

WOOD

MARKET

STATISTICS

*Including
Pulp and Paper*

IN

ALBERTA

2011 Edition

FPIinnovations 



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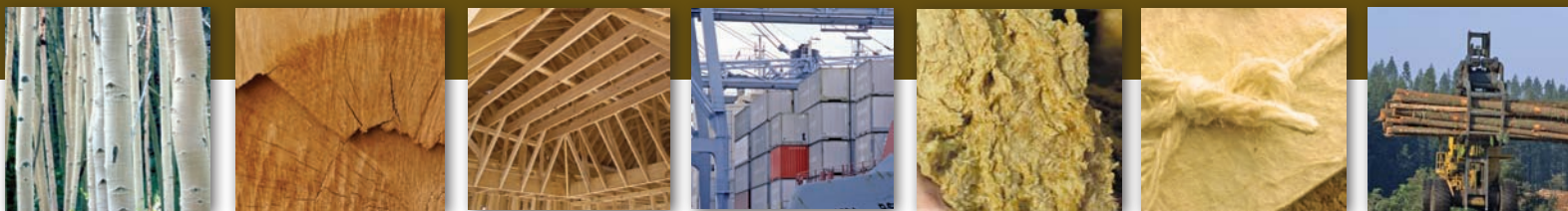
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WOOD MARKET STATISTICS



Photo Credit: www.naturallywood.com

Since 2008, Wood Market Statistics (WMS) has continued to provide readers with quick and relevant statistics on Canada's forests and the forest industry. Information and topics covered in this document include, but are not limited to, growing stock, timber supply, production and export shipments of various major forest products, as well as employment and the industry's contribution to the nation's economy.

Based upon the WMS-Alberta edition, noteworthy statistics for 2010 include:

- In 2010, log volumes consumed across Alberta's forest industry stabilized at 2009 log consumption levels
- Export sales of forest products by Alberta represented about 8.2% (\$2.26 billion) of the nation's forest product exports (\$27.3 billion)
- Softwood lumber and panel products (including veneer sheets) remain Alberta's top wood exports. The United States continued to be the top customer for Alberta's wood products (86% of all wood products exported in 2010), while recoveries in shipments to Japan (+48%) and growth in other nations (+52%) were observed
- Over 7.5 million cubic metres of lumber were produced in Alberta in 2010, representing almost 14% of Canada's production volume
- Exports of structural panels continued their recoveries in 2010, with plywood settling at 29,984 cubic metres (up 87%) and OSB at 652,051 cubic metres (12.4%)
- Alberta's pulp & paper products also recovered by 21.8% to settle at \$1.6 billion

ALBERTA'S FOREST RESOURCE AND FOREST SECTOR



Photo Credit: www.naturallywood.com

HIGHLIGHTS

- Alberta has a land area of 61.4 million hectares, or approximately 7% of Canada's total land area.
- The energy sector (refined petroleum) continues to be the main driver of Alberta's economy, but the contribution by the forest products sector has cooled since the financial crisis.
- In 2010, the value of Alberta manufacturing shipments by the forest products sector (including wood and pulp & paper) ranked as the sixth largest, trailing the aforementioned energy sector and other industries such as chemical, machinery and food.

ALBERTA'S FOREST RESOURCE

LAND DISTRIBUTION

According to the last tally released by Canada's National Forest Inventory (CanFI 2001), which segregated land distribution by provinces instead of terrestrial eco-zones and boreal regions, Alberta has a total land area of 61.4 million hectares, or roughly 7% of the nation's total. With over 36.4 million hectares of forest and other wooded land, about 9% of Canada's, Alberta has one of the lowest forest and other wooded land to total land area ratio (60%) of all provinces.

Canada's Land Area, hectares

	Forest Land	Other Wooded Land	Forest and other Wooded Land	Non-Forest Land	Total Land
British Columbia	57,910,000	6,337,000	64,247,000	27,397,000	91,644,000
Alberta	27,718,000	8,670,000	36,388,000	25,011,000	61,399,000
Saskatchewan	20,043,000	4,215,000	24,258,000	34,558,000	58,816,000
Manitoba	18,968,000	17,386,000	36,354,000	17,641,000	53,995,000
Ontario	53,758,000	14,536,000	68,294,000	19,816,000	88,110,000
Quebec	73,360,000	11,215,000	84,575,000	48,395,000	132,970,000
New Brunswick	6,091,000	116,000	6,207,000	922,000	7,129,000
Nova Scotia	4,240,000	107,000	4,347,000	930,000	5,277,000
Prince Edward Island	265,000	8,000	273,000	292,000	565,000
Newfoundland and Labrador	10,730,000	9,337,000	20,067,000	15,311,000	35,378,000
Yukon	7,884,000	14,906,000	22,790,000	23,808,000	46,598,000
Northwest Territories	28,352,000	4,994,000	33,346,000	78,508,000	111,854,000
Nunavut	815,000	125,000	940,000	187,427,000	188,367,000
Canada	310,134,000	91,952,000	402,086,000	480,016,000	882,102,000

Source: Canada's National Forest Inventory - CanFI 2001. <https://nfi.nfis.org/history.php?lang=en>

Close to 97% of the forest land in Alberta is publicly owned, while the remaining area (831,540 hectares) is operated by private owners.

Alberta's Forest Ownership

Alberta's Forest and other Wooded Land 36,388,000 hectares	Ownership	%	hectares
	Provincial	89%	24,669,020
	Federal	8%	2,217,440
	Private	3%	831,540

Source: Canada's Forests Web site, Natural Resources Canada. Reproduced with the permission of the Minister of Public Works and Government Services, 2009, and the courtesy of the Canadian Forest Service.

<http://canadaforests.nrcan.gc.ca/statsprofile>

FOREST CERTIFICATION

Forest certification assures customers that the products they purchase originate from well sustained and managed forests. In Canada, there are three voluntary certification systems available to forest companies: Canadian Standards Association (CSA), Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC).

Alberta is home to 19.4 million hectares (or 47.8 million acres) of certified lands**. The following illustration shows the current status by certification standard in Alberta:

Forest Certification Status in Alberta

	Area Certified	
	hectares	acres
CSA	6,880,160	17,001,240
FSC	5,656,930	13,978,574
SFI	6,815,684	16,841,916

Source: Canadian Sustainable Forestry Certification Coalition

**Note: If a forest has been certified by more than one of the three sustainable forest management (CSA, FSC, SFI) standards, the area is only counted once. Therefore, the total certifications for sustainable forest management (SFM) standards may be less than the sum of individual totals for CSA, FSC and SFI.



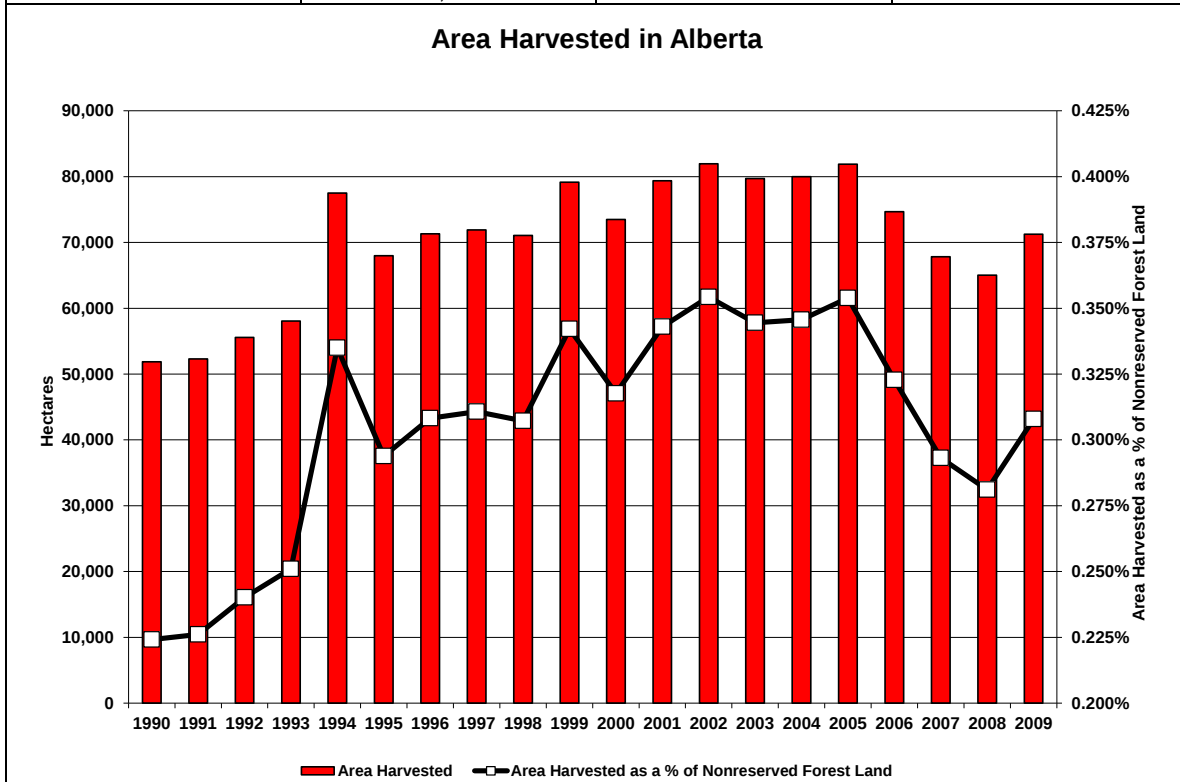
Photo Credit: www.naturallywood.com

FOREST HARVESTS

Alberta has over 27.7 million hectares of forest land, of which 23.1 million hectares is categorized as non-reserved forest land. From 1990 to 2005, the annual harvests have increased from 51,869 hectares to over 81,965 hectares. Since then, the harvest levels cooled for three years before a small rebound in 2009.

Area Harvested in Alberta, hectares

	Area Harvested	Non-reserved Forest Land	Area Harvested as a % of Non-reserved Forest Land
2000	73,488	23,137,000	0.318%
2001	79,357		0.343%
2002	81,965		0.354%
2003	79,707		0.345%
2004	79,979		0.346%
2005	81,889		0.354%
2006	74,674		0.323%
2007	67,834		0.293%
2008	65,036		0.281%
2009	71,249		0.308%



Source: National Forestry Database, Canadian Council of Forest Ministers (nfdp.ccfm.org)

GROWING STOCK



Photo Credit: www.naturallywood.com

According to the CanFI 2001 report, Alberta has a growing stock of 2.32 billion cubic metres on its forest land, led by spruce and aspen/poplar. Alberta's forests are classified into two main zones, green or white, based on the primary usage. The green area consists of forested Crown land in which urban and agricultural development are restricted - it is managed for timber production, oil/gas development, watershed, wildlife and fisheries, and recreation. The white area consists of private and public land that is managed for agricultural use, but does not exclude uses such as timber, oil/gas development, recreation, soil and water conservation, and fish and wildlife habitat. The green area comprises 53% of the province.

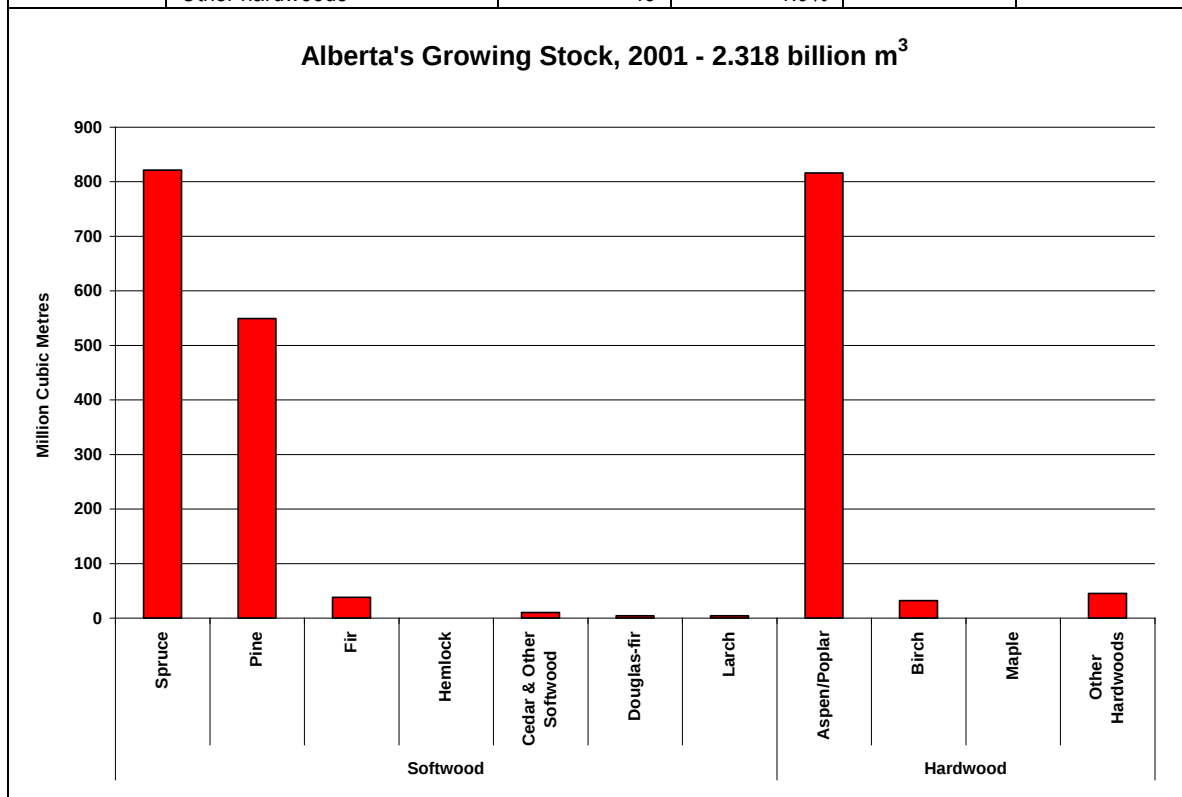
The annual growth of all inventoried forested public lands in Alberta is estimated to be 44.5 million cubic metres, with a net allowable cut close to 23 million cubic metres (within the green area).

Growing Stock on Non-reserved Forests by Species

Of the various softwood species, spruce, pine and fir combine to account for 1.408 billion cubic metres, or 60.7% of Alberta's growing stock. Aspen/poplar, being the largest hardwood stock, represents 35.2% of the province's growing stock. In fact, aspen/poplar is the second largest species group, trailing slightly behind spruce.

Alberta's Growing Stock on Non-reserved Forest Land, 2001

		Volume			
		million m ³	%	million m ³	%
Softwood	Spruce	821	35.4%	1,426	61.5%
	Pine	549	23.7%		
	Fir	38	1.6%		
	Hemlock	0	0.0%		
	Cedar & other softwood	10	0.4%		
	Douglas-fir	4	0.2%		
	Larch	4	0.2%		
Hardwood	Aspen/Poplar	816	35.2%	893	38.5%
	Birch	32	1.4%		
	Maple	0	0.0%		
	Other hardwoods	45	1.9%		



Source: Natural Resources Canada - Canada's Forest Inventory 2001 (<http://NFI.nfis.org>)

TIMBER SUPPLY AND HARVEST

Alberta's Annual Allowable Cut (AAC) is primarily divided between Forest Management Agreements¹ (FMAs) and quota/deciduous timber allocations². AAC refers to the annual equivalent of what can be harvested over a five year period (with some tolerances) from a defined planning area.

Alberta's AAC – Current to July 2011, cubic metres

	Softwood	Hardwood
FMA	13,080,910	7,802,949
Quota/Deciduous Timber Allocation	5,061,578	3,514,820
Other	459,660	714,007
Total	18,602,148	12,031,776
Total Softwood and Hardwood	30,633,924	

¹An FMA is a long-term, negotiated and legislated agreement between the provincial government and a company to harvest timber on a perpetual sustained yield basis on a defined land area.

²A coniferous timber quota and deciduous timber allocation are 20-year allocations based on direct issue or competitive sale. A quota represents the right to harvest a share (as a percentage) of the AAC within a forest management unit, or the right to harvest timber within a defined area of a forest management unit.

