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Canada

Solid Wood Products

Annual

2004

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Report Highlights:
According to available production data from Statistics Canada for 2004, softwood lumber production is estimated to increase to 81.4 million cubic meters, a 4 percent increase over 2003 levels, as housing starts remain strong and prices remain high. For 2005, production is forecast to decline slightly to 79.0 million cubic meters, as the housing market cools slightly and prices decline. The strong housing market has helped contribute to increased production of furniture, kitchen cabinets, windows and doors. The U.S. remains the largest export market for Canadian wood and wood products and the largest source of raw forest products for Canadian manufacturers.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1]
[CA]

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SECTION 1. PRODUCTION

1.1 Softwood Log Situation / Outlook

Using historical softwood log production data from the Natural Resources Canada National Forestry Database Program and historical softwood lumber production data from Statistics Canada, a lumber/log ratio was applied to the 2003 calendar year and 2004 year-to-date Statistics Canada softwood lumber production data to determine the 2003 softwood log production and the 2004 softwood log estimate. Import and export numbers were obtained and extrapolated from Statistics Canada. Ongoing consolidation and shutdowns in the lumber industry may have an impact on production levels for 2005; therefore Post is forecasting a slight decline in production from 2004 levels. Tembec Inc. has recently announced a temporary shutdown of one of their Ontario sawmills as a result of poor summer weather, which hampered the company's ability to harvest logs. Tembec is also looking at the possibility of temporarily shutting down another of their Ontario sawmills for the same reasons. As a result of the forecast decline in production for 2005, imports for 2005 are forecast to increase slightly, while exports are forecast to decline.

Table 1: Softwood Log Supply & Distribution

PSD Table

Country **Canada**

Commodity **Softwood Logs** 1000 CUBIC METERS

	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	182900	180000	182000	187000	0	183000	1000 CUBIC METERS
Imports	4000	3869	4000	3800	0	3900	1000 CUBIC METERS
TOTAL SUPPLY	186900	183869	186000	190800	0	186900	1000 CUBIC METERS
Exports	4400	4119	4500	3514	0	3300	1000 CUBIC METERS
Domestic Consumption	182500	179750	181500	187286	0	183600	1000 CUBIC METERS
TOTAL DISTRIBUTION	186900	183869	186000	190800	0	186900	1000 CUBIC METERS

1.2 Softwood Lumber Situation / Outlook

Based on the first seven months of available production data from Statistics Canada for 2004, softwood lumber production is estimated to be 81.4 million m^3, up 4 percent from 2003 levels, as housing starts remain strong and market prices remain high. For 2005, it is forecast that production will decline slightly to 79.0 million m^3, as the housing market begins to cool slightly and prices begin to fall. Imports for 2004 were determined through a formula utilizing U.S. exports of softwood lumber from the Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics. Exports for 2004 were estimated using data from Statistics Canada. Exports are forecast to increase by 8 percent for 2004, as a result of the continued boom in the U.S. housing market, increased production and high prices.

Table 2: Softwood Lumber Supply & Distribution

PSD Table

Country	Canada						
Commodity	Softwood Lumber			1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	78700	78158	78000	81383	0	79000	1000 CUBIC METERS
Imports	700	634	500	570	0	550	1000 CUBIC METERS
TOTAL SUPPLY	79400	78792	78500	81953	0	79550	1000 CUBIC METERS
Exports	51000	50826	50500	55340	0	53000	1000 CUBIC METERS
Domestic Consumption	28400	27966	28000	26613	0	26550	1000 CUBIC METERS
TOTAL DISTRIBUTION	79400	78792	78500	81953	0	79550	1000 CUBIC METERS

1.3 Softwood Plywood Situation / Outlook

Using seven months of Statistics Canada total plywood production data for 2004 and based on the assumption that softwood plywood production is estimated to be roughly 92% of total plywood production in Canada, softwood plywood production is estimated to be 2,157,000 m^3, an almost six percent increase relative to 2003 production levels.

Table 3: Softwood Plywood Supply & Distribution

PSD Table

Country	Canada						
Commodity	Softwood Plywood			1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	1920	2029	2200	2157	0	2100	1000 CUBIC METERS
Imports	105	116	100	120	0	115	1000 CUBIC METERS
TOTAL SUPPLY	2025	2145	2300	2277	0	2215	1000 CUBIC METERS
Exports	505	543	700	546	0	545	1000 CUBIC METERS
Domestic Consumption	1520	1602	1600	1731	0	1670	1000 CUBIC METERS
TOTAL DISTRIBUTION	2025	2145	2300	2277	0	2215	1000 CUBIC METERS

1.4 Hardwood Log Situation / Outlook

Using historical hardwood log production data from the Natural Resource Canada National Forestry Database Program and historical hardwood lumber production data from Statistics Canada, a lumber/log ration was applied to 2003 calendar year and 2004 year-to-date Statistics Canada hardwood lumber production data to estimate hardwood log production. Hardwood log production is forecast to be 35.4 million m^3 for 2004, a slight increase over 2003 production levels. Production for 2005 is forecast to decline slightly from 2004 levels. Imports for 2004 are forecast to decline by 18 percent from 2003 imports, while exports are forecast to marginally increase.

