3.3bn and earnings before interest and tax of DKr60m for the full year.

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Langley, British Columbia—Hardwoods Distribution Inc. recently reached an agreement to purchase the assets of Frank Paxton Lumber Co.

The hardwood distributor said the acquisi-

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IMPORT/EXPORT CALENDAR

JANUARY

SURFACES 2012, Mandalay Bay Covention Center, Las Vegas, Nev. Contact: 972-536-6411. Jan. 23-26, 2012.

FEBRUARY

International Builder's Show, Orlando, Fla. Contact: 909-987-2758. Feb. 8-12, 2012.

MARCH

Western Wood Products Association, 2012 Annual Meeting, Embassy Suites, Portland, Ore. For more information: info@wwpa.org. Mar. 12.

CIFM/Interzum Guangzhou, Pazhou Complex, Guanghzou, China. For more information: www.interzum-guangzhou.com. Mar. 27-30.

International Wood Products Association, World of Wood Convention, Miramonte Resort & Spa, Indian Wells, Calif. Contact: 760-341-2200. Mar. 28-30.

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NEWSWIRES

Continued from page 25

tion is expected to bring in $45 million in new annual sales.

Hardwoods Distribution will not acquire any real estate in the agreement, however, company officials said it will be acquiring trade accounts receivable, inventory and equipment.

Chief Executive Lance Blanco said the purchase is in line with the company's efforts to expand its overall marketshare. "Paxton's expertise in architectural millwork provides it with a strong base of customers in commercial and institutional markets, a segment where Hardwoods intends to grow," Blanco said in a recent statement.

"We believe the expertise that Hardwoods brings in import products can also offer positive benefits to Paxton's customer base. In addition, Paxton branches located in Chicago, Cincinnati, and Kansas City represent an attractive entry point into three high-potential markets where Hardwoods does not currently have a significant presence."

Frank Paxton Lumber is a distributor of hardwood lumber and other products. The company has operations in five U.S. cities including Denver, Colorado and San Antonio, Texas.

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Washington, D.C.—A Lumber Check-off Program is set to launch in 2012. North American manufacturers and importers of softwood lumber voted in June of 2011 to create a unified softwood lumber check-off promotion program.

Approved by 67 percent of voters, the program will be funded by an initial assessment of 35 cents per thousand. The first 15 million feet of production or sales by importers is exempt. However, the assessment could be increased later.

"I am gratified and encouraged that this vote demonstrates that softwood lumber manufacturers across North America are committed to working progressively together to build a better future for the industry," said Jack Jordan, chair of the Blue Ribbon Commission and vice president of Jordan Lumber & Supply, Inc., in Mt. Gilead, North Carolina.

Set to begin early this year, the program is expected to generate $14 million annually for research, marketing and communications. For more information visit www.softwoodlumber.org.

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Finland—Stora Enso, based here, recently announced its plans to undertake a unique wooden construction project, also in Finland.

In collaboration with the construction company SRV, "Wood City" was proposed to the Real Estate Board of the City of Helsinki. According to sources, the aim is to create a world-class project where engineering skills can be taught in a practical way along with the ability to develop wood architecture. Built from wood, the City includes office, hotel and commercial buildings.

Anticipated to be completed by 2013, special attention will be paid to solutions that improve energy efficiency in designing and constructing the buildings for the area. Sora Enso plans to supply supporting structures based on its new Urban MultiStorey™ concept for the buildings totaling 20,000 square meters of flooring area within the site.

"Development of the new CLT-based Urban MultiStorey concept has been not only one of the most important building solutions actions in strengthening our strategy, but also the start of a totally new future for construction. The concept which is especially suitable for energy efficient construction, is a more competitive and flexible total solution for our customers than other construction solutions for multi-ple-storey buildings globally. In addition to rapid construction, the major advantage of the concept is cost-effective construction of impermeable, fire-resistant and long-lasting wooden buildings," said Hannu Kasurinen, Executive Vice President, Stora Enso Wood Products.