³Other AAC refers to unallocated and coniferous timber permit AAC volumes within both FMA and non-FMA Units

Source: Alberta Sustainable Resources Development

Timber Volume Harvested by Land-use Framework Planning region Fiscal 2009/10 , cubic metres

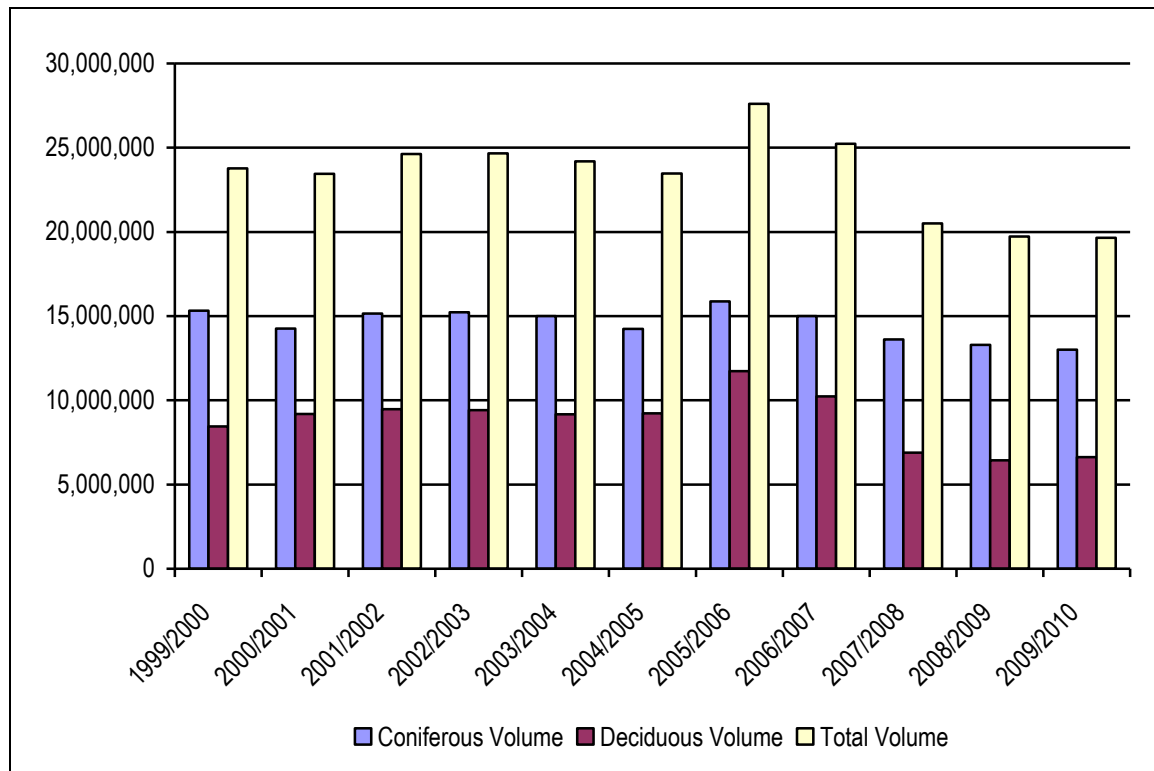
Land-use Framework Planning Region	Coniferous Volume	Deciduous Volume	Total Volume
Lower Athabasca	516,054	1,620,533	2,136,587
Lower Peace	2,095,068	851,125	2,946,193
North Saskatchewan	1,662,126	5,721	1,667,847
Red Deer	17,061	-	17,061
South Saskatchewan	271,211	-	271,211
Upper Athabasca	6,044,042	3,155,350	9,199,392
Upper Peace	2,403,972	1,000,065	3,404,037
Provincial Total	13,009,534	6,632,794	19,642,328

Source: Alberta Sustainable Resources Development

In 2010, log volumes consumed across Alberta's forest industry stabilized at around 20 million cubic metres, several million below the decade's average.

Annual Harvested Timber Volume in Alberta, cubic metres

Fiscal Year (May1-April30)	Coniferous Volume	Deciduous Volume	Total Volume
1999/2000	15,316,586	8,451,349	23,767,935
2000/2001	14,258,615	9,184,168	23,442,783
2001/2002	15,148,241	9,470,305	24,618,546
2002/2003	15,235,939	9,422,759	24,658,698
2003/2004	15,003,369	9,179,545	24,182,914
2004/2005	14,241,294	9,222,451	23,463,745
2005/2006	15,879,414	11,727,867	27,607,281
2006/2007	15,007,256	10,232,119	25,239,375
2007/2008	13,619,500	6,895,750	20,515,250
2008/2009	13,291,219	6,428,790	19,720,009
2009/2010	13,009,669	6,632,794	19,642,463



Source: Alberta Sustainable Resources Development

ALBERTA'S FOREST INDUSTRY



Photo Credit: www.naturallywood.com

Alberta's forest industry is comprised of a wide variety of sectors and sub-sectors. It is important to note that this publication focuses on the manufacturing sectors within Alberta's forest industry, namely lumber, structural wood panels, pulp & paper products, as well as selected value-added wood products.

Alberta has 24 major sawmills, six pulp mills, one newsprint mill, five panel board mills¹, one laminated veneer lumber mill, one veneer/sawmill facility, and one medium density fibreboard mill. If measured by exports over recent years, the pulp industry would be the largest sector, followed by wood and paper products.

¹ Only three mills are operating as of September 2011 due to depressed North American panel markets.



Source: Alberta Sustainable Resources Development

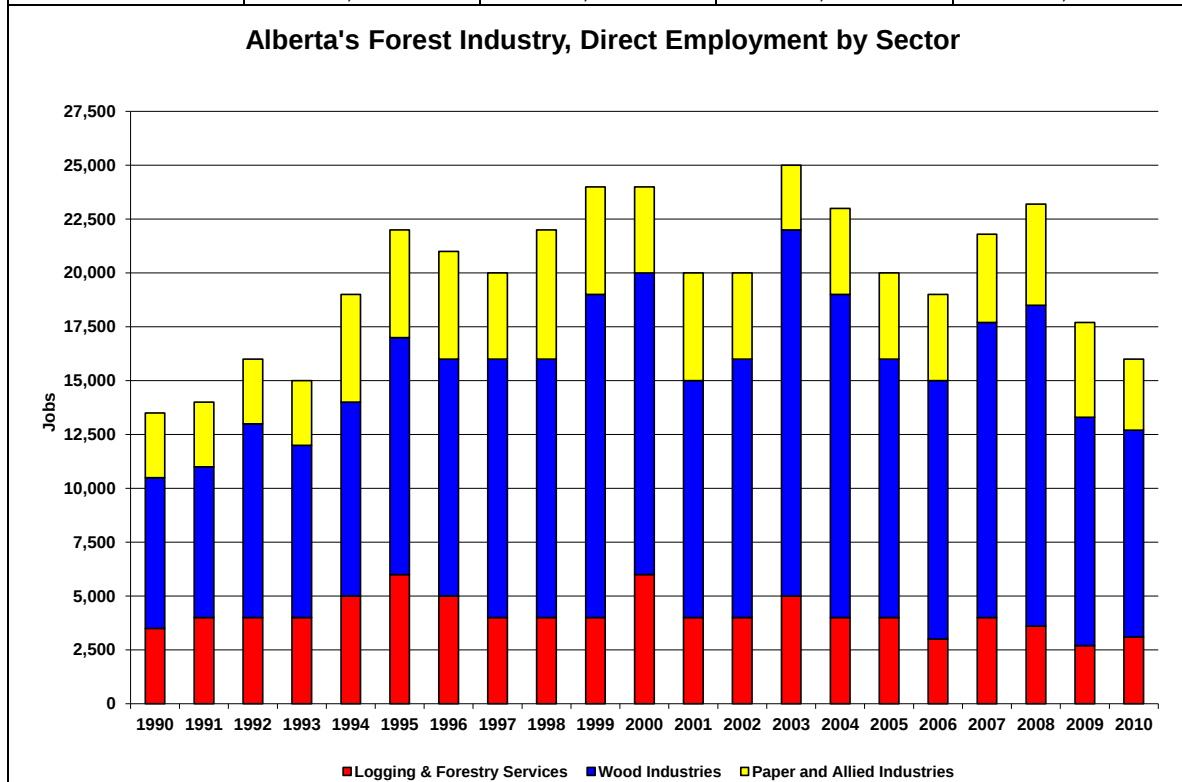
NOTE: This map depicts the major Alberta mills as of May 18, 2010.

FOREST SECTOR AND EMPLOYMENT

In 2010, the total number of direct jobs provided by the forest sector in Alberta was 16,000, comparable to the levels observed in early 1990s. In fact, more than 8,000 jobs have been trimmed since the beginning of this decade. A further breakdown shows the jobs from the wood industries still represent more than half of the total employment.

Direct Jobs in Alberta's Forest Industry

	Logging & Forestry Services	Wood Industries	Paper and Allied Industries	Total*
2000	6,000	14,000	4,000	24,000
2001	4,000	11,000	5,000	20,000
2002	4,000	12,000	4,000	20,000
2003	5,000	17,000	3,000	25,000
2004	4,000	15,000	4,000	23,000
2005	4,000	12,000	4,000	20,000
2006	3,000	12,000	4,000	19,000
2007	4,000	13,700	4,100	21,800
2008	3,600	14,900	4,700	23,200
2009	2,700	10,600	4,400	17,700
2010	3,100	9,600	3,300	16,000



Source: National Forestry Database, Canadian Council of Forest Ministers (nfdp.ccfm.org)

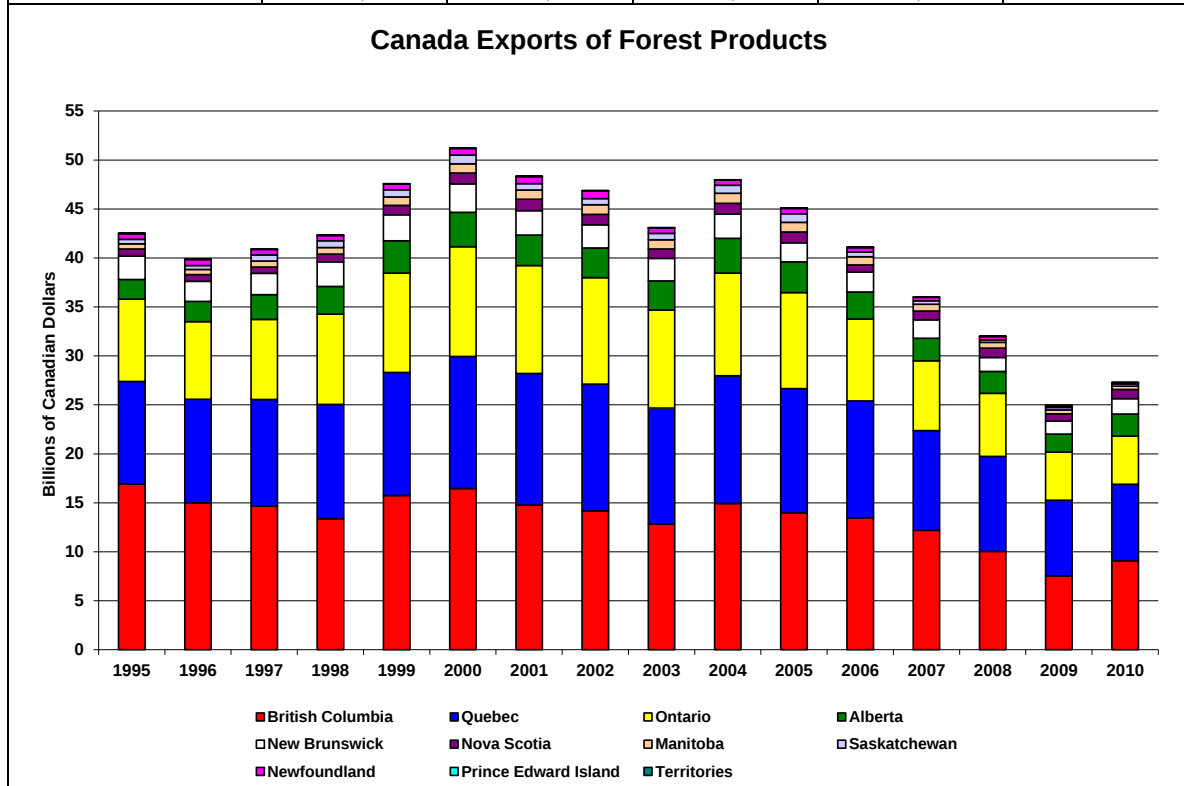
*total may not add up due to rounding

FOREST PRODUCTS INDUSTRY

This latest recession, sparked by the collapse of several financial institutions in 2008, created a negative chain reaction within the United States that was felt worldwide. Slow housing starts, along with the weak US dollar and the unstable US economy discouraged both imports and consumption of various wood products. After a record low 2009, exports of all forest products by Canada in 2010 recovered by 9.4% to settle at \$27.3 billion. The province of Alberta exhibited one of the biggest bounce backs, up 23% in value to \$2.3 billion. Overall, Alberta's portion represented about 8.3% of Canada's total forest product exports.

Canada Exports of Forest Products by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
British Columbia	12,188.03	10,031.75	7,545.84	9,084.40	20.4%
Quebec	10,183.98	9,709.58	7,727.85	7,805.53	1.0%
Ontario	7,125.77	6,440.08	4,913.05	4,920.31	0.1%
Alberta	2,315.00	2,229.90	1,839.15	2,262.02	23.0%
New Brunswick	1,861.59	1,428.47	1,303.54	1,559.74	19.7%
Nova Scotia	916.41	962.64	767.76	942.32	22.7%
Manitoba	687.42	575.03	393.09	342.33	-12.9%
Saskatchewan	349.49	265.64	254.06	225.17	-11.4%
Newfoundland	347.55	340.08	168.31	117.10	-30.4%
Prince Edward Island	12.09	8.72	6.73	10.07	49.8%
Territories	1.34	0.64	0.34	0.67	94.5%
Total	35,988.66	31,992.53	24,919.74	27,269.66	9.4%

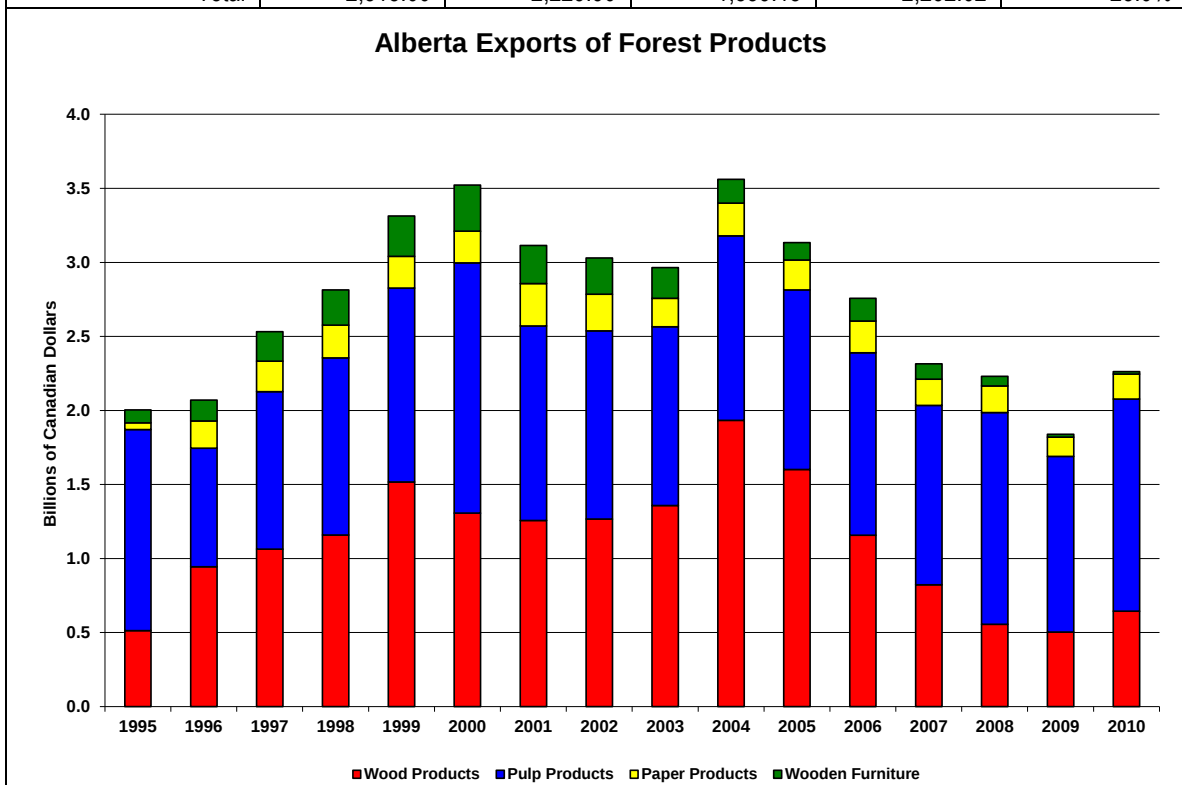


Source: Global Trade Information Services, Inc.

In 2009, offshore sales fell by 17.5% to below \$2 billion for the first time in the previous 15 years. The largest percentage changes (from 2008 to 2009) came from the wooden furniture and paper product sectors (-69.2% and -28.1% respectively). In the 2010 tally, export sales of forest products by Alberta recovered by 23% to settle at \$2.3 billion, still some \$1 billion below the peak in 2004. While most forest products experienced a bounce back, wooden furniture continued to see sales disappear.