Table 4: Hardwood Log Supply & Distribution

PSD Table

Country	**Canada**						
Commodity	**Temperate Hardwood Logs**			1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	32300	34700	33000	35400	0	34200	1000 CUBIC METERS
Imports	2150	2084	2400	1700	0	1800	1000 CUBIC METERS
TOTAL SUPPLY	34450	36784	35400	37100	0	36000	1000 CUBIC METERS
Exports	320	320	400	341	0	330	1000 CUBIC METERS
Domestic Consumption	34130	36464	35000	36759	0	35670	1000 CUBIC METERS
TOTAL DISTRIBUTION	34450	36784	35400	37100	0	36000	1000 CUBIC METERS

1.5 Hardwood Lumber Situation / Outlook

Based on seven months of available hardwood lumber production data from Statistics Canada, hardwood lumber production for 2004 is estimated to be 1,101,000 m^3. Production for hardwood lumber is forecast to decline slightly in 2005. Imports are forecast to remain relatively stable in 2004 and forecast to decline slightly in 2005. Exports for 2004 are forecast to marginally increase.

Table 5: Hardwood Lumber Supply & Distribution

PSD Table

Country	**Canada**						
Commodity	**Temperate Hardwood Lumbe**			1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	1035	1092	1040	1101	0	1050	1000 CUBIC METERS
Imports	1120	1121	1100	1120	0	1095	1000 CUBIC METERS
TOTAL SUPPLY	2155	2213	2140	2221	0	2145	1000 CUBIC METERS
Exports	1380	1375	1400	1412	0	1375	1000 CUBIC METERS
Domestic Consumption	775	838	740	809	0	770	1000 CUBIC METERS
TOTAL DISTRIBUTION	2155	2213	2140	2221	0	2145	1000 CUBIC METERS

1.6 Hardwood Plywood Situation / Outlook

Based on seven months of total plywood production data from Statistics Canada for 2004 and estimating that hardwood plywood production accounts for roughly 8 percent of total plywood production, hardwood plywood production is estimated to increase to 188,000 m^3. This is a 6 percent increase over 2003 production levels. Based on eight months of trade data from Statistics Canada, imports are expected to remain relatively stable for 2004. Exports are forecast to decline slightly. Hardwood plywood production in 2005 is forecast to decline, as are import and export numbers.

Table 6: Hardwood Plywood Supply & Distribution

PSD Table

Country Canada

Commodity Hardwood Plywood — 1000 CUBIC METERS

	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	170	176	170	188	0	180	1000 CUBIC METERS
Imports	105	118	105	120	0	116	1000 CUBIC METERS
TOTAL SUPPLY	275	294	275	308	0	296	1000 CUBIC METERS
Exports	270	268	270	238	0	230	1000 CUBIC METERS
Domestic Consumption	5	26	5	70	0	66	1000 CUBIC METERS
TOTAL DISTRIBUTION	275	294	275	308	0	296	1000 CUBIC METERS

1.7 Oriented Strandboard Situation / Outlook

Based on eight months of production data from Statistics Canada for 2004, oriented strandboard (OSB) production is estimated to be 8.9 million m^3, up two percent from 2003 levels. Based on trade data from Statistics Canada, imports for 2004 are forecast to increase 19 percent over 2003 levels. Exports for 2004 are forecast to increase roughly 10 percent over 2003 levels as a result of higher production and decreased domestic consumption.

Table 7: Oriented Strandboard Supply & Distribution

PSD Table
Country: Canada
Commodity: Oriented Strand Board
HS: 4410.11
Units: '000 m3

	2003	2004	2005
	Revised	Preliminary	Post Forecast
Production	8756	8939	9000
Imports *	114	140	130
TOTAL SUPPLY	8870	9079	9130
Exports *	7926	8800	8500
Domestic Consumption	944	279	630
TOTAL DISTRIBUTION	8870	9079	9130

SECTION 2. FORESTRY INDUSTRY

2.1 Overview

Historically, there has been a high degree of fragmentation in the forest industry. However, over the past few years the industry has been consolidating its operations. Some of the reasons for this are: the low value of the Canadian dollar versus other currencies; increased cost-efficiency from acquiring existing capacity rather than building new operations; a need to rationalize production capacity so that it is better aligned with demand; European companies looking to expand their market share in North America; and the need by large companies to secure long-term timber supply.

The year 2004 saw the merger and consolidation of companies across the lumber sector. West Fraser Timber Co. Ltd is moving to acquire Weldwood of Canada Ltd., in a $1.26 billion plan. Currently the acquisition is being investigated by the Competition Bureau of Canada to ensure that the consolidation will not result in a substantial lessening or prevention of competition in the relevant markets. Tolko Industries Ltd. is also set to complete a $387 million deal to acquire Riverside Forest Products Ltd. As well, Canfor Corp. recently merged with Slocan Forest Products Ltd. Uniforet Inc., of Quebec is amalgamating with its three wholly owned subsidiaries. The merger would bring together Uniforet Scierie-Pate Inc., Foresterie Port-Cartier Inc., and 3735061 Canada Inc., in an effort to simplify the tax and administrative management of the Uniforet group.

