



China absorbs North American lumber, logs

North American wood products exports to China have surged in the first half of the year, particularly in the case of logs from the U.S. and lumber from Canada. Shipments of lumber from the U.S. and logs from Canada also have increased, although they make up only fraction of the North American total.

Statistics for U.S. and Canadian log exports to China have been added to pages 12 and 13, respectively, of Yardstick. (In addition, page 12 now shows U.S. lumber exports to Libya and Pakistan.)

North American exports in general have been strong. U.S. softwood log and lumber exports worldwide through June exceeded the halfway totals of any year since 1997 for logs and 2000 for lumber.

U.S. log exports to China through June exceeded the first-half totals of the previous 12 years combined. In 12 straight months, log exports to China have exceeded those of the same month a year earlier, and the gains have been drastic. Lumber exports to China have exceeded those of the same month a year earlier for 18 consecutive months.

The recent U.S. softwood log export levels are not uncharted territory. Exports from 1982-88 annually surpassed this year's projected total, peaking at 1.1 billion board feet, Scribner log scale, in 1988.

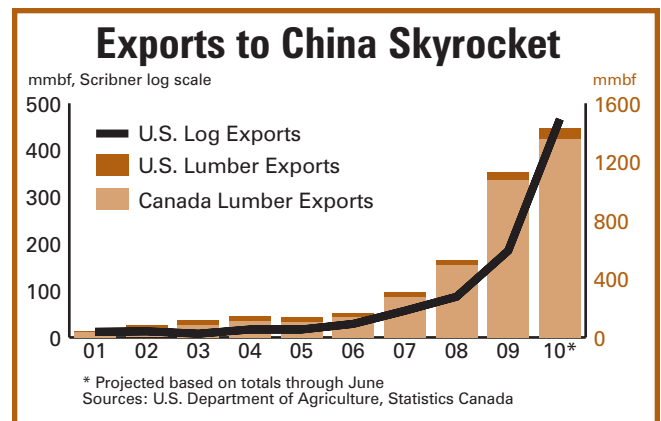
China accounted for 21% of U.S. log exports in the first half, up from 7% for all of 2009, and up from 1%

as recently as 2006. In May and June, China accounted for 31% and 30% of U.S. log exports, respectively. In lumber, China accounted for 7% of U.S. exports, up from 6% last year.

Although Spruce had been the most common species of logs shipped from the U.S. to China since 2005, Douglas Fir ran away with that honor in the first six months this year.

The most prominent species of lumber shipped to China is unclear. As recorded by the U.S. Department of Agriculture, "Other Pine" reached 10 million board feet through midyear; straight "Other" was 8 mmbf. Hemlock was 4 mmbf after leading in 2009 at 13 mmbf for the full year.

Canada shipped 679 mmbf of lumber to China through June, 99% of which came from British



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