Alberta Exports of Forest Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Wood Products	823.12	556.36	503.99	643.79	27.7%
Pulp Products	1,211.46	1,429.03	1,185.77	1,433.25	20.9%
Paper Products	177.04	180.25	129.62	168.65	30.1%
Wooden Furniture	103.38	64.26	19.77	16.34	-17.4%
Total	2,315.00	2,229.90	1,839.15	2,262.02	23.0%

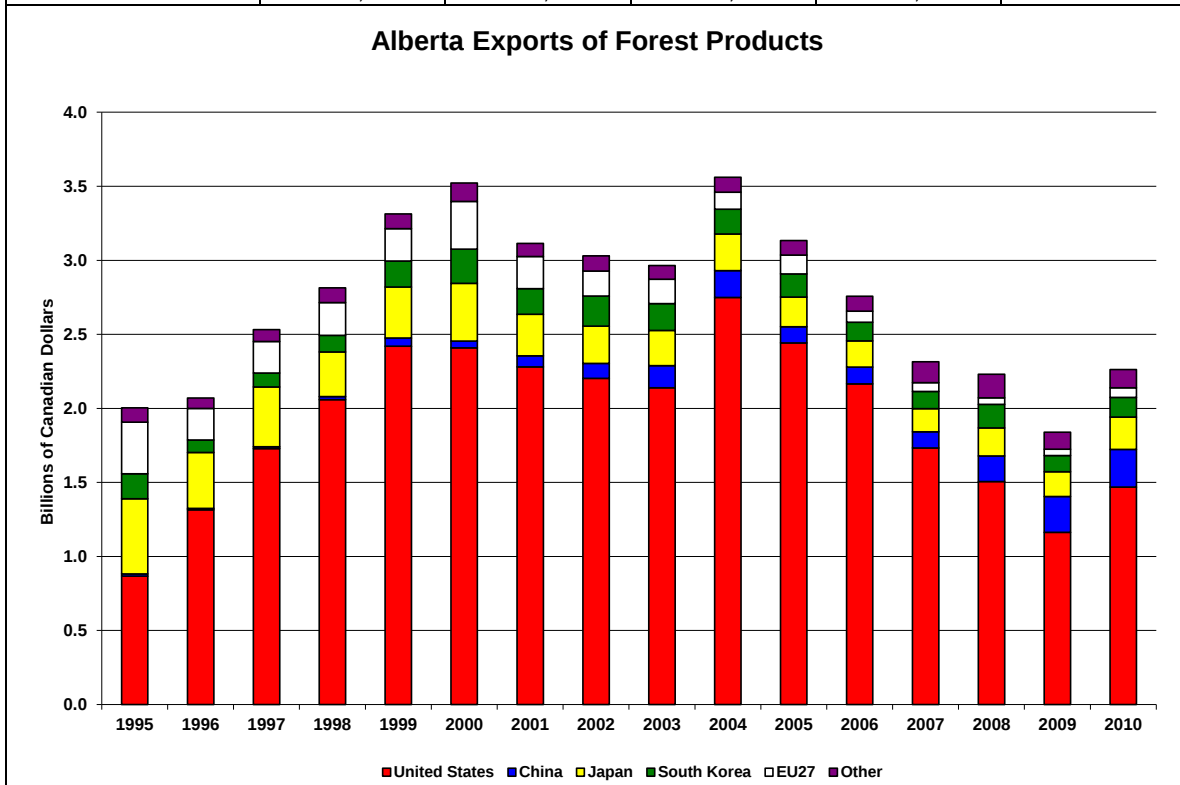


Source: Global Trade Information Services, Inc.

Across the board, shipments to all markets experienced recoveries (e.g., US or Japan) or growths (e.g. China) in 2010. Similar to British Columbia, increased efforts in exporting products to China were observed.

Alberta Exports of Forest Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	1,733.39	1,505.46	1,162.90	1,468.32	26.3%
China	107.92	173.84	242.71	254.79	5.0%
Japan	156.60	188.66	166.02	219.00	31.9%
South Korea	117.09	158.74	109.33	132.65	21.3%
EU27	58.34	45.01	42.75	64.37	50.6%
Other	141.66	158.19	115.44	122.90	6.5%
Total	2,315.00	2,229.90	1,839.15	2,262.02	23.0%



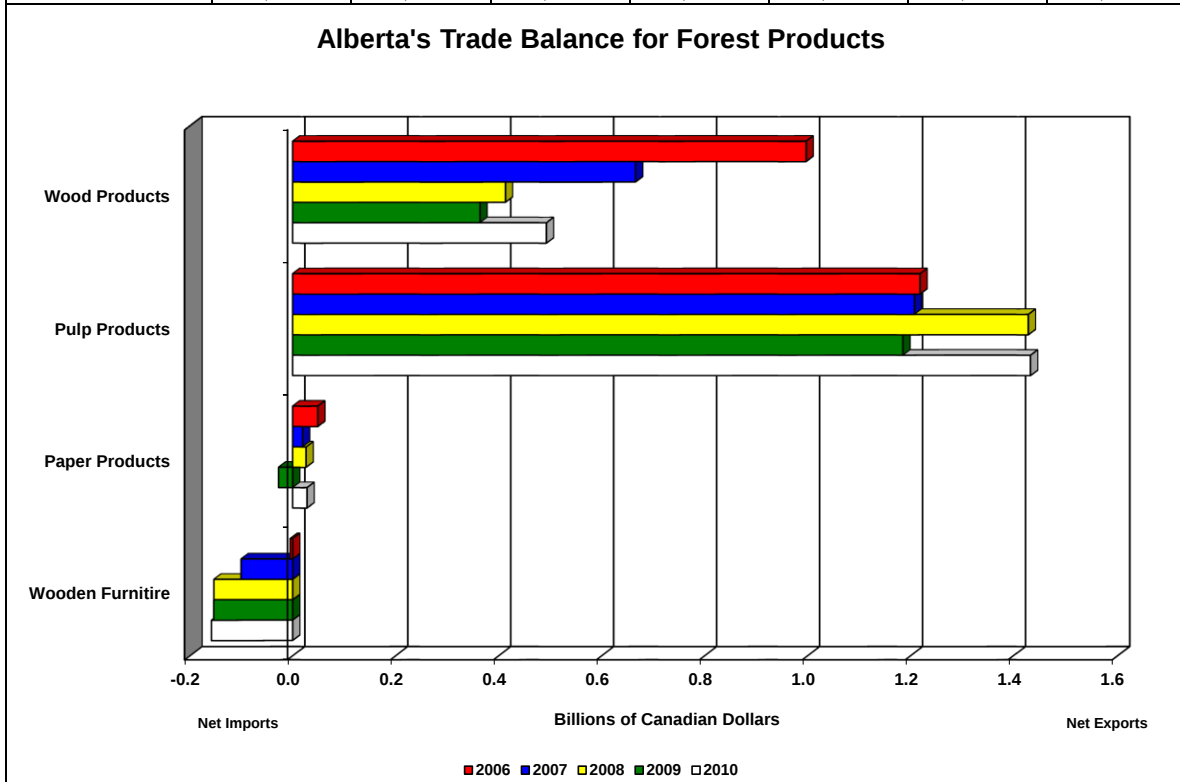
Source: Global Trade Information Services, Inc.

The balance of trade, also referred to as net exports, is defined as the difference between the monetary value of exports and imports in an economy (over a given period of time). A positive balance of trade, known as a trade surplus, signifies that a jurisdiction has exported more than they have imported. On the other hand, a negative balance of trade is known as a trade deficit or a trade gap, and implies that a jurisdiction has imported more than they have exported.

Alberta's forest products sector has experienced positive trade balances for all sectors over the past years (with 2000 being a peak year for all sectors at \$3.23 billion). With the exception of pulp products, most sectors have seen their trade balances decline drastically since 2004. Examples of these shrinkages include wood products (from \$1.83 billion to just \$492 million) and wooden furniture (from a net exporter in 2004 to a net importer in 2010).

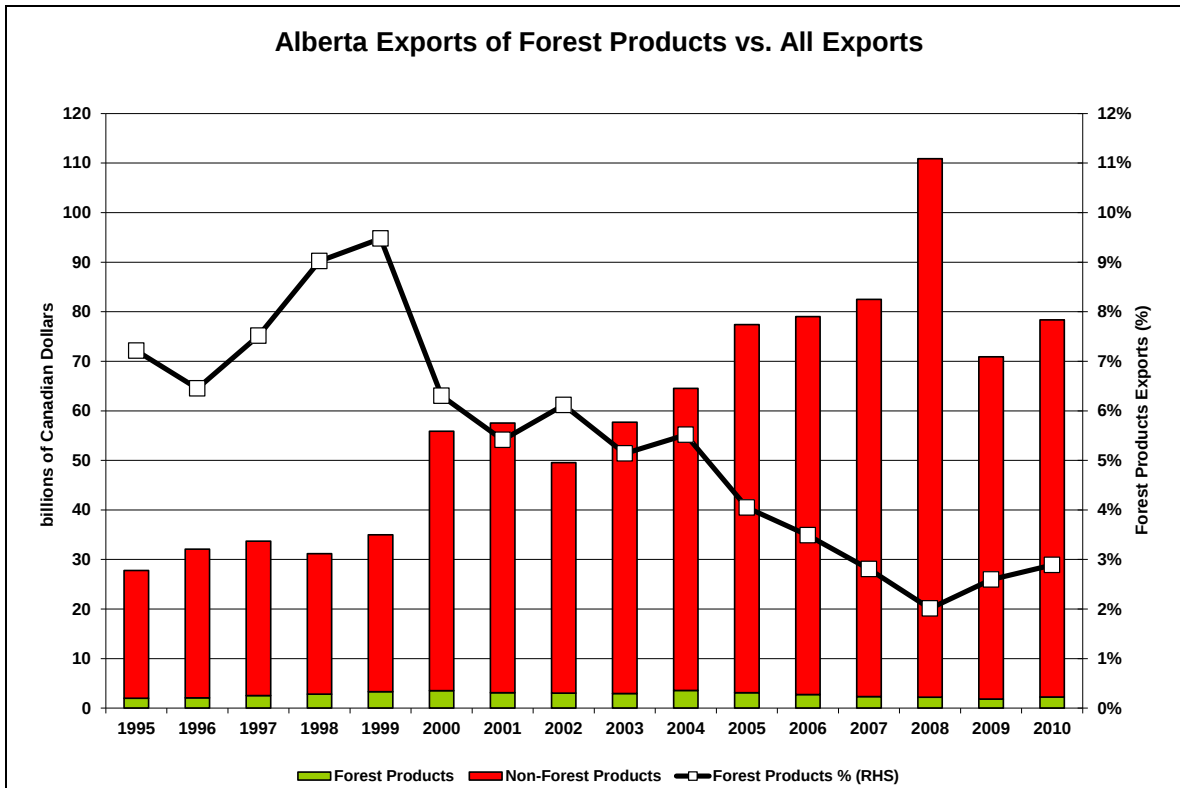
Alberta's Trade Balance of Forest Products, millions of Canadian Dollars

	2004	2005	2006	2007	2008	2009	2010
Wood Products	1,829.45	1,460.09	997.46	666.32	413.32	363.93	492.88
Pulp Products	1,236.09	1,205.34	1,218.79	1,207.93	1,428.76	1,185.56	1,433.02
Paper Products	47.95	32.42	48.84	19.14	25.97	-27.44	27.83
Wooden Furniture	68.29	10.03	-4.78	-100.22	-152.99	-153.31	-157.83
Total	3,181.78	2,707.88	2,260.32	1,793.17	1,715.06	1,368.75	1,795.90



Source: Global Trade Information Services, Inc.

In 1999, forest products (valued at \$3.3 billion) were about 9.5% of the province's total exports. As other industries such as energy and agriculture increased their output, along with the housing market crash in 2006, the once dominating figure has been trimmed to just \$2.26 billion (or 2.9%) in 2010.



Source: Global Trade Information Services, Inc.

WOOD PRODUCTS INDUSTRY



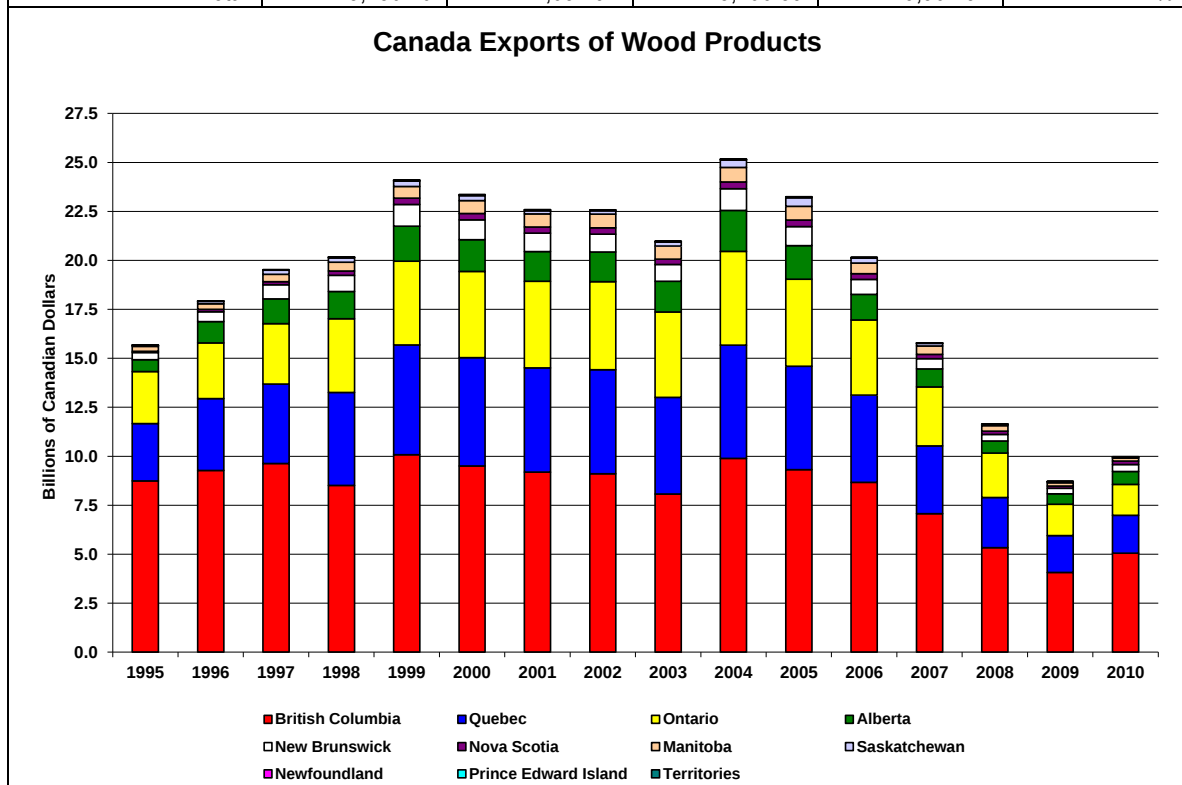
Photo Credit: www.naturallywood.com

Alberta's wood sector produces a variety of products for export, including softwood lumber and wood panels. Similar to other provinces, the majority of these products are sold to the United States while efforts toward global market expansion continue.

In 2010, export sales of wood products by Alberta recovered 26%, settling at \$660 million to remain as the fourth largest exporting province. However, the \$660 million observed in 2010 was also the fourth lowest sales recorded by the province since 1995.

Canada Exports of Wood Products by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
British Columbia	7,066.58	5,332.47	4,069.97	5,046.74	24.0%
Quebec	3,460.08	2,557.18	1,882.15	1,934.53	2.8%
Ontario	3,010.25	2,269.06	1,601.55	1,577.70	-1.5%
Alberta	926.50	620.63	523.76	660.12	26.0%
New Brunswick	519.52	338.73	286.78	361.76	26.1%
Nova Scotia	215.02	158.62	115.22	177.92	54.4%
Manitoba	427.68	286.04	168.55	143.57	-14.8%
Saskatchewan	135.69	58.90	51.41	53.94	4.9%
Newfoundland	6.49	2.80	2.05	3.48	69.5%
Prince Edward Island	11.16	7.90	4.83	2.29	-52.7%
Territories	1.13	0.60	0.31	0.31	1.1%
Total	15,780.10	11,632.92	8,706.59	9,962.37	14.4%

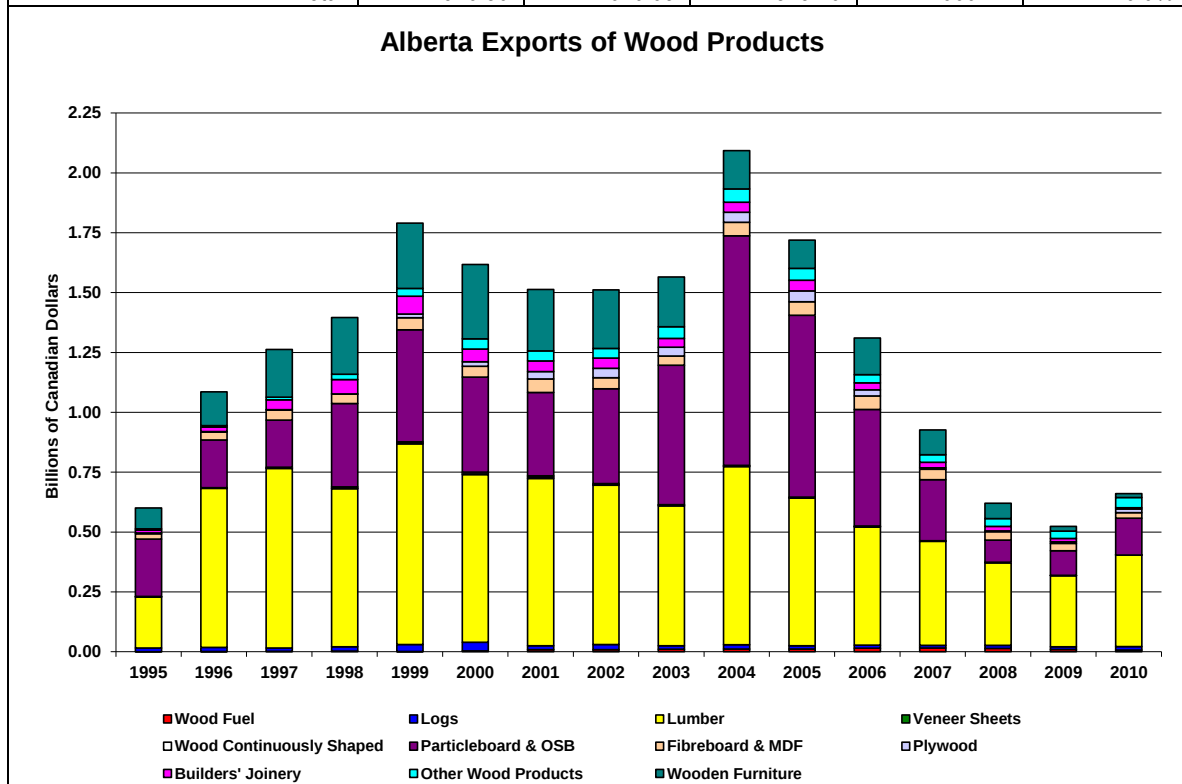


Source: Global Trade Information Services, Inc.