2.2 Issues Facing the Forestry Industry

In April of 2004, in response to the growing problem of the Mountain Pine Beetle, the government of British Columbia updated its mountain pine beetle action plan to help deal with the largest outbreak in B.C.'s history. The strategy for Prince George will complement the provincial action, which calls for:

- Removal and logging of beetle-killed trees
- Expediting timber supply reviews
- Implementing associated recommendations for the Filmon fire review
- Supporting and encouraging economic diversification in affected communities
- Creating new markets and demand for beetle-killed wood

The government of British Columbia also increased the harvest quantities in certain cutting areas in hopes of stopping or at least minimizing the damage caused by the beetle. Allowable annual cuts were increased in the Quesnel, Prince George and Lakes timber supply areas. The increases mean that there will be an additional 4.9 million cubic meters of timber available for harvest over the next few years. The goal of the increased allowable annual cut is to salvage Pine forests with moderate to high levels of mortality due to infestation by the pine beetle. With the increase in the annual cut there could be increased shipments of wood moving across the border. As the wood would most likely have been damaged or marred by the beetle, there is the possibility that it could come in cheaper than some of the wood produced in the U.S.

The Canadian government is continuing with its two-pronged approach to help resolve the dispute. Canadian softwood producers hope to see the end of the dispute and the return of the duties the U.S. has collected by sometime in 2005. In spite of the duties, Canadian softwood exports to the U.S. have remained strong.

With the booming housing market and renovation spending stronger than expected, supply pressures have increased for building materials and supplies. A high level of construction activity in the United States is adding to the problem. The building market is shaped by North American demand conditions. Therefore Canada's new homebuilders are facing widespread cost increases and delivery delays. Lumber and OSB prices are soaring in response to supply shortages. A combination of housing market dynamics, low inventories, high energy prices and meager freight availability has conspired to keep lumber prices at near 10-year highs. However, heading into 2005, production increases, comfortable inventories, the decline in the housing market strength and expected cuts in U.S. punitive duties, should weaken prices. Despite expected strong supplies as a result of the increase harvest due to the beetle infestation in B.C., builders and lumberyards allowed inventories to fall in anticipation of softening demand and have now ended up scrambling for supplies in order to fill orders. The slow down of the housing market and resulting weaker demand should ensure there is adequate supply of material for the building industry. In any case, if there is need for additional supply, Post expects increases of U.S. lumber to fulfill what is required, as has been seen by the furniture industry in Quebec, which relies greatly on U.S. lumber to fulfill what is needed in order to supply their products.

SECTION 3. MANUFACTURING SECTOR

3.1 Value-Added Industry Overview

The value-added portion of the forestry industry is very valuable in Canada and contributes greatly to the overall economy of Canada. Along with the furniture industry in Canada, the wood manufacturers industry has been performing strongly over the last several years. Many of the factors contributing to the strong furniture industry are also contributing to the strong wood manufacturers industry. The strong housing market has increased demand for manufactured products like cabinets, doors, windows, flooring, veneer, plywood and others. The wood manufacturers industry is comprised of six sub-groups: sawmill, planing mill and shingle mill products, veneer and plywood industries, sash, door and other millwork industries, the wooden box and pallet industry, coffin and casket, and other wood industries. The total value of shipments by the wood manufacturers' industry has increased from $18.5 billion in 1993 to $32.2 billion in 2002. The main inputs of these industries are logs and coniferous lumber. Not only has the total value of shipments increased from 1993 to 2002, but the value of the value-added manufactured wood products has also increased. In 1993, the value of the value-added products was $7.9 billion, and by 2002, the value increased to $12.7 billion. The manufacturers in this sector produce a broad range of products, of which the most important, in terms of value, are lumber, woodchips, plywood, wooden cabinets, wooden doors and windows. These six commodities combined represent a majority of all reported outputs. Lumber alone accounted for half of the total. However, as the industry develops more products with higher value added, the proportion of lumber in total sales will tend to diminish.

3.1 Furniture & Interiors Sector

Background

The Canadian furniture industry is characterized by a large number of small and medium sized companies and has undergone dramatic changes since the early 1990's. With the signing of the Canada-U.S. Free Trade Agreement (FTA), the North America Free Trade Agreement (NAFTA), and the recession in the early 1990's, Canadian furniture manufacturers were forced to consolidate in order to survive. In the 1990's the number of furniture industry establishments decreased from 2,571 to 1,748, but the number of people employed in the industry increased by 56.5%. By 2002, the Canadian furniture and related product industry was comprised of 3,597 establishments that employed 105,869 people.