For more information visit www.storaenso.com

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United States—Seventeen wood related trade associations, including Hardwood Plywood Veneer Association (HPVA), recently signed a letter to all members of Congress in support of the Lacey Act with the theme: "our organizations are commit-

Continued on page 28

Metairie, Louisiana—If your current wood supplier is becoming a hassle, Argo Fine Imports (AFI) may be able to help.

Just ask Kenny MacMaster, who recently caught a 10-foot alligator. "This is alligator season and the Wild Life and Fisheries Department gives out tags to keep the population down," he explained. "We caught nine alligators total, with the smallest being seven-foot and the largest 10-foot."

MacMaster said the alligators are caught with a baited hook. "If you're looking for a wood supplier who can 'sweeten' the deal to get you on the hook, give us a call!"

Don MacMaster, founder of AFI and past president of International Hardwood Products Association (IHPA), has been supplying fine imported plywoods to distributors and laminators since 1979. Their selection of plywood products comes from mills around the world, many of which have had a 20-year working relationship with AFI. The company specializes in importing Lauan/Meranti, Hardboard, Virola, Sande, Teco certified Elliottis Pine and also offer American Red Oak and Birch. They handle thicknesses from 2.7mm up to 28mm.

Argo's product line offers specialty lengths of 70", 80", 81", 90", 99", 100", 102"; as well as the standard lengths of 7', 8', 9', and 10'. With Meranti plywood truckload orders, they offer mixed sizes and lengths.

"Our mission is to provide the finest plywood from around the world at a competitive price, to offer personalized customer-oriented value-added services from sale to delivery, and to make the process of plywood acquisition a turnkey operation," Don said. "We will provide easy access to information on orders from placement to delivery. We maintain the highest integrity standards in the industry."

Argo Fine Imports offers expertise and knowledge of the plywood market that includes industry manufacturers, wholesale and chain retail yard distributors and home centers. Their combined staff has over 100+ years of experience in the industry.

For more information visit www.argofineimports.com.

L to R: Kenny MacMaster, Adam Humbarger, and Robert and Ryan MacMaster with a 10-foot and a seven-foot alligator.

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International lumber company is seeking a self-motivated lumber and log buyer for the global export market.

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WANTED TO PURCHASE - Hardwood Concentration Yard

Wanted to purchase existing lumber concentration yard with dry kilns and storage buildings, dry and green chains on 15+ acre site.

Ideal location would be Eastern United States with good access to major interstate and port facilities.

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Your Classified Ad Here Will Get Results

Contact: Rachael Stokes
stokes@woodpurchasingnews.com

Export Business Development Mgr.

MBA professional with 20+ years experience in forest products export saless/marketing seeks position.

Contact: Thomas Collet at
541-255-3496 or
tcollet@global.t-bird.edu

International Help Wanted

Graf Brothers Lumber & Flooring is seeking a market analyst to research and report on market conditions in Russia for the development of selling American lumber and hardwood flooring. Responsibilities include detailed marketing analysis and submittal of proposals for each region needed, gathering information on current suppliers, price levels, sales, and methods of marketing/distribution. The candidate should have experience or education in consumer purchasing habits and have first-hand experience in Russian culture to create a marketing campaign based on regional preferences and buying habits. Candidate must be prepared to travel and work on own initiative.

Requirements: Bachelor's Degree or higher in marketing or at least 4 years experience in marketing or consumer purchasing habits. Expert level English and Russian. Proficient in Microsoft Word, Excel and PowerPoint.

For more information, please contact:

Damon Graf at dgraf@grafbro.com or send resume to:
P.O. Box 458
South Shore, Ky 41175
Graf Brothers Lumber & Flooring

INDEX OF ADVERTISERS

NEWSWIRES

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ted to maintaining healthy forests in the United States and abroad and stemming the influx of under-priced, illegally harvested wood and wood products into U.S. markets." The letter cited a 2004 American Forest & Paper Association report stating that 10 percent of global timber production was suspected of being illegally produced. In the far background of this action is alleged potential regulatory overreaching in the Gibson Guitar case involving overseas grown exotic woods. According to the HPVA, limited public information makes any additional comments on this case premature at this time.