Since peaking in 2004, exports of all wood products by Alberta have been on the decline. Lumber, comprised of softwood and hardwood species, remains the top wood product exported by the province. Although small in comparison to previous years, a more than welcome observation was the 49% recovery in sales of particleboard and OSB panels.

Alberta Exports of Wood Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Wood Fuel	15.13	14.01	9.51	7.39	-22.2%
Logs	11.42	12.68	10.92	13.79	26.3%
Lumber	434.82	345.09	297.47	382.52	28.6%
Veneer Sheets	0.67	0.79	0.48	0.05	-89.9%
Wood Continuously Shaped	1.57	1.55	0.74	0.12	-84.1%
Particleboard & OSB	254.79	91.72	103.08	153.91	49.3%
Fibreboard & MDF	43.53	35.51	30.53	23.41	-23.3%
Plywood	6.46	3.16	7.01	15.37	119.1%
Builders' Joinery	22.99	18.91	13.44	4.70	-65.1%
Other Wood Products	31.75	32.95	30.80	42.53	38.1%
Wooden Furniture	103.38	64.26	19.77	16.34	-17.4%
Total	926.50	620.63	523.76	660.12	26.0%



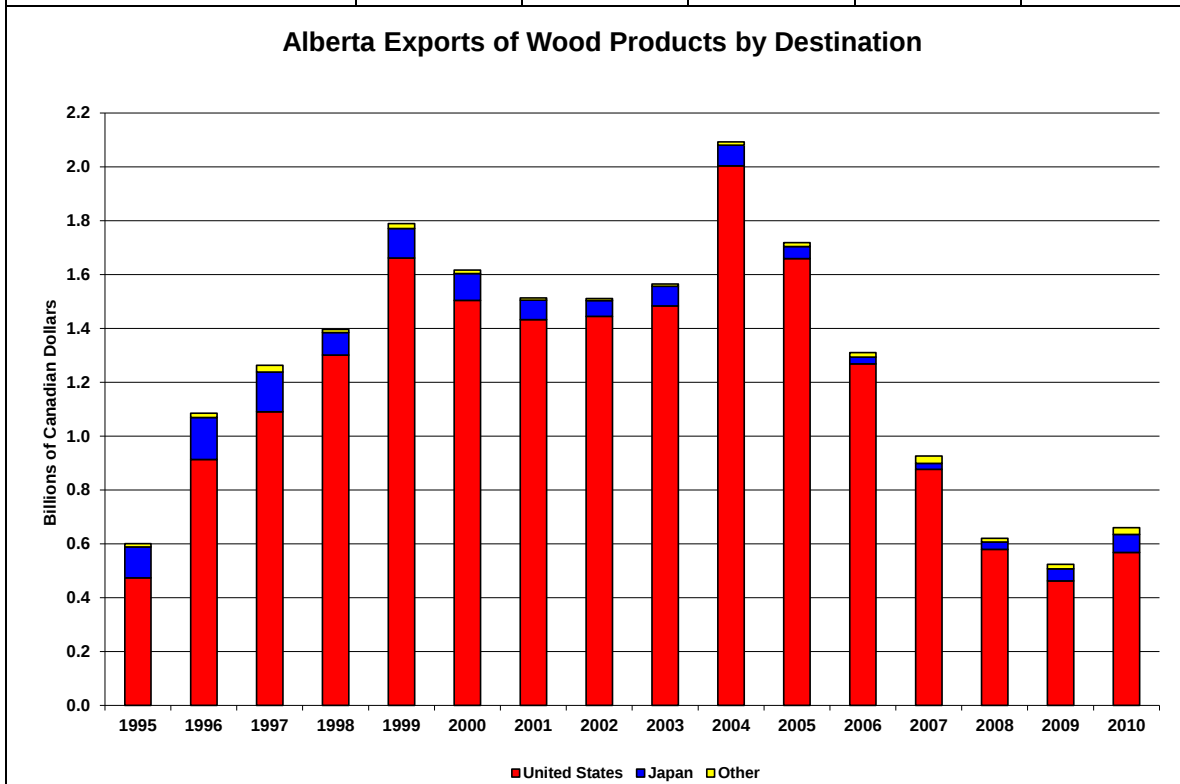
Source: Global Trade Information Services, Inc.

*Builders' Joinery consists of doors, windows, prefab partitions and panels, fences, roof trusses, beams, arches, shakes and shingles.

Although a 26% bounce back was noted in 2010, the \$660 million recorded was still only a portion of that observed in 2004. As illustrated below, the United States has continued to be the top customer for the province's wood products, importing well over 86% of all wood exports.

Alberta Exports of Wood Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	876.71	579.24	462.17	568.27	23.0%
Japan	22.21	27.74	45.15	66.84	48.1%
Other	27.58	13.64	16.44	25.00	52.1%
Total	926.50	620.63	523.76	660.12	26.0%



Source: Global Trade Information Services, Inc.

ALBERTA LUMBER



Photo Credit: © 2011 Thinkstock

As with most Canadian provinces, Alberta's softwood lumber production experienced a recovery in 2010. Alberta lumber producers continue to resolve the issues left by the financial crisis, namely the low US housing starts and a recessionary economy. However, high production costs (i.e., energy, utility, transportation and labour) as well as the strong Canadian dollar will continue to hamper the industry.

LUMBER PRODUCTION & CAPACITY

In 2010, over 7.5 million cubic metres of lumber were produced in Alberta, representing almost 15% of Canada's production volume. British Columbia continues to be the nation's leading province in production, shipments and exports while Alberta remains the third largest producer.

Canadian Lumber Statistics, cubic metres

		Production	Shipments	Exports	Domestic Consumption (includes shipments to other provinces)
2006	Alberta	7,297,100	7,160,800	3,466,041	3,694,759
	British Columbia	41,050,100	41,023,700	32,829,359	8,194,341
	Rest of Canada	32,522,400	32,248,700	16,339,436	15,909,264
	Canada	80,869,600	80,433,200	52,634,836	27,798,364
2007	Alberta	7,583,200	7,536,000	3,378,332	4,157,668
	British Columbia	36,677,300	36,822,100	28,251,947	8,570,153
	Rest of Canada	27,782,300	27,803,400	13,338,056	14,465,344
	Canada	72,042,800	72,161,500	44,968,335	27,193,165
2008	Alberta	7,357,600	7,109,900	3,020,805	4,089,095
	British Columbia	28,191,500	28,512,000	21,216,357	7,295,643
	Rest of Canada	21,700,800	22,068,500	8,723,488	13,345,012
	Canada	57,249,900	57,690,400	32,960,650	24,729,750
2009	Alberta	6,643,600	6,684,400	2,660,115	4,024,285
	British Columbia	22,974,700	23,650,700	17,835,723	5,814,977
	Rest of Canada	15,630,300	16,399,100	5,445,429	10,953,671
	Canada	45,248,600	46,734,200	25,941,267	20,792,933
2010	Alberta	7,544,200	7,561,100	2,788,227	4,772,873
	British Columbia	27,095,000	26,855,900	20,851,475	6,004,425
	Rest of Canada	18,672,100	18,340,300	6,724,439	11,615,861
	Canada	53,311,300	52,757,300	30,364,141	22,393,159

Source: Global Trade Information Services, Inc.

Adapted from Statistics Canada publication *Sawmills*, Catalogue 35-003, vols. 59-64, no. 12,

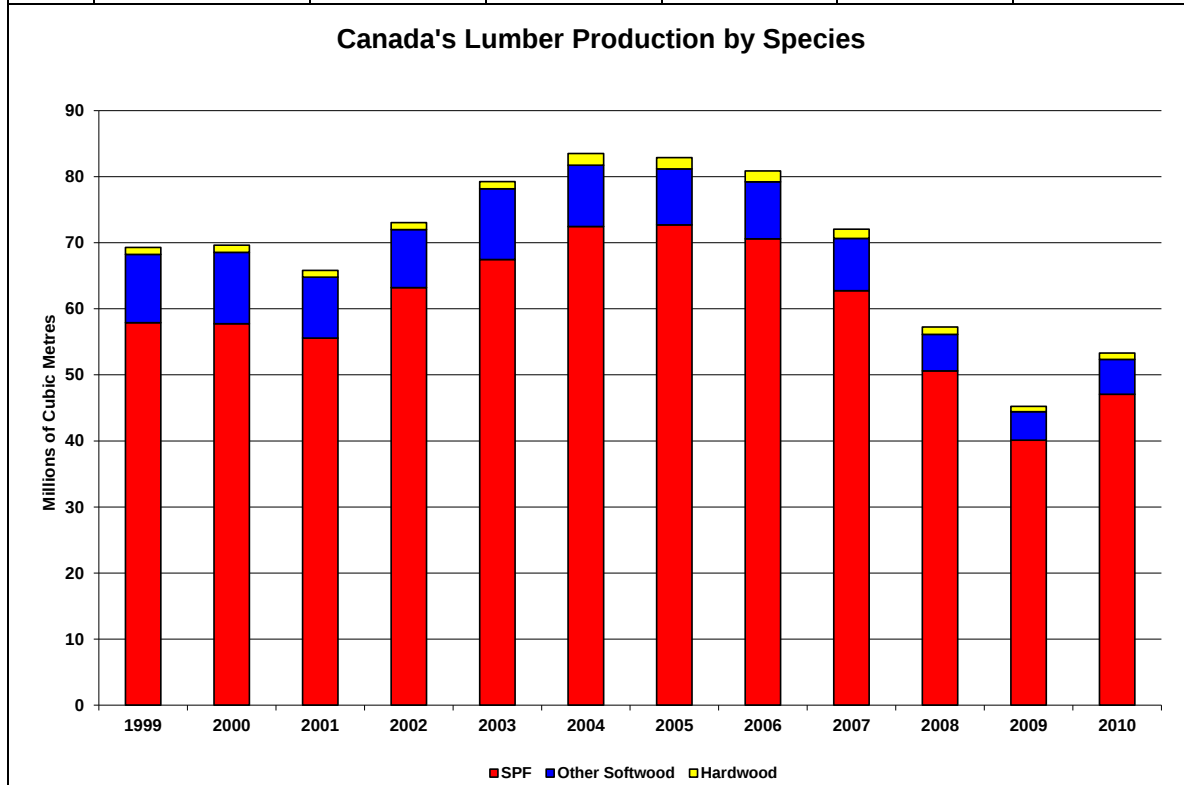
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About 37% of lumber produced in Alberta was sold to non-Canadian customers while the remaining volume was consumed domestically. Interestingly, while production and exports of lumber by the province fell, the domestic consumption figures actually grew.

As in past years, an overwhelming amount of lumber produced (99.8%) was SPF, with white spruce and lodgepole pine being the main species (within the SPF grouping), while very little hardwood lumber is produced by Alberta.

Canadian Lumber Production, cubic metres

		SPF	Other Softwood	Softwood	Hardwood	Total
2007	Alberta	7,569,000	0	7,569,000	14,200	7,583,200
	British Columbia	30,830,900	5,846,400	36,677,300	0	36,677,300
	Rest of Canada	24,327,200	2,068,000	26,395,200	1,387,000	27,782,200
	Canada	62,727,100	7,914,400	70,641,500	1,401,200	72,042,700
2008	Alberta	7,343,800	0	7,343,800	13,800	7,357,600
	British Columbia	24,309,200	3,882,300	28,191,500	0	28,191,500
	Rest of Canada	18,944,800	1,659,100	20,603,900	1,096,900	21,700,800
	Canada	50,597,800	5,541,400	56,139,200	1,110,700	57,249,900
2009	Alberta	6,631,200	0	6,631,200	12,400	6,643,600
	British Columbia	19,997,600	2,977,100	22,974,700	0	22,974,700
	Rest of Canada	13,497,700	1,331,900	14,829,600	800,700	15,630,300
	Canada	40,126,500	4,309,000	44,435,500	813,100	45,248,600
2010	Alberta	7,530,100	0	7,530,100	14,100	7,544,200
	British Columbia	23,507,700	3,587,300	27,095,000	0	27,095,000
	Rest of Canada	16,016,300	1,715,000	17,731,300	940,800	18,672,100
	Canada	47,054,100	5,302,300	52,356,400	954,900	53,311,300



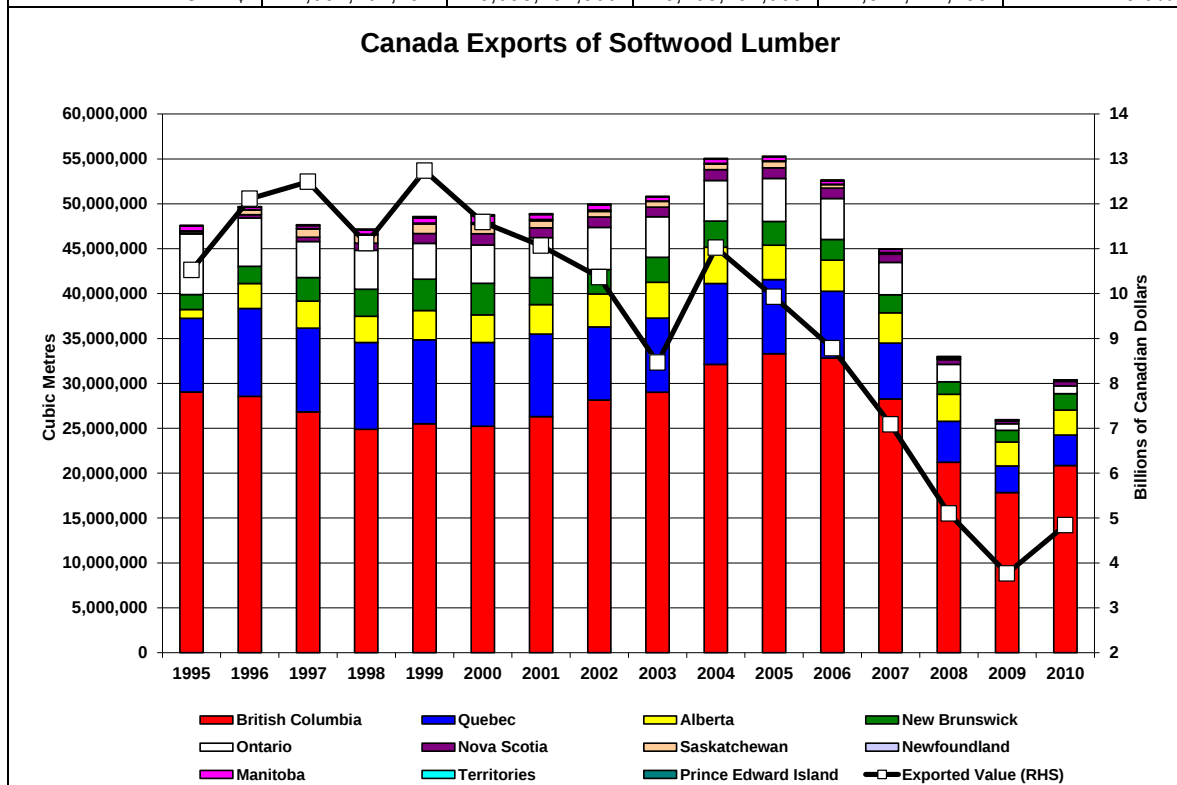
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LUMBER EXPORTS

Since reaching a record in 2005, export sales of softwood lumber by Canada cooled, eventually reaching a bottom of 25.9 million cubic metres in 2009. When comparing the volume exported in 2009 to the volume shipped two years ago, the volume from British Columbia (2007) alone is greater than the total sold by Canada (2009). While most of the provinces experienced double digit recoveries in 2010, Alberta saw its exports bounce back by 4.8% to settle at 2.79 million cubic metres.