NAFTA and FTA also increased access to the Canadian furniture market by foreign competitors through the elimination of tariffs. This also was one of reasons the furniture industry was forced to consolidate. Some of the smaller companies were unable to compete in the new environment and were either forced out of business or taken over by larger companies. The change in the economic environment not only forced manufacturers to consolidate but also to readjust their business practices. In the early 1990's very few manufacturers focused on exports, but through the changing environment, manufacturers began to direct their focus more and more towards export markets. The export-orientated nature of Canadian furniture firms has increased from 40 percent in 1993 to an estimated 49 percent in 2003. Canada is the 2nd largest exporter of furniture in the world, exporting $6.9 billion worth of furniture in 2003. The United States is the primary export market for Canadian furniture, accounting for 96% of total Canadian export sales in 2003.

The Canadian furniture market is heavily concentrated in central Canada, with Ontario and Quebec accounting for 36 percent and 38 percent of all Canadian establishments respectively. Between the two provinces, they account for 75 percent of total employment in the furniture industry. Canadian production is composed of approximately 38.5 percent household furniture (including mattresses), 40.8 percent office and institutional furniture, 17.9 percent wood kitchen cabinets and counter tops and 2.8 percent other manufactured products like blinds and shades.

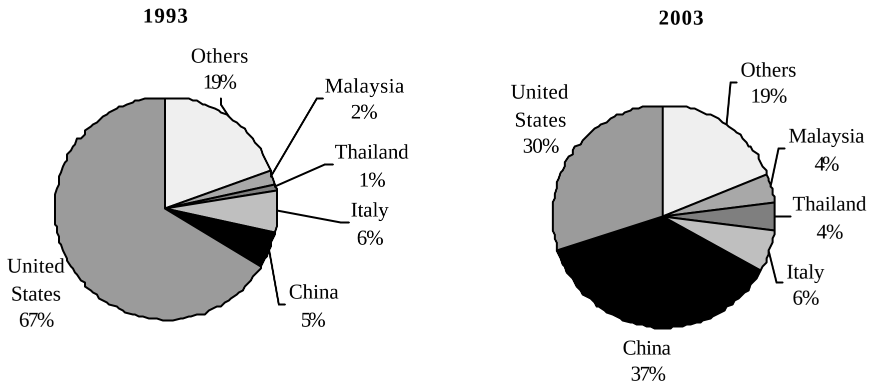
The residential furniture industry is a major sector of the overall Canadian furniture industry. The residential furniture industry is comprised of upholstered household furniture, wood household furniture, household furniture except wood and upholstered, and mattresses and related products. In 2002, the residential furniture industry accounted for 38.4% of total shipments in furniture and related product manufacturing in Canada, with a value estimated at $5.1 billion. Wood furniture accounted for over half of these shipments (52.5% in 2002). The wood furniture sector also accounted for one-fifth of shipments within the broader furniture industry.

As with the rest of the furniture industry, the residential furniture industry has undergone significant changes over the last decade. The number of establishments involved in residential furniture manufacturing initially declined in the 1990's, but by 2002, the number of establishments had increased to 1,538, employing 41,358 people. The number of wood furniture establishments declined from 444 in 1993 to a low of 376 in 1999, but increased to 1,047 by 2002. The residential furniture industry is highly concentrated, with the ten largest manufacturers (less than 1% of all firms) accounting for 43% of all shipments in 2001.

As seen with the broader furniture industry, the changing economic situation has moved the residential furniture industry towards being largely export orientated. Residential furniture exports grew by approximately 599% for upholstered, 300% for wood, 138% for other and 749% for mattresses between 1993 and 2003. The wood furniture sector is the export leader in the residential furniture sector in terms of sales. Throughout the growth of exports in the residential furniture industry, the United States has remained the primary market, accounting for 91-99% of annual exports from the four residential furniture sectors from 1993 to 2003. Residential furniture sector exports declined slightly in 2003, dipping 10.3% to $1.9 billion from $2.15 billion in 2002. China, France, Taiwan, the Netherlands, the United Kingdom and Japan were the other major markets for Canadian residential furniture exports.

The Canadian residential furniture industry balances its high level of exports with an equally high level of imports. In 2003, over $1.9 billion worth of residential furniture was imported into Canada from markets around the world. Imports have increased in the past decade as a result of increased accessibility to the Canadian market. Although imports have not risen as dramatically as exports, residential furniture imports nevertheless rose 99.5% between 1993 and 2003. As well as being the lead residential furniture export, Canadian wood furniture was the lead import between 1993 and 2003. Import penetration of the Canadian domestic market increased 91.3% from 1993 to 2003. Throughout the last decade there has been a shift in the countries from which Canada imports residential furniture. In the early 1990's, Canada imported 67.1% of residential furniture from the United States. By 2003, China had replaced the U.S. as Canada's largest supplier of residential furniture. In 2003, imports from the U.S. accounted for only 29.6% of total Canadian residential furniture imports, while imports from China climbed to 36.3%, up from only 5% in 1993.