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Washington, D.C.—Recent reports provided by the National Association of Home Builders (NAHB), state sales of newly built, single-family homes declined 2.3 percent to a seasonally adjusted annual rate of 295,000 units. The decline is from an upwardly revised 302,000-unit rate. "The number of foreclosed homes on the market continues to pose major challenges not just to builders who have to compete against that low-priced product, but also to buyers who need to sell an existing home before trading up to a new one," Chairman of NAHB, Bob Nielsen said.

In other news the office furniture industry reportedly maintained a strong sales pace through mid-year 2011, even amid a sluggish U.S. economic and job growth, as industry wide shipments through June grew 22.5 percent to $4.52 billion, according to the Business and Institutional Furniture Manufacturer's Association (BIFMA). The BIFMA said the increase was due, in part, to delayed client projects. The association's latest outlook suggests the industry should maintain a solid pace in the year ahead, although growth rates will ease as year-to-year comparisons come from the latter half of 2010 when business began to pick up.

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India—Imports of softwood lumber into India have shown a considerable increase in recent months. The leading suppliers, aside from New Zealand, were Germany, Canada and the United States. According to sources, the United States pick up is particularly surprising and marks a significant change in the market, which has been relatively resistant to imports of American softwoods until now. The volume imported from the United States was made up of a range of species including: Douglas Fir (3.2 million board feet), other Pine (1.5 million board feet), Hemlock (1.8 million board feet), and Southern Yellow Pine (5.5 million board feet). Total value of U.S. softwood lumber shipped into India reached USD 7.9 million in 2011, which is considerably more than any other wood products supplied from the U.S.

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United States—A group of U.S. softwood lumber representatives recently traveled to Coventry, United Kingdom to participate in the only event that is dedicated exclusively to the forest products industry. A steady flow of visitors was received at the American softwood booth during both days of the show. The United Kingdom's architecture and furniture competition, the Wood Awards took place during the Timber Expo. A sponsor of the awards, American softwood provided publicity in a highly respected venue.

The Timber Expo trade show was a beneficial experience for those who attended and will hopefully increase exports of U.S. softwood lumber to the United Kingdom.

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OBITUARIES

Everett P. "Bud" Johnson

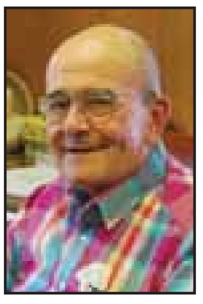
Everett P. "Bud" Johnson, 85, passed away recently. Johnson was born on April 26, 1926, in Marshfield, Oregon, to Philip Everett and Maebelle Ramont Johnson. He was raised in Long Beach, California, and in 1943 entered the U.S. Army Special Training Program in Engineering. He graduated from Oregon State University in 1948 with a degree in Civil Engineering. On June 14, 1949, he married Margaret Eleanor Hall in Portland, Oregon. Bud and Margie resided in Roseburg where Bud went to work with his father at C&D Lumber Co. When his father died in 1956, he took over as CEO of C&D Lumber Co., where he remained active until just recently.

Johnson served on many timber industry boards and was an active member of the First Presbyterian Church in Roseburg. He especially enjoyed serving as Chairman of the Mercy Hospital Board for many years.

Johnson is survived by his wife of 62 years, Margie Johnson of Roseburg, and his children, Phil (Connie) Johnson of Roseburg, Ann Kinzell (John) of San Rafael, California, Dave (Cathy) Johnson of Eugene, Oregon and Pete (Julia) Johnson of Roseburg; grandchildren, Eric Johnson, Davis Kinzell, Nick Johnson, Holly Kinzell, Matt Johnson, Alec Johnson, Fiona Johnson and Quinn Johnson; and great-grandchildren, Mikaela Johnson, Garrett Johnson and Julian Johnson, and his faithful black lab, Sassy.