Canada Exports of Softwood Lumber by Provinces, cubic metres

	2007	2008	2009	2010	% Change (09-10)
British Columbia	28,251,947	21,216,357	17,835,723	20,851,540	16.9%
Quebec	6,241,590	4,550,155	2,971,888	3,392,187	14.1%
Alberta	3,378,332	3,020,805	2,660,115	2,788,227	4.8%
New Brunswick	2,007,011	1,379,952	1,307,100	1,832,783	40.2%
Ontario	3,588,151	1,953,613	716,567	848,071	18.4%
Nova Scotia	914,283	522,713	311,232	518,419	66.6%
Saskatchewan	169,791	110,455	88,751	102,176	15.1%
Newfoundland	47,826	24,719	17,321	23,712	36.9%
Manitoba	339,464	181,485	32,266	6,999	-78.3%
Territories	540	283	304	92	-69.7%
Prince Edward Island	29,400	113	0	0	-
Total	44,968,335	32,960,650	25,941,267	30,364,206	17.0%
CAD \$	7,084,104,492	5,098,752,860	3,765,497,065	4,842,174,299	28.6%



Source: Global Trade Information Services, Inc.

In 2010, producers in Alberta sold 2.79 million cubic metres of softwood lumber to non-Canadian customers – the United States purchased 88% of that volume. It can also be seen that sales to Japan in 2010 have recovered to mid-1990s levels while new customers are being located – illustrating the province's ability to reach out to new customers despite being inland.

Alberta Exports of Softwood Lumber by Destination, cubic metres

	2007	2008	2009	2010	% Change (09-10)
United States	3,275,435	2,901,300	2,423,871	2,444,027	0.8%
Japan	68,118	98,461	175,448	240,913	37.3%
Other	34,779	21,044	60,796	103,287	69.9%
Total	3,378,332	3,020,805	2,660,115	2,788,227	4.8%

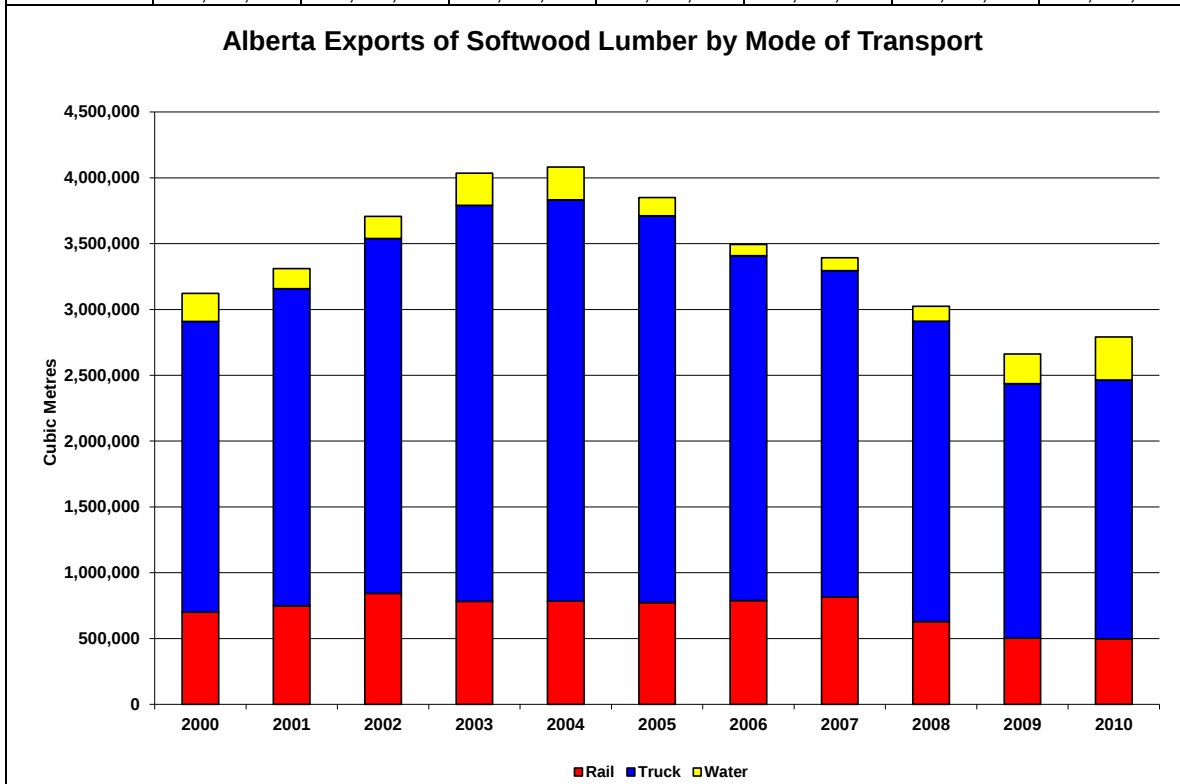


Source: Global Trade Information Services, Inc.

Modes of transporting the softwood lumber from Alberta to its non-Canadian customers include trucks, railways and waterways. Since Alberta is land locked and has no direct access to tidewater, all shipments start on truck or rail. Apart from the shipments to the United States, the remaining volume was delivered to countries like Japan and EU27 via waterways.

Alberta Export of Softwood Lumber by Mode of Transport, cubic metres¹

	2004	2005	2006	2007	2008	2009	2010
Rail	783,900	773,700	788,300	815,700	629,200	502,100	497,700
Truck	3,049,200	2,938,400	2,620,800	2,478,900	2,282,200	1,933,900	1,966,200
Water	249,600	138,900	85,500	97,900	112,900	226,200	327,600
Total	4,082,700	3,851,000	3,494,600	3,392,500	3,024,300	2,662,200	2,791,500



Adapted from Statistics Canada publication *Sawmills*, Catalogue 35-003, vols. 54-64, no. 12,
<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=35-003-X>

¹For exports, mode of transport information represents the mode of transport by which the international boundary is crossed. This may be different from the mode of transport within Canada.

ALBERTA PANELS



Photo Credit: www.naturallywood.com

Similar to softwood lumber, panel producers in Alberta experienced modest recoveries in 2010. Faced with severe challenges left by the financial crisis, production and sales of OSB and plywood this past year remained at only a portion of that observed in the first half of the decade. By the end of 2010, Alberta remained home to seven panel producers comprised of five OSB mills (of which only two are currently running), one plywood veneer plant (that supplies a local plywood production mill), and one LVL mill.

PLYWOOD PRODUCTION & CAPACITY

Alberta only has one plywood production mill (capacity = 262 million sq. ft, 3/8" basis). This mill is supplied by one veneer plant, also located in the province (capacity = 255 million sq. ft, 3/8" basis).



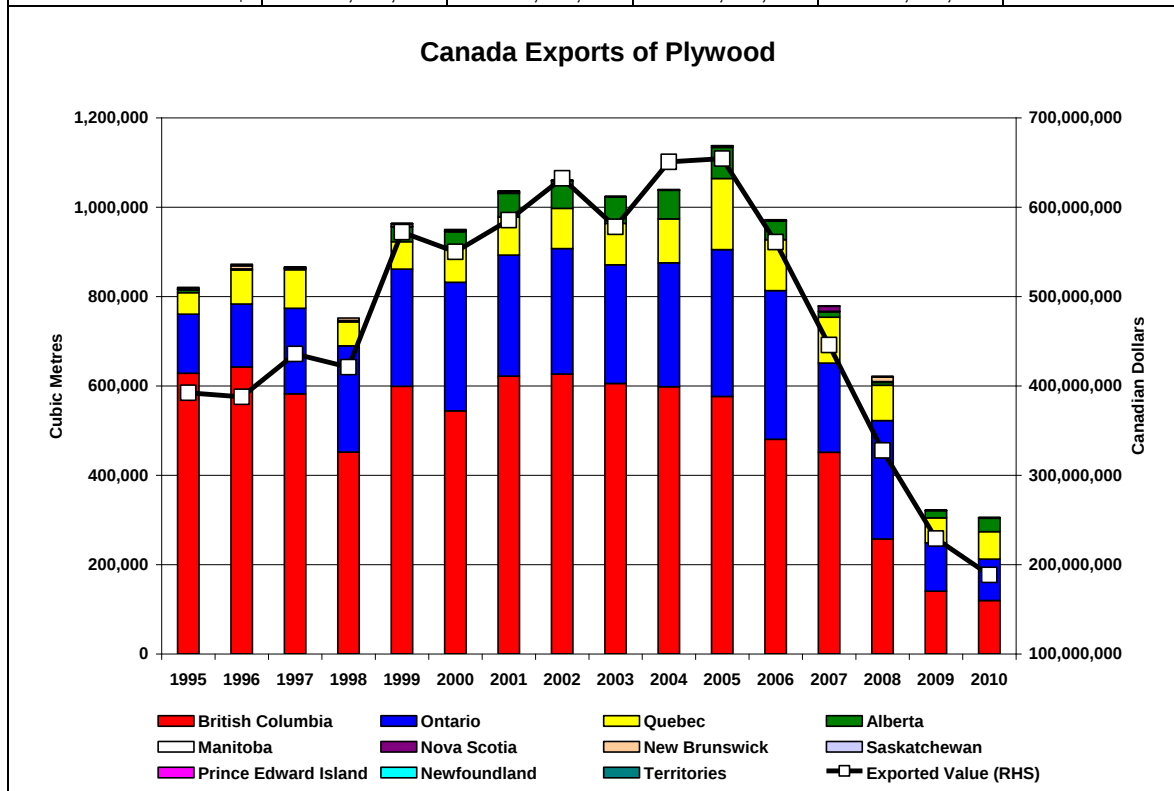
Photo Credit: www.naturallywood.com

PLYWOOD EXPORTS

British Columbia and Ontario are the largest producers and exporters of plywood panels. With only one plywood mill, Alberta's share of plywood exports is low when compared to other provinces. Nonetheless, an 87% gain in sales for Alberta was observed in 2010 while the two aforementioned plywood producing giants fell by almost 15%.

Canada Exports of Plywood by Provinces, cubic metres

	2007	2008	2009	2010	% Change (09-10)
British Columbia	451,548	257,057	140,440	119,720	-14.8%
Ontario	199,231	265,159	108,400	92,502	-14.7%
Quebec	102,647	79,237	55,909	61,451	9.9%
Alberta	12,627	6,243	16,005	29,984	87.3%
Manitoba	862	846	297	1,004	238.0%
Nova Scotia	11,245	935	472	503	6.6%
New Brunswick	337	10,529	289	122	-57.8%
Saskatchewan	610	524	145	84	-42.1%
Prince Edward Island	47	0	0	16	-
Newfoundland	22	657	7	7	0.0%
Territories	0	5	0	0	-
Total	779,176	621,192	321,964	305,393	-5.1%
CAD \$	445,648,212	327,787,220	229,071,917	188,309,927	-17.8%

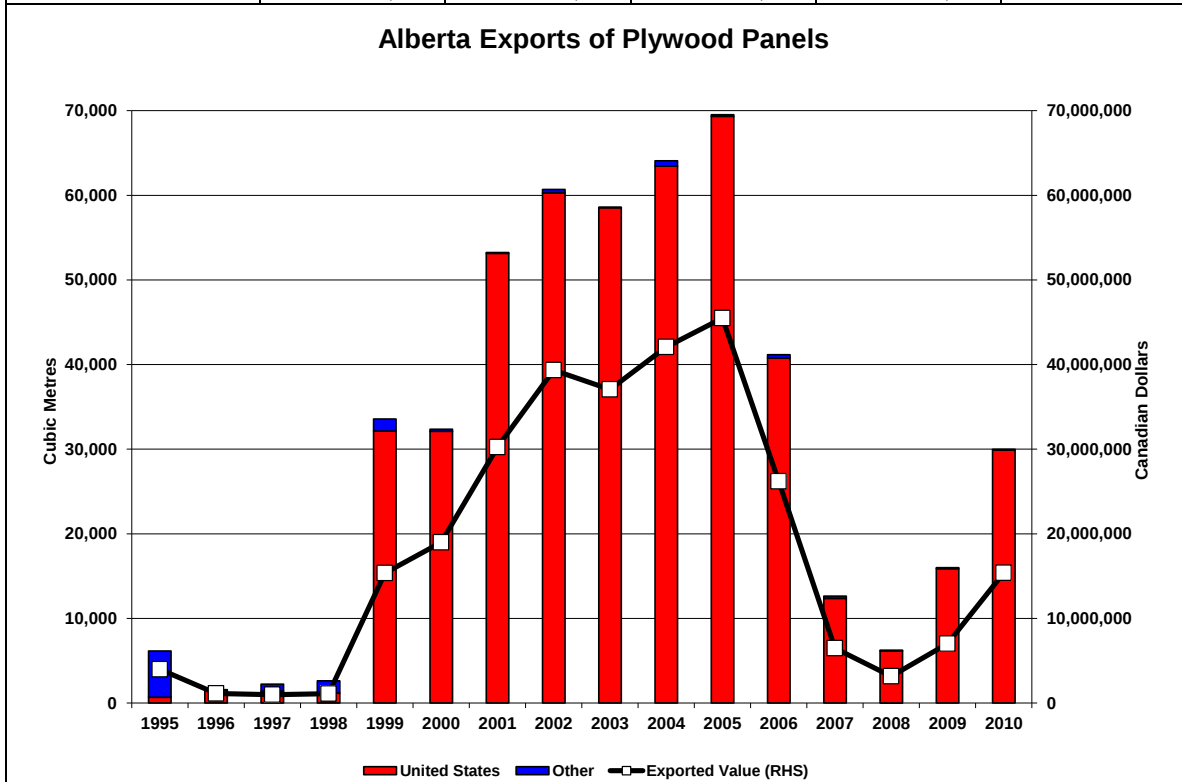


Source: Global Trade Information Services, Inc.

As predicted, almost all of Alberta's exported plywood was sold to the United States. With continued competition from OSB, as well as growing capacity from Chinese plywood producers and the aforementioned troubles left by the financial crisis, shipments from Alberta to the US have declined sharply since 2005.

Alberta Exports of Plywood by Destination, cubic metres

	2007	2008	2009	2010	% Change (09-10)
United States	12,362	6,157	15,885	29,882	88.1%
Other	265	86	120	102	-15.0%
Total	12,627	6,243	16,005	29,984	87.3%



Source: Global Trade Information Services, Inc.

OSB PRODUCTION & CAPACITY

Alberta has five OSB mills with a combined total production capacity of 3,305 million square feet (3/8" basis). All these mills are located in the northern region of the province; however, only four mills remained operational as of the end of 2007. Since early 2007, one mill has permanently closed while three others have curtailed operations indefinitely, leaving only two mills (with a combined capacity of 1.15 million) running in the province.