Origin of Residential Furniture Imports, 1993 versus 2003
Source: Statistics Canada



The furniture industry is highly cost sensitive, and as the last decade has borne witness, highly susceptible to economic change as well as exchange rate movements. The desire for the industry is to seek out and establish niche markets, as well as to take advantage of rapidly growing markets in Asia, Latin American and Europe, thereby reducing the industry's reliance on the United States as their primary market. This strategy has evolved in part due to a growing perception that reliance by Canadian industries on the United States as a primary market can come with some risks as is being seen with the ongoing closure of the U.S.-Canada border to live cattle exports, and ongoing trade disputes in softwood lumber and hogs.

Trends in the Canadian Furniture Market

Over the last several years there has been an increase in Canadian furniture sales. A combination of factors has contributed to this trend. One of the largest factors is Canada's rapidly growing housing market, which, despite a predicted slow down for 2005, is still perpetuating the increased purchase of furniture to fill the new houses. The strong housing market has been fuelled by favorable borrowing rates and strong employment growth. The housing boom is only part of the reason there has been an increase in furniture purchases. The recent trend in furniture buying has indicated that while the housing market fluctuated, it was the non-moving households that purchased the bulk of furniture. Another trend that has been found is that homeowners do not purchase all required furniture within the first year of their move. Spending typically continues for an additional three years, which with the housing market continuing to remain strong and interest rates continuing on the lower side, continues to fuel the furniture market. Despite the forecasted slowdown in the housing market, furniture sales are forecast to remain strong.

Another contributing factor to the increase in furniture sales is that baby-boomers are now entering their peak earning age. This means that they have more discretionary income to invest into their homes, which will most likely translate into furniture upgrades or home renovations. Both renovations and upgrades will most likely lead to the purchase of higher end brands of furniture. Other factors like lower interest rates are easing household debt servicing loads, making consumers more willing to take on more debt, including purchasing larger ticket items like furniture. Overall consumer debt in Canada has been dropping as a portion of total income since 1996. As well, disposable incomes are rising as a result of the combined effect of growing earnings and tax rebates. Finally, children of baby boomers are beginning to purchase their first homes and the homes that are being purchased are generally larger in size, requiring more furniture to fill them.

The strong furniture market should result in increased production by furniture manufacturers, which means the demand for wood to produce furniture will remain strong. Quebec is the leading furniture manufacturing province in Canada and many of its companies rely on imports from the U.S. to produce their products. For example, Shermag Inc., one of Quebec's largest furniture manufacturers relies heavily on imports of US hardwood logs for their production. Despite having their own sawmill, Shermag imports 65 percent of its wood from the United States.

3.2 Other Manufacturing Industries

The strong housing market in both Canada and the United States has not only contributed to increases in furniture purchases, but has also helped bolster demand and production in the kitchen cabinet, and the windows and doors industry.

Canadian kitchen cabinet shipments reached a record $2.1 billion in 2002, up 8.6 percent from 2001. The increase in shipments was due to both an improving domestic market and continued export growth. Increased demand for Canadian kitchen cabinets from the United States helped to increase export levels. Canadian kitchen cabinets represent 90 percent of the apparent domestic market (ADM) in Canada, while imports account for the remaining 10 percent. The ADM for kitchen cabinets in Canada for 2002 was $940 million. Canadian exports of kitchen cabinets accounted for almost 60 percent of total kitchen cabinet shipments in 2002, which is a significant increase from the 17 percent proportion represented in 1993. Strong housing starts in the United States has stimulated the demand for Canadian kitchen cabinets, increasing kitchen cabinet exports to the U.S. to $1.227 billion in 2002 from $1.165 billion in 2001. The U.S. market represents 99 percent of total Canadian kitchen cabinet exports. Like many other of the wood product industries in Canada, kitchen cabinet manufacturers are trying to expand into overseas markets beyond the United States. In 2002, exports to these overseas markets took a downturn, with decreases in shipments to almost every market except Israel. However, since the offshore exports of Canadian kitchen cabinets represent less than 1 percent of the total kitchen cabinet export market, the impact of the decline should be minimal. Like the furniture industry, the kitchen cabinet industry is concentrated in certain provinces. Ontario and Quebec are the two largest producers, with Manitoba and British Columbia also playing a part. The four provinces accounted for 96 percent of all Canadian kitchen cabinet exports in 2002. Imports of kitchen cabinets have also increased over the last three years as a result of strong domestic demand. The U.S. accounted for 81 percent of total Canadian kitchen cabinet imports in 2002, with Ohio being the main source of the purchases from the United States.

Like the kitchen cabinet industry, shipments from the window and door industry have grown over the last 10 years. In 2002, Canadian window and door shipments were an estimated $4.5-5 billion. Wood windows and doors accounted for $1.8 billion of the total, with metal windows and doors and PVC shipments making up the rest. Strong demand from the United States has helped bolster the exports of Canadian windows and doors. In 2002, the U.S. accounted for 95 percent of total Canadian window and door exports valued at $1.17 billion, helping to drive overall exports higher when compared to 2001. Wood window and door exports grew to $479.3 million. Despite a decline in offshore exports, Japan continues to be one of the primary offshore markets. Like furniture and kitchen cabinets, window and door production is centralized in only a few provinces. Ontario, Quebec and British Columbia accounted for 86 percent of total Canadian window and door exports in 2002. Imports of windows and doors into Canada also increased in 2002, to $308 million, with the United States accounting for $283 million, or 92 percent of all imports.