"Bud will be missed by many people," Bridgid Kennaday, of C & D Lumber said. "He was a person who touched many people in all aspects of his life – in his church, on the many boards he served on, his involvement with the many community projects and activities he supported, and as already mentioned, in our industry and most especially here at C & D Lumber Co. I think all of us who knew Bud would agree that we are truly blessed to have known him.

"Bud was one of the few that really knew first-hand the full cycle of turning a tree into lumber. He worked in the woods logging before coming to work at the sawmill and eventually running the company. Bud was truly a leader and a visionary. It was Bud and his son David's idea to bring a "wellness" portion into what is now our Safety, Health & Wellness Program long before "wellness programs" became the buzzword it is today among businesses and corporations. That vision was born out of a true concern for the health and longevity of their employees and their families."



Donations may be made in Johnson's name to First Presbyterian Church Memorial Fund, 823 SE Lane Street, Roseburg, Ore., 97470 or the Community Cancer Center, 2880 NW Stewart Parkway, Roseburg, Ore., 97471.

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John "Jack" Davidson

John "Jack" Davidson died recently. Davidson was born in Nashville, Tennessee. He moved to California in 1929 and graduated from Hollywood High School in 1938, Northwestern University in 1942, and served in the US Navy in WWII. Davidson also married Betty Martin in 1942. He spent 38 years as a leader in both the domestic and imported wood products industries.

In 1984 Davidson retired from the wood products industry and formed The Davidson Group to engage in the development and management of commercial real estate projects in Southern California.

The family moved to Rolling Hills in 1951 where Jack was an active participant with wife Betty in the community for the next 60 years, serving as President of the Rolling Hills Community Association, a Trustee for Chadwick School, President of Los Cabelleros, and a member of Rancheros Vistadores and the LA Jonathan Club. Davidson is survived by Betty, his wife of 69 years, his children Bill Davidson, Sherry Gentry and Therry Lambert, 6 grandchildren, and 8 great-grandchildren.

In lieu of flowers, the family suggests contributions in Davidson's name to the Peninsula Committee of Children's Hospital, P.O. Box 801, Palos Verdes Estates, Calif., 90274.

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A guide to

U.S. /CANADIAN SOFTWOOD FOREST PRODUCTS EXPORT SUPPLIERS

Import/Export Wood Purchasing News' worldwide circulation is distributed to companies that purchase both Hardwood and Softwood products

A guide to U.S. /CANADIAN SOFTWOOD FOREST PRODUCTS EXPORT SUPPLIERS

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"...what a positive and successful experience...establishing our Ad campaign in your Import/Export Wood Purchasing News...the inquiries and feedback have truly surpassed our expectations!..."

Mr. Terry Miller
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Dear Terry,

"I just wanted to take a few minutes to let you know what a positive and successful experience it has been working with you and establishing our Ad campaign in your Import/Export Wood Purchasing News, as well as the ad we placed in the Export Directory. The inquiries and feedback have truly surpassed our expectations!

This celebrates our 20th anniversary as a company, and in those 20 years we never advertised until now. As a first time advertiser we couldn't be happier with the results. The "extras" that come with the advertising package have been very beneficial and have gotten our name out there. The "featurette" and feature articles that were published were very informative as to who our company is and what we do at Hawkeye Forest Products. Almost everyday we receive a fax, e-mail or phone call from a new company either overseas or here in the U.S.A. who has seen our Ad or read our article in one of your publications.

New business as a result of advertising was our goal and we have certainly achieved that!"

We look forward to continuing our advertising campaign with you...."

Best personal regards,

John Hawkinson
President
Hawkeye Forest Products, Inc.
Boise, ID/Trempealeau,WI

The Hawkinson Family: (from left) Marcus, John, Jennifer Geiger, Marcus John and Kathy.

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