2017 FBCWLA AGM

Timber Pricing – Steve Kozuki

Update on Softwood Lumber Trade Case:

- Starting August 28, preliminary countervailing duty (just under 20%) is no longer in effect.
- Right now shipments to the US only need to pay anti-dumping duty just under 7%.
- On August 28, Secretary of Commerce Wilbur Ross announced an extension to the final determinations for the subsidy and anti-dumping investigations, moving the final determination date from September 6 to no later than November 13.
- Secretary Ross stated that the extended timeline would give more time for reaching a durable agreement between Canada and US.

Update on Softwood Lumber Trade Case:

- November 13 is the latest date the countervailing and anti-dumping decisions will be announced. It is entirely possible that the Department of Commerce could announced the decision earlier.
- If the Commerce decision comes out on November 13, we expect the final decision orders to be published at the end of December or early January.
- If the Commerce decisions come out earlier, the final orders will be released earlier too.
- Once the final orders are issued, Canada can then appeal the decision under NAFTA and to the WTO.

What Happened Last Time?

- Complaint in 2000 by US lumber industry.
- Investigation combined duties of 27%.
- Litigation successes.
- Softwood Lumber Agreement.

Woodlot Volume and Stumpage:

- 10 year average volume is 1.9 million m3.
- 10 year average stumpage is $3.7 million.
- If average log price was $70/m3, then $133 million/year of wealth is generated.
- Most of this revenue would be paid out for local goods and services (harvesting, silviculture, etc).
- Sections 8.1 and 8.2 of the Program Report spoke briefly to economic and employment contributions (Report on British Columbia’s Woodlot License Program November 2007).

Log Prices

Interior Log Prices - 3 month ending July 31st 2017			
	SPF	Fir-Larch	
Sawlogs	$ 75	$ 89	
Peelers	$ 103	$ 91	
Pulp	$ 40	$ 35	
Coast Log Prices - 3 month ending July 31st 2017			
	Cedar	Fir	Hem-Bal
H Grade	$ 292	$ 221	$ 85
D Grade	$ 508	$ 697	$ 194
X Grade	$ 107	$ 37	$ 41

Woodlot Volume and Value Billed

Woodlot Licences - Volume and Value Billed*

Scaled January 1, 2007 to August 31, 2017

*all logs, special forest products, species and grades billed to crown, private and federal land including waste and reject. Christmas trees are excluded. For all scale invoiced as of September 29, 2017.

Scale Year	Harvest Volume (m3)		Stumpage ($)
2007	2,647,094		13,964,818
2008	1,507,556		5,097,455
2009	1,603,189		2,006,895
2010	1,843,366		1,745,555
2011	1,514,656		1,068,501
2012	1,890,146		1,330,600
2013	1,550,036		1,449,687
2014	1,627,170		2,040,706
2015	1,783,200		3,392,093
2016	1,639,491		3,039,801
Grand Total	**18,810,358**	**$**	**37,064,650**
Average Year	**1,881,036**	**$**	**3,706,465**
2017 ytd	**1,204,454**	**$**	**1,928,539**

Conclusions:

Woodlots are well-positioned to earn social licence.

Woodlots contribute to local economies.

Woodlots add to tenure diversification.