Canadian production and export of prefabricated buildings have steadily increased. In 2002, total Canadian exports of prefabricated buildings were valued at $604 million, an increase of 7 percent from 2001. The U.S. was the primary destination, accounting for 70 percent of Canadian exports of prefabricated buildings. Japan remained the primary overseas export market, accounting for 20 percent of Canadian prefabricated building exports. Demand for Canadian prefabricated buildings in the rest of the Asia-Pacific region increased in 2002 by over 65 percent compared to 2001. Canadian prefabricated building exports to the EU in 2002 increased 2.4 percent compared to 2001, to $21.5 million, with the United Kingdom accounting for 35 percent of that market. Similar to the furniture, kitchen cabinet, and window and door industries in Canada, the prefabricated building industry is heavily concentrated in only a couple of provinces. B.C. and Ontario accounted for 67 percent of Canadian exports of prefabricated buildings in 2002. Canadian imports of prefabricated buildings decreased to $108 million in 2002 from $117 million in 2001. The United States was the main supplier of prefabricated building imports, supplying over 92 percent of the total. Wood prefabricated building imports were $2.7 million in 2002.

3.3 Major Canadian Importers

The importers list below comprises those companies that collectively account for the top 80 percent of all imports in terms of value. These importers are not necessarily the end users. The wood imports are not necessarily all from U.S. sources, but since a majority of the wood product imported into Canada comes from the U.S., Post assumes that these importers are primarily importing U.S. wood. A majority of these importers are located in Ontario, Quebec and British Columbia, where most of the manufacturing industries are located.

Major Canadian Importers for 2003, Source: Industry Canada

Product	Company Name	Province
440710-Lumber (Thickness >6mm) – Coniferous Wood		
A D Bernier Inc		Quebec
AFA Forest Products Inc/Produits Forestiers AFA Inc		Ontario
Allmar Distributors Ltd		Manitoba
Backyard Products Limited		Ontario
Boccam Inc		Quebec
Bois Omega Limitee		Quebec
Canadian National Railway Company		Quebec
Century Truss Company Canada		Ontario
City Lumber Sales & Services Ltd		British Columbia
Dynamic Forest Products Ltd		Ontario
Falcon Lumber Limited		Ontario
Fenclo Ltee		Quebec
Furtura Properties Ltd		British Columbia
Gerard Crete & Fils Inc		Quebec
Gestion S Crete Inc		Quebec
Golden Windows Limited		Ontario
Goodfellow Inc		Quebec
Green River Log Sales (1996) Ltd		British Columbia
Hardwoods		British Columbia
Interbois Inc		Quebec
Jeld-Wen of Canada Ltd		Manitoba
Jointfor		Quebec
Keystone Forest Products ltd		British Columbia
KML Windows Inc		Ontario
Les Moulures Jacomau 2000 Inc		Quebec
Les Portes Cascades Inc/Cascades Doors Inc		Quebec
Les Sechoirs a Bois Rene Bernard Ltee		Quebec
Lighthouse Lumber Wholesalers Limited		Nova Scotia
440391- Wood in the Rough – Oak		
9114-3628 Quebec Inc		Quebec
Bois Bissbeau Inc./ Bissbeau Lumber Inc.		Quebec
Bois Francs Kingsey Inc.		Quebec
Bois-Franc Cambium Inc./Cambium Hard Wood Inc.		Quebec
Foresbec Inc		Quebec
General Woods & Veneers Ltd		Quebec
La Scierie Boucher Ltee		Quebec
Les Bois Francs L'Islet Sud Inc		Quebec
Les Bois Francs St-Charles Inc.		Quebec
Les Bois Poulin Inc		Quebec
Les Bois Saxby Inc		Quebec
Les Entreprises J M Champeau Inc/Enterprise J M Champeau Inc		Quebec