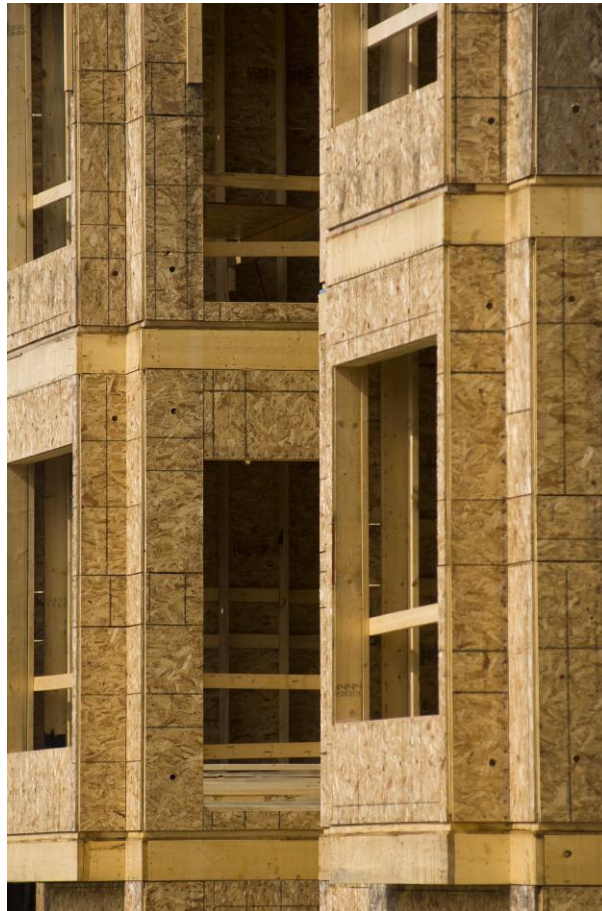


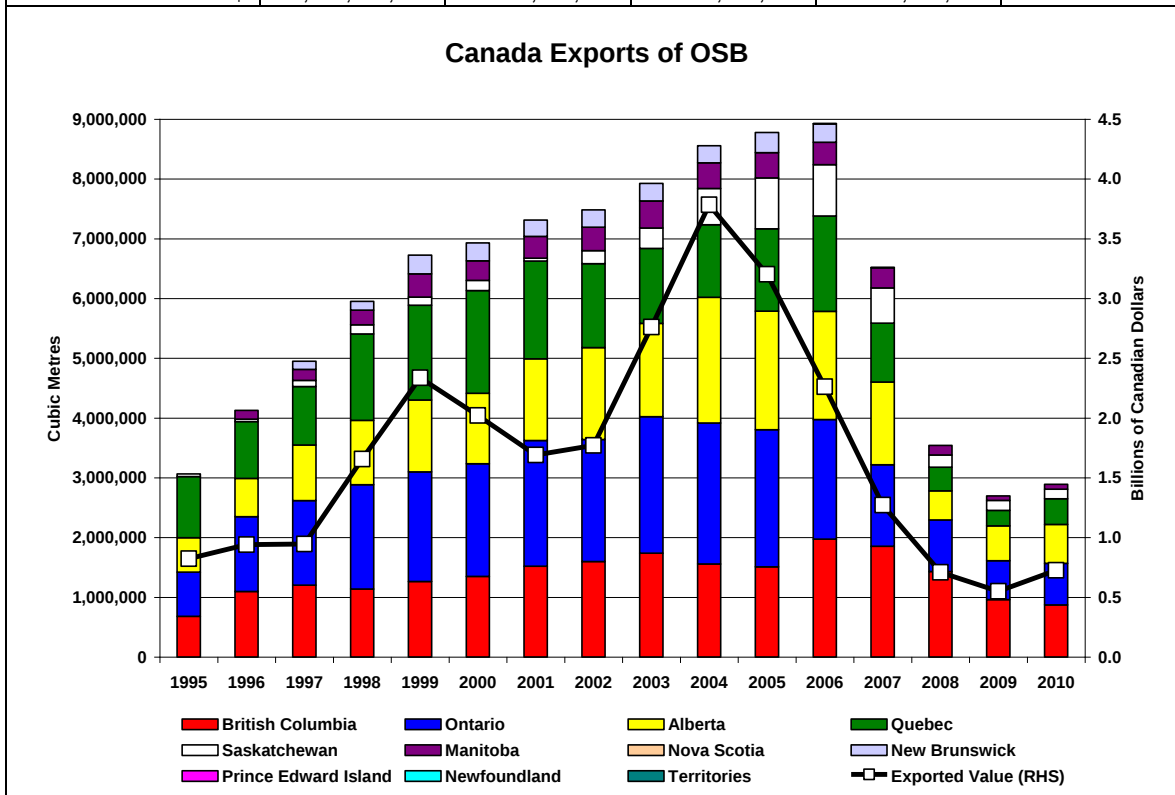
Photo Credit: www.naturallywood.com

OSB EXPORTS

It took the industry 12 years (1995 to 2006) to triple its exports of OSB to 9 million cubic metres, yet it only took three years (2007 to 2009) to see that entire growth vanish. Due to the economic meltdown, consumption and demand of all building materials fell, bringing this growing industry to an abrupt halt. The decline in OSB is even more pronounced when analyzed in monetary terms. Although shipments in volume were growing until 2006, it was achieved under falling prices, which began two years earlier.

Canada Exports of OSB by Provinces, cubic metres

	2007	2008	2009	2010	% Change (09-10)
British Columbia	1,854,789	1,431,749	961,666	873,378	-9.2%
Ontario	1,362,521	861,981	651,936	695,416	6.7%
Alberta	1,383,277	488,280	580,160	652,051	12.4%
Quebec	985,556	396,598	262,251	428,112	63.2%
Saskatchewan	591,059	204,304	164,966	161,345	-2.2%
Manitoba	338,970	158,870	75,710	80,083	5.8%
Nova Scotia	60	110	27	142	425.9%
New Brunswick	5,653	0	216	0	-100.0%
Prince Edward Island	0	0	0	0	-
Newfoundland	138	0	0	0	-
Territories	0	0	0	0	-
Total	6,522,023	3,541,892	2,696,932	2,890,527	7.2%
CAD \$	1,272,315,307	709,151,206	549,960,647	725,944,096	32.0%

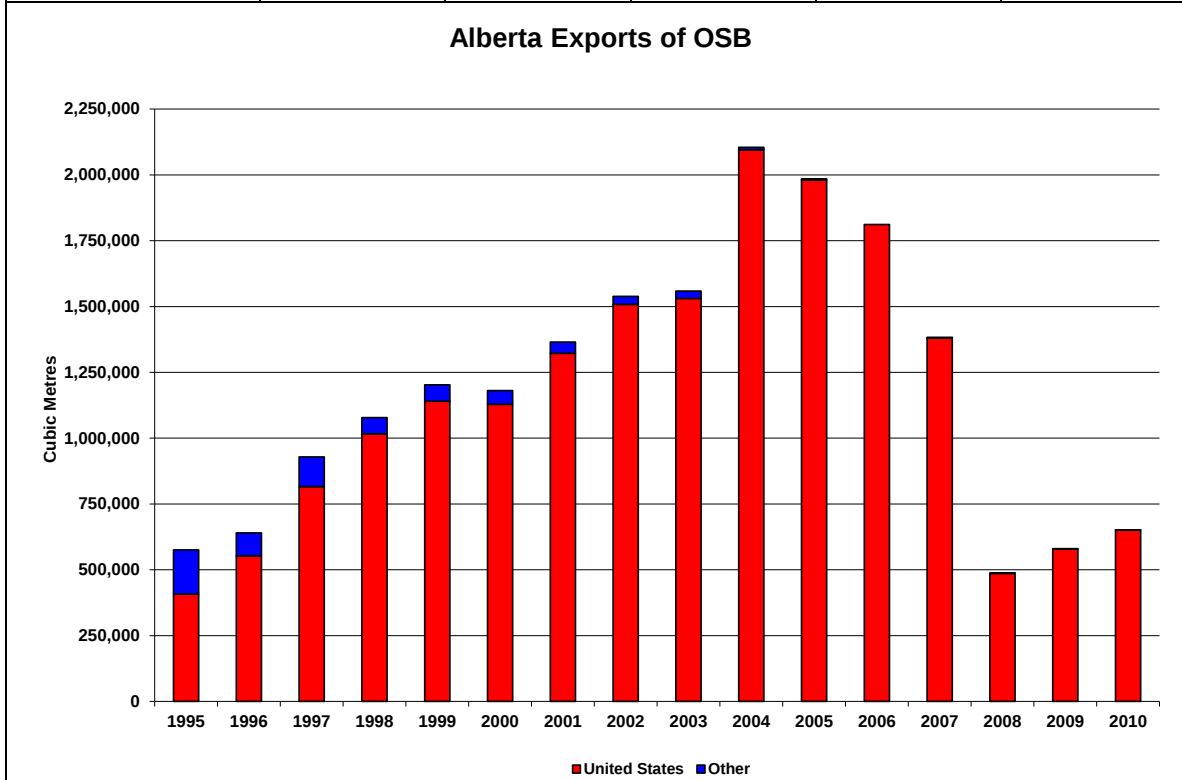


Source: Global Trade Information Services, Inc.

While Alberta has been one of Canada's biggest OSB exporters, shipments from the province began to fall after peaking in 2004. Even though a 12.4% recovery was observed in 2010, sales this past year were only a portion of those recorded earlier in the decade.

Alberta Exports of OSB by Destination, cubic metres

	2007	2008	2009	2010	% Change (09-10)
United States	1,380,864	486,453	579,517	651,331	12.4%
Others	2,413	1,827	643	720	12.0%
Total	1,383,277	488,280	580,160	652,051	12.4%



Source: Global Trade Information Services, Inc.

ALBERTA'S ADVANCED WOOD PRODUCTS INDUSTRY



Photo Credit: www.naturallywood.com

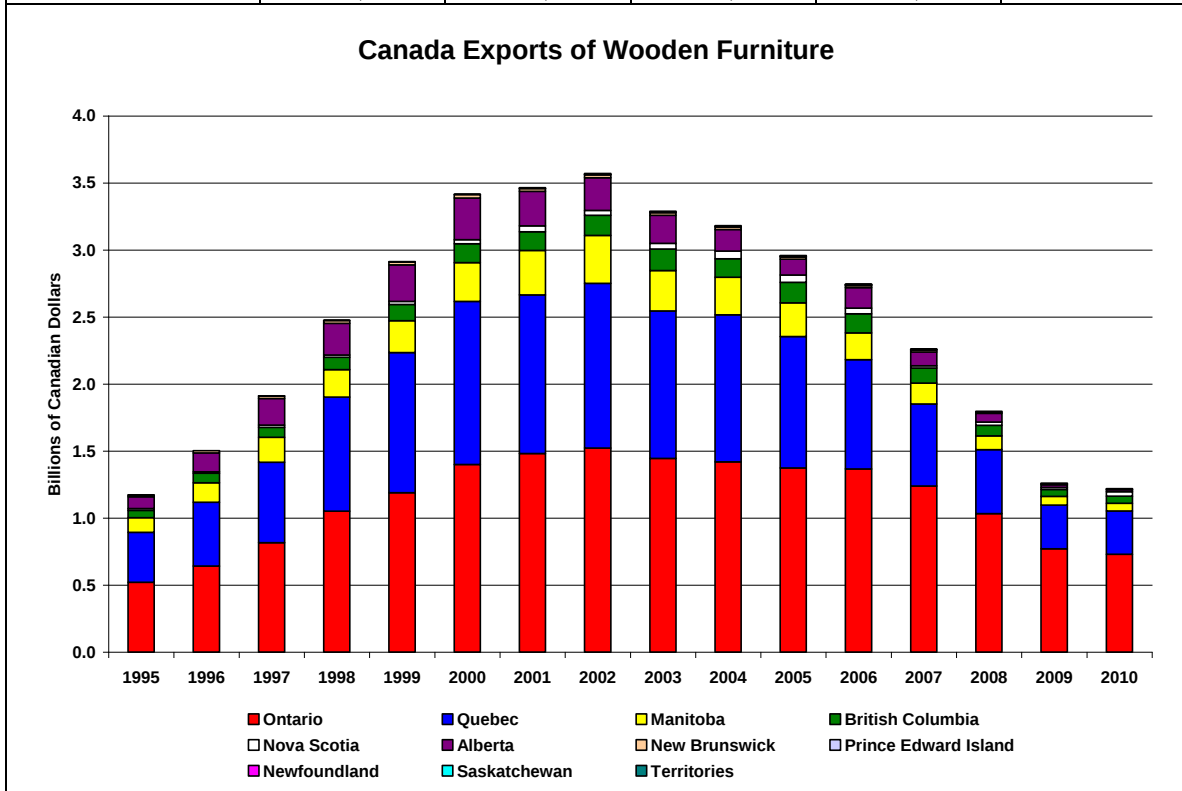
According to a 2003 study, Alberta is home to approximately 550 advanced wood manufacturers located across 95 communities in the province. This sector is quite diverse and consists of manufacturers producing prefabricated buildings, cabinets, engineered building components, millwork and finished products, furniture and fixtures, specialty items, and remanufactured products.

WOODEN FURNITURE

Exports of wooden furniture by Alberta's producers (as a percentage of Canada) have hovered around the 5% mark since 2004. However, export sales of wooden furniture by the province dropped to 3.5% in 2008, then to just 1.3% in 2010. This drop is a direct result of increased competition from China, Vietnam and other nations. Compared to a year ago, products from Alberta fell another 17.4% to settle at \$16.3 million.

Canada Exports of Wooden Furniture by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Ontario	1,239.66	1,033.52	771.20	729.66	-5.4%
Quebec	612.05	476.60	325.57	323.46	-0.6%
Manitoba	155.20	102.80	64.64	57.36	-11.3%
British Columbia	112.42	79.61	51.84	52.49	1.3%
Nova Scotia	16.55	24.40	15.92	33.43	110.0%
Alberta	103.38	64.26	19.77	16.34	-17.4%
New Brunswick	13.83	9.90	7.85	4.23	-46.1%
Prince Edward Island	5.24	5.71	3.43	2.14	-37.6%
Newfoundland	0.32	0.05	0.13	0.30	129.6%
Saskatchewan	1.74	0.85	0.93	0.25	-73.5%
Territories	0.01	0.01	0.05	0.00	-94.9%
Total	2,260.38	1,797.72	1,261.32	1,219.65	-3.3%

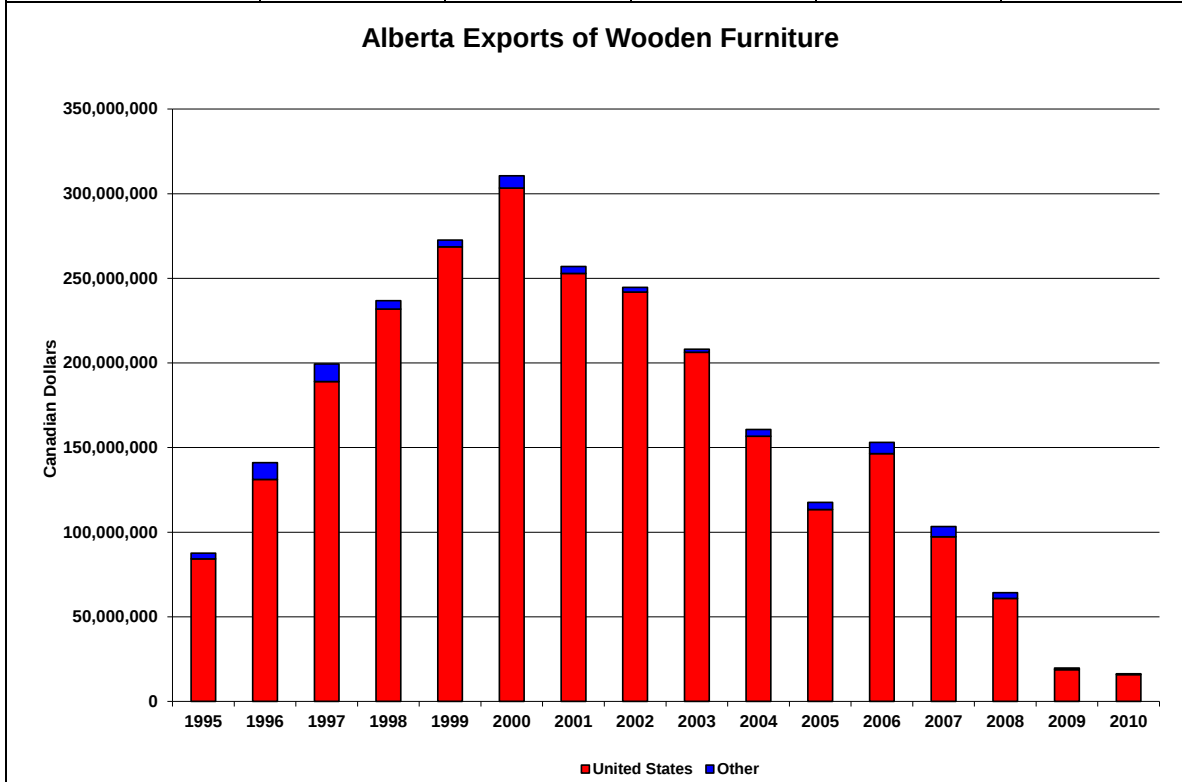


Source: Global Trade Information Services, Inc.

As with other wood products, the United States continues to be Alberta's largest customer of wooden furniture. Overall, export sales have decreased significantly since surpassing \$300 million in 2000. It is estimated that the 2010 sales were approximately \$295 million below the peak observed a decade ago.

Alberta's Exports of Wooden Furniture, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	97.33	60.85	18.78	15.89	-15.4%
Other	6.04	3.42	0.99	0.45	-54.6%
Total	103.38	64.26	19.77	16.34	-17.4%

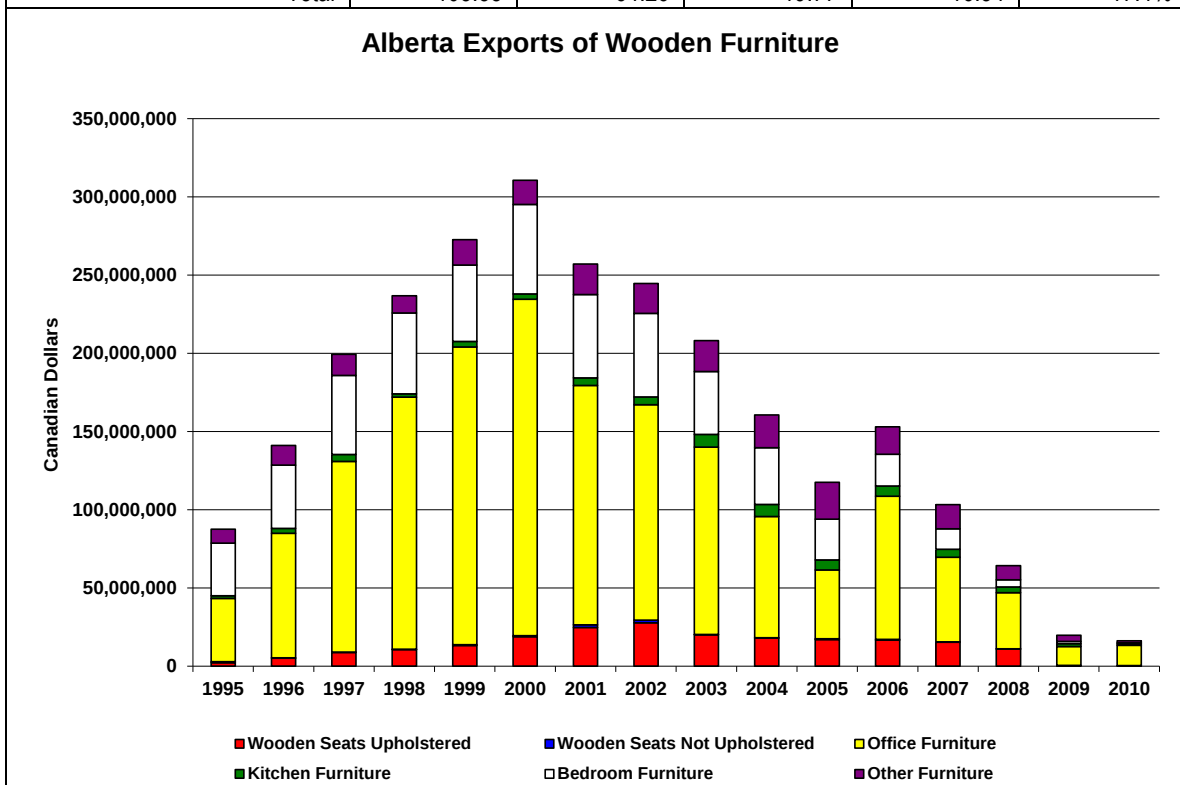


Source: Global Trade Information Services, Inc.

Even though office furniture remains the largest product category sold, shipments in 2010 were only a portion of the sales figures recorded in 2000. Meanwhile, sales of wooden seats and bedroom furniture have all but disappeared.

Alberta's Exports of Wooden Furniture, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Wooden Seats Upholstered	15.32	11.05	0.50	0.30	-40.0%
Wooden Seats Not Upholstered	0.27	0.11	0.12	0.17	45.8%
Office Furniture	54.14	35.85	11.98	12.99	8.4%
Kitchen Furniture	5.11	3.70	1.88	0.83	-55.9%
Bedroom Furniture	13.10	4.60	1.49	0.71	-52.3%
Other Furniture	15.44	8.95	3.80	1.34	-64.8%
Total	103.38	64.26	19.77	16.34	-17.4%



Source: Global Trade Information Services, Inc.

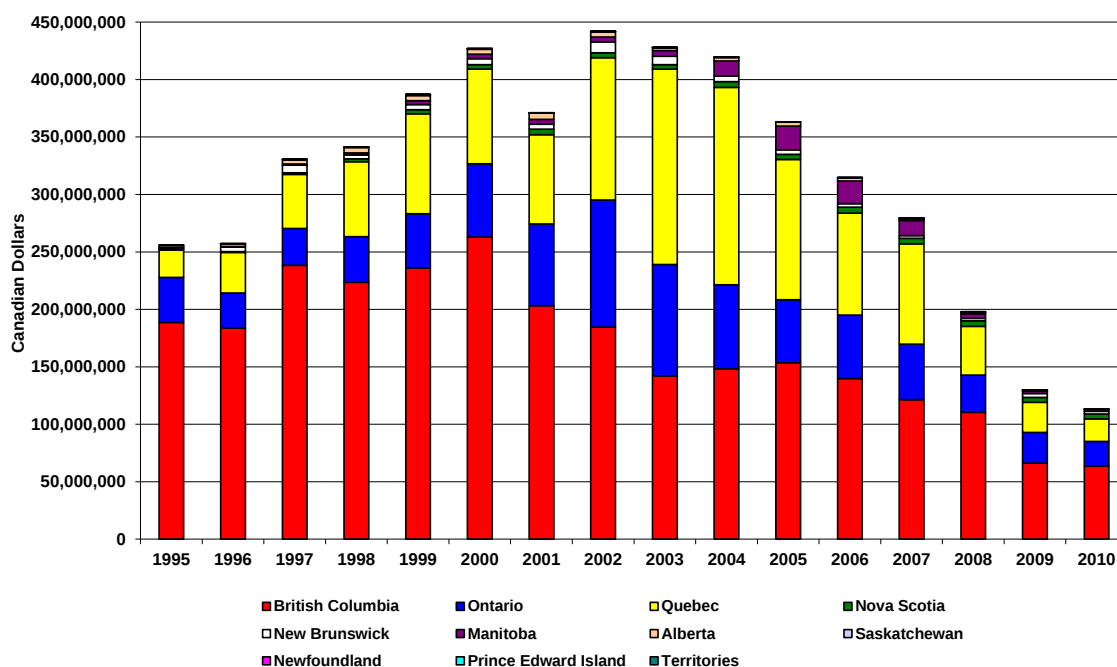
CONTINUOUSLY SHAPED WOOD PRODUCTS

Continuously shaped wood consists of products such as flooring, moulding, dowelling and siding. With respect to trade, Alberta holds a small percentage (1%) of Canada's exports of these wood products while British Columbia and Quebec have been Canada's top exporting provinces for this segment. Overall, exports of these wood products continue to cool, falling to a new low of \$113 million in 2010.

Canada Exports of Continuously Shaped Wood Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
British Columbia	121.46	110.32	66.11	63.56	-3.9%
Ontario	48.31	32.49	26.76	21.45	-19.8%
Quebec	87.27	42.38	26.24	19.63	-25.2%
Nova Scotia	4.82	4.88	4.19	4.20	0.3%
New Brunswick	2.36	2.17	3.46	2.42	-30.2%
Manitoba	13.13	3.81	2.26	1.56	-30.9%
Alberta	1.57	1.55	0.74	0.12	-84.1%
Saskatchewan	0.02	0.18	0.00	0.01	61.0%
Newfoundland	0.01	0.01	0.01	0.00	-49.3%
Prince Edward Island	0.60	0.22	0.18	0.00	-97.9%
Territories	0.01	0.00	0.00	0.00	
Total	279.56	198.01	129.96	112.95	-13.1%

Canada Exports of Continuously Shaped Wood Products
(includes flooring, moulding, dowelling, siding, and other continuously shaped wood)

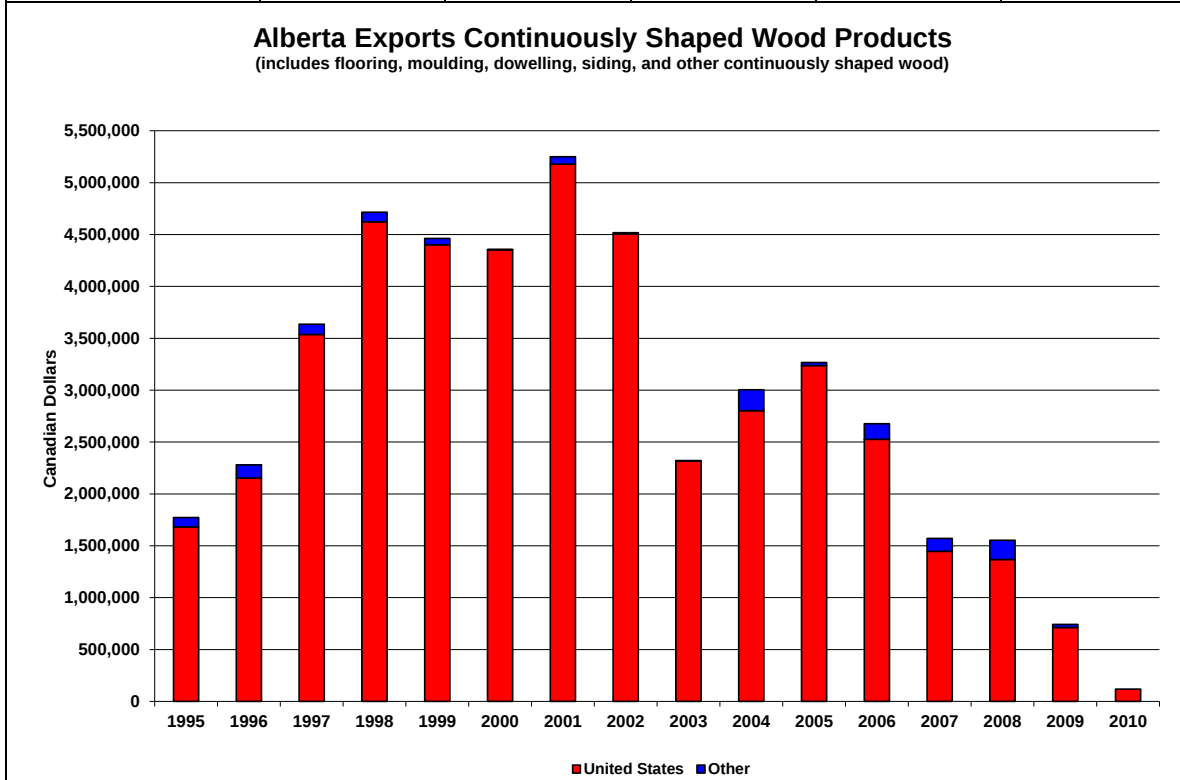


Source: Global Trade Information Services, Inc.

As illustrated below, the United States remains the sole purchaser of Alberta's continuously shaped wood products. Strong competing international producers, namely China and other Asian powerhouses, have shrunk this \$5.25 million industry (2001) to just \$120,000 by 2010.

Alberta's Exports of Continuously Shaped Wood Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	1.45	1.37	0.71	0.12	-83.5%
Other	0.12	0.19	0.03	0.00	-100.0%
Total	1.57	1.55	0.74	0.12	-84.1%



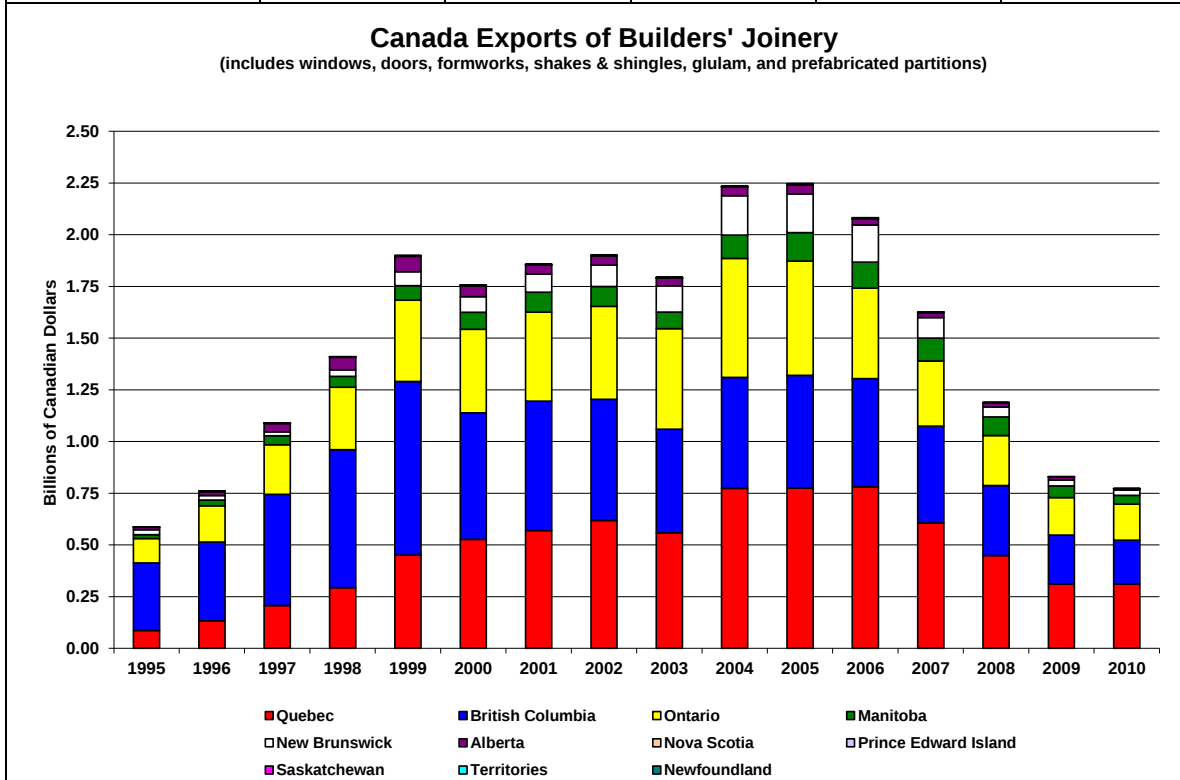
Source: Global Trade Information Services, Inc.

BUILDERS' JOINERY

Wood products such as windows, doors, formworks, shakes and shingles, glulam, trusses, and prefabricated partitions are categorized as builders' joinery. Similar to continuously shaped wood, Alberta's exports of builders' joinery represent only 0.1% of Canada's total shipments, while Quebec and British Columbia continue to be Canada's largest producers and exporters.

Canada Exports of Builders' Joinery, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Quebec	606.04	449.17	311.54	310.66	-0.3%
British Columbia	468.07	337.92	235.91	211.97	-10.1%
Ontario	315.12	242.13	181.43	174.78	-3.7%
Manitoba	110.90	89.43	56.73	41.98	-26.0%
New Brunswick	99.59	48.38	28.76	26.59	-7.6%
Alberta	22.99	18.91	13.44	4.70	-65.1%
Nova Scotia	1.28	0.46	0.60	0.52	-13.9%
Prince Edward Island	0.37	0.88	0.68	0.11	-84.0%
Saskatchewan	0.74	0.58	0.00	0.05	4750.6%
Territories	0.50	0.27	0.04	0.02	-61.2%
Newfoundland	0.01	0.02	0.00	0.00	-58.7%
Total	1,625.62	1,188.15	829.14	771.36	-7.0%

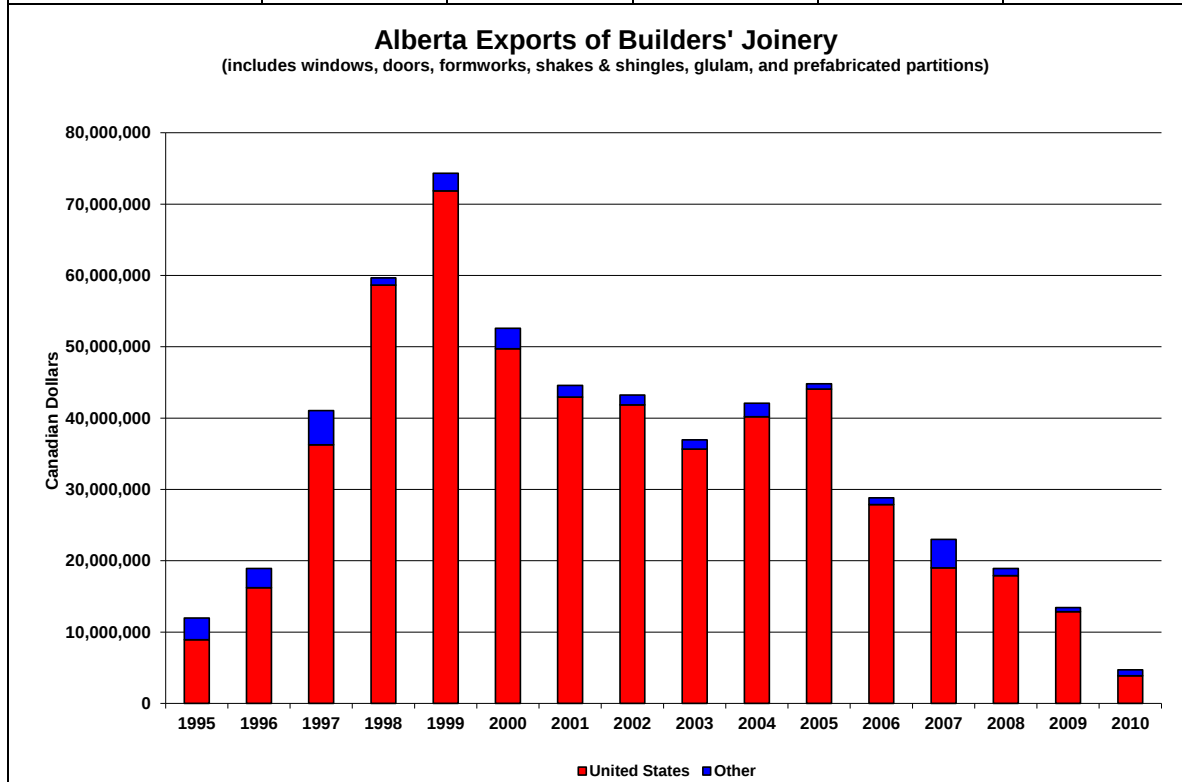


Source: Global Trade Information Services, Inc.