Manufacture De Lambton Ltee	Quebec
Moulin St Andre Enr	Quebec
Multibois F L Inc	Quebec
Nicholson and Cates Limited	Ontario
Panneaux Maski Inc	Quebec
Renyco Inc	Quebec
Scierie Dion & Fils Inc	Quebec
Ste-Therese Div of Commonwealth Plywood Co Ltd	Quebec
Transylve Inc	Quebec
Vexco Inc	Quebec
440392 – Wood in the Rough – Beech	
Albert Larocque Lumber Ltd	Ontario
Jamie Boomhower Wood Finishing Inc	Quebec
Sawmills Division	New Brunswick
Windsor Architectural Molding	Ontario
440399 – Wood in the Rough Nes and Logs For Pulping	
Amex Bois Francs Inc	Quebec
Baronet Inc	Quebec
Bois Daaquam Inc	Quebec
Bois Francs Kingsey Inc	Quebec
Bois Hunting Inc/ Hunting Lumber Inc	Quebec
Columbia Forest Products Ltd	Ontario
Domtar Inc/ Wood Products Group	Quebec
Foresbec Inc	Quebec
General Woods & Veneers Ltd	Quebec
Gibeault & Fils Limitee	Quebec
Industries Manufacturieres Megantic Inc	Quebec
Joseph Audet Ltee	Quebec
Les Billots Select Megantic Inc	Quebec
Les Bois Francs St-Charles Inc	Quebec
Les Bois Jean-Pierre Ltee	Quebec
Les Bois Poulin Inc	Quebec
Les Entreprises JM Champeau Inc/ Enterprise JM Champeau Inc	Quebec
Les Produits Forestiers Bob Inc	Quebec
Les Produits Forestiers Becesco Inc	Quebec
Megabois (1989) Inc	Quebec
Panneaux Maski Inc	Quebec
Paul Creek Slicing Ltd	British Columbia
Produits Forestiers St-Armand Inc	Quebec
Sawmills Division	New Brunswick
Scierie Arbotek Inc	Quebec
Scierie Dion & Fils Inc	Quebec
Scierie Leclerc et Tremblay Inc	Quebec
Scierie West Brome Inc	Quebec
Ste-Therese Div of Commonwealth Plywood Co Ltd	Quebec
440791 – Lumber (Thickness >6mm) – Oak	
A & D Wood Turning	Ontario
Alpa Forest Products Inc	Ontario
Aurora Timberland Wholesale Hardwood Lumber Inc	Ontario
BFS 2002 Inc	Quebec
BOA-Franc Inc	Quebec
Bois Peladeau Inc	Quebec
Bois Rapide Inc/Rapid Lumber Inc	Quebec
Britannia Inc	Ontario
Craftsmen Hardwoods	Ontario
Cut Rite Lumber Limited	Ontario
DZD Hardwood Export Inc/ La Compagnie D'Exploitation du Bois	Quebec

Erie Flooring & Wood Products	Ontario
Foresbec Inc	Quebec
Formations Inc	Alberta
Goodfellow Inc	Quebec
Greenline Forest Products Ltd	Ontario
Groleau Inc	Quebec
Hardwoods	British Columbia
Herwynen Saw Mill Ltd	Ontario
Interforest lumber Inc	Quebec
Lancashire Saw Sales & Service (Canada) Ltd	Saskatchewan
Lauzon – Planchers De Bois Exclusifs Inc	Quebec
Les Bois Francs St-Charles Inc	Quebec
Les Bois Jean-Pierre Ltee	Quebec
Les Entreprises Exulon Inc	Quebec
Les Parquets Dubeau Ltee	Quebec
Les Produits Forestiers M E S Inc	Quebec
Megaforex	Quebec
Moulure Alexandria Moulding Inc	Ontario
Nicholson and Cates Limited	Ontario
440792 – Lumber (Thickness >6mm) – Beech	
Berthier Bois Inc	Quebec
BOA-Franc Inc	Quebec
Bois Peladeau Inc	Quebec
Chipco BWC Inc	Ontario
DZD Hardwood Export Inc/La Companie D'Exploitation du Bois	Quebec
Erie Flooring & Wood Products	Ontario
General Woods & Veneers Ltd	Quebec
Lauzon-Planchers De Bois Exclusifs Inc.	Quebec
Les Bois J M Arbour Inc	Quebec
Peter Thomson & Sons Inc	Ontario
Preverco Inc	Quebec
Reimer Hardwoods Ltd	British Columbia
Sauder Hardwoods Inc	British Columbia
Sawmills Division	New Brunswick
Tembec Inc	Quebec
The Oliver Lumber Company of Toronto Limited	Ontario
Upper Canada Forest Products Ltd	Ontario
440799- Lumber (Thickness >6mm) - Birch, Maple, Poplar, Aspen and Other Nes	
Alpa Forest Products Inc	Ontario
Aurora Timberland Wholesale Hardwood Lumber Inc	Ontario
Barco Materials Handling Limited	Ontario
BOA-Franc Inc	Quebec
Bois Peladeau Inc	Quebec
Brenlo Ltd	Ontario
Britannia Inc	Ontario
C A Spencer Inc	Quebec
Carlwood Lumber Limited	British Columbia
Corporation de Bois Rimprex	Quebec
Cut Rite Lumber Limited	Ontario
Décor Cabinets Ltd	Manitoba
Durham Furniture Inc	Ontario
DZD Hardwood Export Inc/La Compagnie D'Exploitation du Bois	Quebec
Eldcan Forest Products Ltd	British Columbia
Elias Woodworking and Manufacturing Ltd	Manitoba
Erie Flooring & Wood Products	Ontario
Finmac Lumber Limited	Manitoba
Foresbec Inc	Quebec

Formations Inc	Alberta
Fournitures Funeraires Victoriaville Inc/Victoriaville Fune	Quebec
General Woods & Veneers Ltd	Quebec
Goodfellow Inc	Quebec
Greenline Forest Products Ltd	Ontario
Groupe Kheops Inc/Kheops Group Inc	Quebec
Groupe Savoie Inc	New Brunswick
Interforest Lumber Inc	Quebec
Kitchen Craft of Canada Ltd	Manitoba
Lancashire Saw Sales & Service (Canada) Ltd	Saskatchewan
441214 – Plywood (Plies<6mm Thick)-At least 1 Outer Ply of Non Coniferous Wood	
BOA-Francs Inc	Quebec
CANUSA Wood Products Limited	British Columbia
Canwel Distribution Lit	Newfoundland and Labrador
Georgia-Pacific Building Materials Sales, Ltd	British Columbia
Goodfellow Inc	Quebec
Hardwoods	British Columbia
Levesque Plywood Limited	Ontario
Sauder Hardwoods Inc	British Columbia
Thomes (Canada) Limited	Ontario
Weyerhaeuser Company Limited	British Columbia
441219 – Plywood (Plies <6mm Thick) – At Least 1 Outer Ply of Other Wood Nes	
Alpine Forest Products (2001) Ltd	Alberta
C.I. Braber Inc	Quebec
Canadair	Quebec
Canwel Distribution Ltd	Newfoundland and Labrador
Cutler Forest Products Inc	Ontario
Fleetwood Canada Ltd	Ontario
Georgia-Pacific Building Material Sales Ltd	British Columbia
Goodfellow Inc	Quebec
Green River Log Sales (1996) Ltd	British Columbia
Hardwoods	British Columbia
Les Fourgons Transit Inc	Quebec
Lindal Cedar Homes Company	British Columbia
R.J. Millwork Co. Ltd	Manitoba
Skana Forest Products Ltd	British Columbia
Taiga Forest Products ltd	British Columbia
Technirack Salaberry Inc	Quebec
Weston Forest Corp	Ontario
Weyerhaeuser Company Limited	British Columbia
441021 – Particle Boards of Wood – OSB/Waferboards – Unworked, Sanded	
Canwel Distribution Ltd	Newfoundland and Labrador
Goodfellow Inc	Quebec
Louisiana-Pacific Canada Ltd	Nova Scotia
Tall Tree Lumber Corp	Ontario
Weyerhaeuser Company Limited	British Columbia
441029 – Particle Boards of Wood – OSB/Waferboards – Other Nes	
Goodfellow Inc	Quebec
Lamwood Products (1990) Limited	Ontario
Taiga Forest Products Ltd	British Columbia
Weyerhaeuser Company Limited	British Columbia

SECTION 4. FORESTRY INDUSTRY WEBSITES

British Columbia Ministry of Forests:
http://www.gov.bc.ca/for

Canada Wood
http://canadawood.info/en/

Canadian Institute of Forestry
http://www.cif-ifc.org/english/e-practices-values.shtml

Council of Forest Industries:
http://www.cofi.org

CSIL Milano: market research reports on furniture and furniture industry
http://www.csilmilano.com/furniture/reports.html

Department of Foreign Affairs and International Trade
http://www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp

Export Development Canada
http://edc.see.ca

Forintek: Canada's Wood Product Research Institute
http://www.forintek.ca/public/Eng/EE0-default_eng/EE0-default_eng.html

Industry Canada (Forest Industries – Sector Reviews):
http://strategis.ic.ca/epic/internet/infi-if.nsf.vwGeneratedInterE/fb01223e.html

Industry Canada (Forest Industries):
http://strategis.ic.ca/sc_indps/sectors/engdoc/fmbp_hpg.html

National Forestry Database Program:
http://nfdp.ccfm.org

Natural Resources Canada, State of Canada's Forests:
http://www.nrcan-rncan.gc.ca/cfs-scf/national/what-quoi/sof/latest_e.html

Natural Resources Canada, Canadian Forestry Service:
http://www.pfc.cfs.nrcan.gc.ca/monitoring/inventory/site-map_e.html

Natural Resources Canada, Selected Forestry Statistics
http://mmsd1.mms.nrcan.gc.ca/forest/default_e.asp

Statistics Canada, The Lumber Industry: Crucial Contribution to Canada's Prosperity
http://www.statcan.ca/english/research/31F0027MIE/31F0027MIE2002001.pdf

UNECE Timber Committee and the FAO European Forestry Commission
http://www.unece.org/trade/timber/mis/market/market-62/canada.pdf

Value-Added Industries-forestry, Canada, career, jobs, forest products, wood
http://www.canadian-forests.com/value.html

Value to Wood
http://www.valuetowood.ca/html/english/index.asp

Wood Suppliers to Canadian SMEs
http://www.valuecreatedreview.com/woodsupply.htm

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Report Number	Title of Report	Date
CA4075	Buyer Alert Report	10/15/2004
CA4072	Canadian Health Food Assoc. Trade Show & Mission	10/14/2004
CA4071	Fishery Products Annual	10/07/2004
CA4070	This Week in Canadian Agriculture, Issue 34	10/08/2004
CA4069	This Week in Canadian Agriculture, Issue 33	9/24/2004
CA4067	This Week in Canadian Agriculture, Issue 32	9/17/2004
CA4065	Deciduous Fruit Annual	9/13/2004

VISIT OUR WEBSITE: The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto http://www.usembassycanada.gov; click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: agottawa@usda.gov