In 2010, Alberta's exports fell 65% to just \$4.7 million, more than \$70 million below the shipments of 1999. Like the majority of wood products sold by Alberta, the United States remains a strong consumer of builders' joinery.

Alberta Exports of Builders' Joinery, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	19.01	17.92	12.86	3.86	-70.0%
Other	3.98	0.99	0.58	0.83	43.7%
Total	22.99	18.91	13.44	4.70	-65.1%



Source: Global Trade Information Services, Inc.

PULP AND PAPER PRODUCTS INDUSTRY



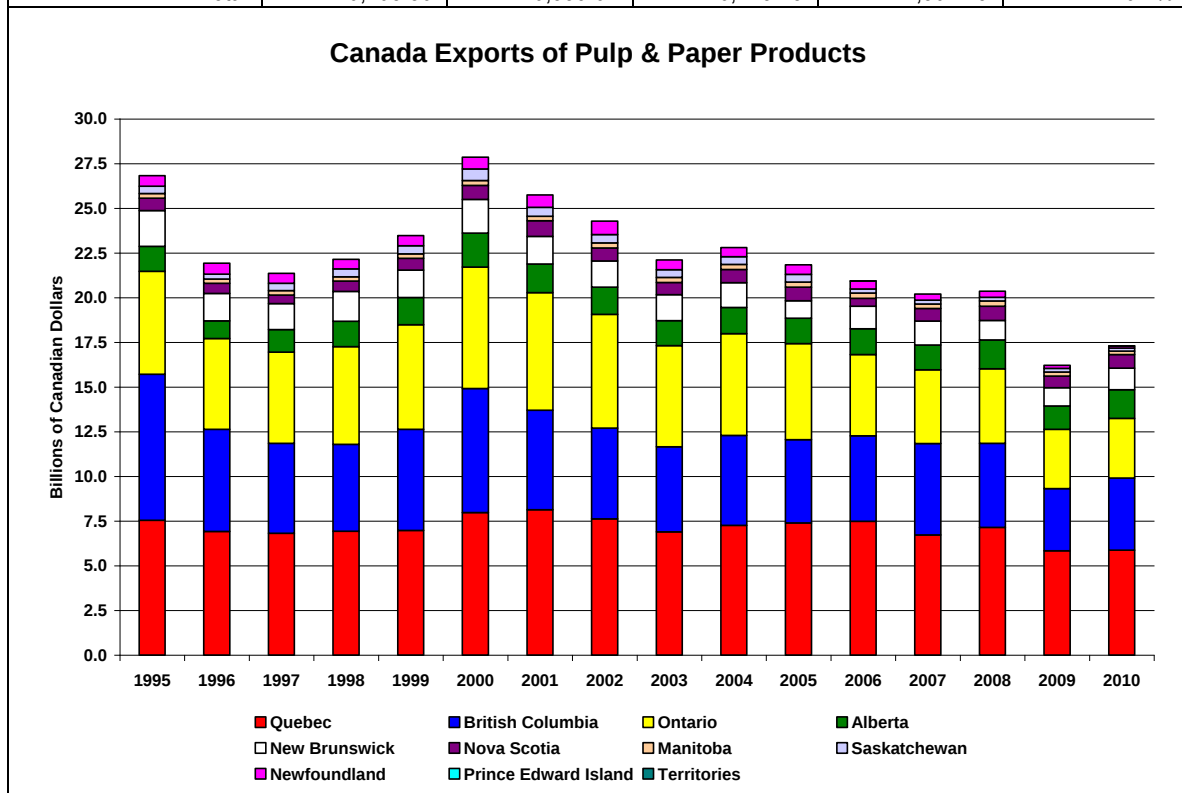
Photo Credit: www.naturallywood.com

Companies across the nation produce numerous kinds of pulp & paper products. While the western provinces mainly contribute to pulp products, provinces in the east are major paper producers. In 2010, Quebec was the top exporting province of pulp & paper products, followed by British Columbia and Ontario. With only six pulp mills and one paper mill, Alberta represented 8% of Canada's pulp and paper exports.

In 2010, export sales of pulp and paper products by Alberta bounced back by 21.8% to settle at \$1.6 billion. As a nation, Canada's shipments recovered by 6.7% to \$17.3 billion – the second lowest output in the last 15 years.

Canada Exports of Pulp & Paper Products by Province, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Quebec	6,723.90	7,152.40	5,845.70	5,871.00	0.4%
British Columbia	5,121.46	4,699.27	3,475.86	4,037.66	16.2%
Ontario	4,115.52	4,171.02	3,311.50	3,342.61	0.9%
Alberta	1,388.50	1,609.27	1,315.40	1,601.90	21.8%
New Brunswick	1,342.07	1,089.74	1,016.76	1,197.98	17.8%
Nova Scotia	701.39	804.03	652.54	764.40	17.1%
Manitoba	259.74	288.99	224.54	198.76	-11.5%
Saskatchewan	213.80	206.74	202.66	171.23	-15.5%
Newfoundland	341.05	337.28	166.26	113.62	-31.7%
Prince Edward Island	0.93	0.83	1.89	7.79	311.2%
Territories	0.21	0.04	0.03	0.35	954.9%
Total	20,208.56	20,359.61	16,213.15	17,307.29	6.7%

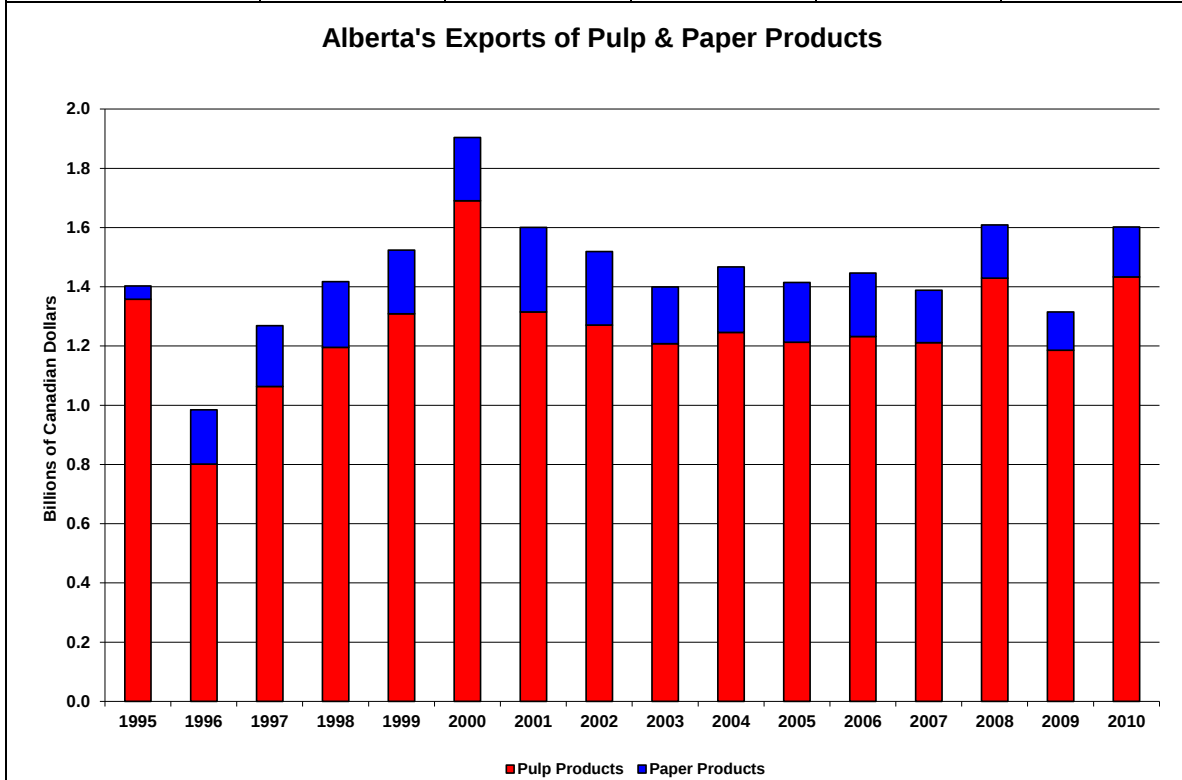


Source: Global Trade Information Services, Inc.

Since peaking at \$1.9 billion in 2000, exports of pulp and paper products by Alberta have hovered between \$1.4 and \$1.6 billion. Continuing the tradition, close to 90% of all sales is pulp while the remainder is various paper products.

Alberta Exports of Pulp & Paper Products, billions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Pulp Products	1.21	1.43	1.19	1.43	20.9%
Paper Products	0.18	0.18	0.13	0.17	30.1%
Total	1.39	1.61	1.32	1.60	21.8%

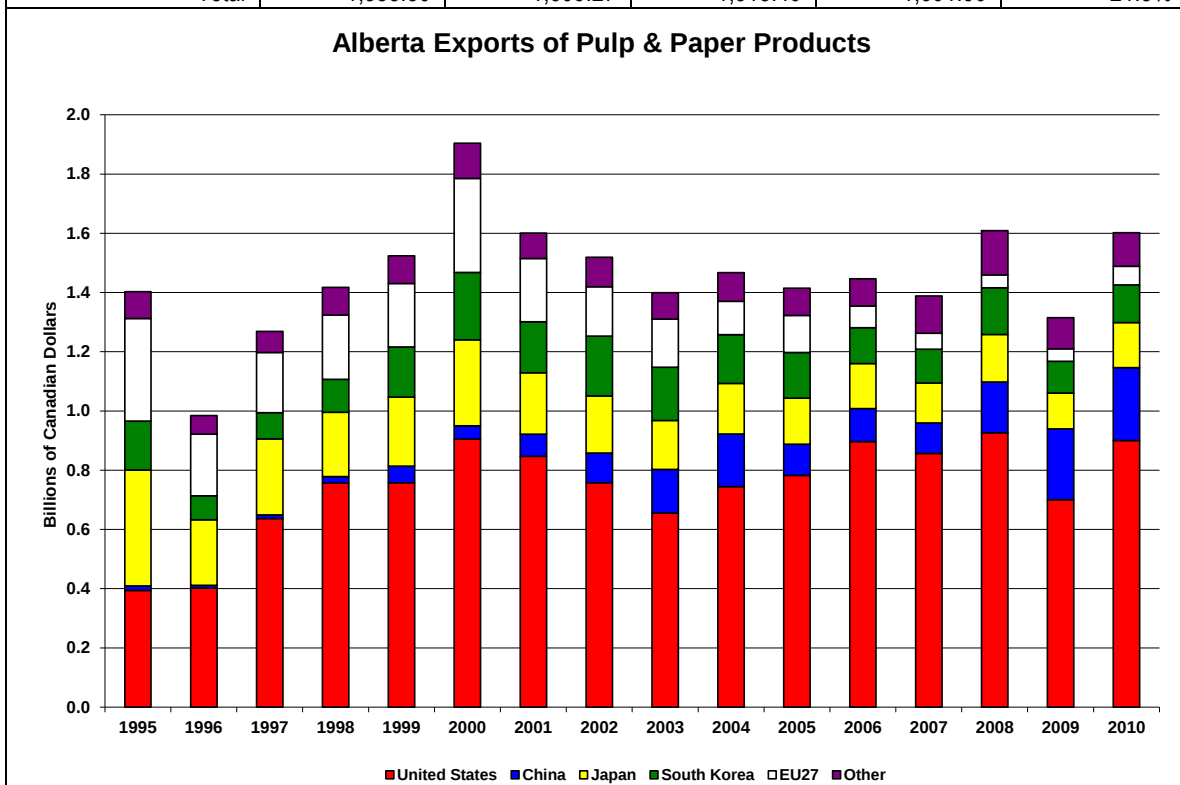


Source: Global Trade Information Services, Inc.

Pulp and paper is a global business, and as such, sales by Alberta reached far beyond just the United States. While shipments to non-US markets remained less than half the total value sold, shipments to China continue to surge and have more than doubled since 2007.

Alberta Exports of Pulp & Paper Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	856.68	926.22	700.73	900.04	28.4%
China	103.13	171.48	239.00	246.32	3.1%
Japan	134.39	160.92	120.87	152.15	25.9%
South Korea	114.15	157.43	107.17	126.92	18.4%
EU27	54.21	43.61	42.05	63.17	50.2%
Other	125.94	149.62	105.56	113.29	7.3%
Total	1,388.50	1,609.27	1,315.40	1,601.90	21.8%



Source: Global Trade Information Services, Inc.

ALBERTA PULP PRODUCTS



Photo Credit: The Edge Forest Business Magazine

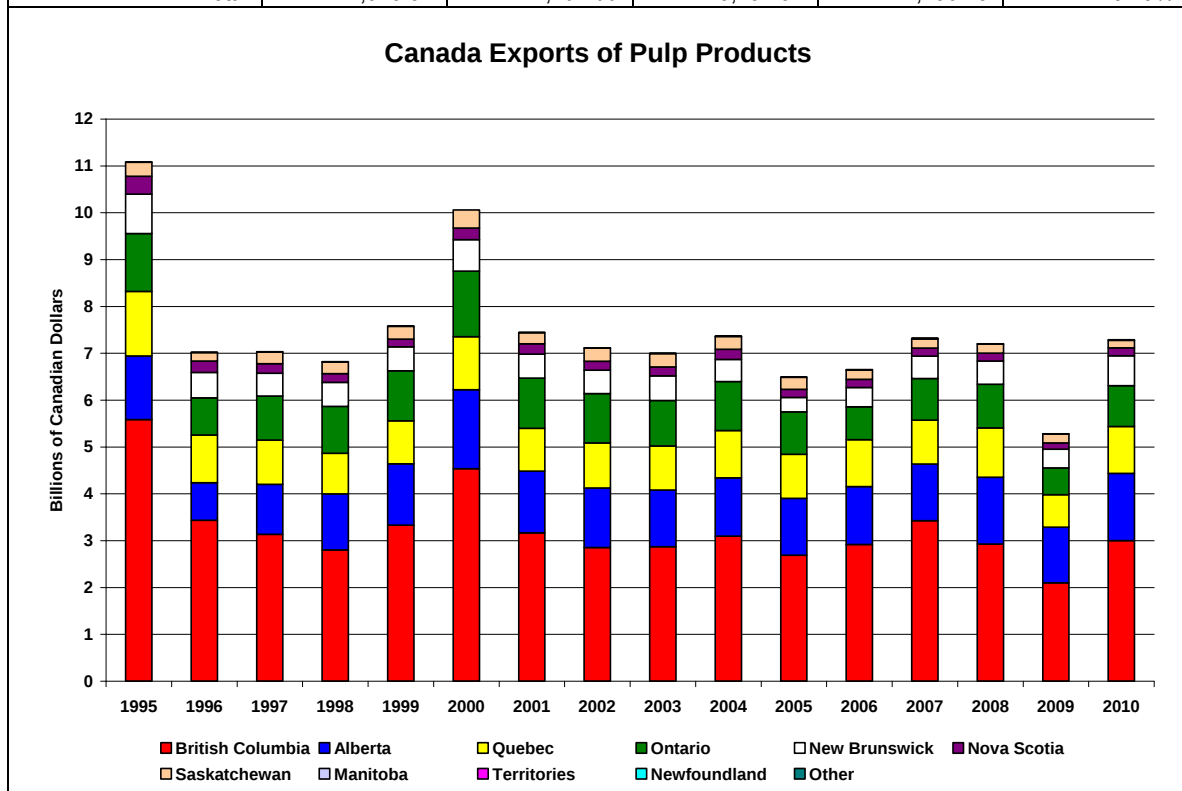
Alberta remains the second largest Canadian pulp exporter with over 20% of the nation's 2010 offshore sales, while products (in value) sold by British Columbia continue to be almost half of Canada's exports.

PULP PRODUCTS' EXPORTS

For much of the decade, exports by Canada fluctuated around \$7 billion. After witnessing exports fall below \$6 billion in 2009, Canada's export sales recovered by 38% to \$7.3 billion, back to the decade's norm. In 2010, Alberta remained the second largest pulp exporting province, trailing British Columbia, but ahead of Quebec and Ontario.

Canada Exports of Pulp Products by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
British Columbia	3,423.02	2,924.66	2,098.51	2,999.97	43.0%
Alberta	1,211.46	1,429.03	1,185.77	1,433.25	20.9%
Quebec	938.40	1,051.10	693.68	1,003.52	44.7%
Ontario	885.45	931.73	574.10	870.14	51.6%
New Brunswick	478.49	497.59	400.67	638.50	59.4%
Nova Scotia	171.12	165.27	132.01	167.36	26.8%
Saskatchewan	200.58	195.81	192.60	163.65	-15.0%
Manitoba	6.96	6.67	4.79	9.93	107.3%
Territories	0.14	0.01	0.00	0.30	-
Newfoundland	0.13	0.14	0.15	0.14	-5.9%
Prince Edward Island	0.07	0.01	0.02	0.02	-10.1%
Total	7,315.82	7,202.00	5,282.31	7,286.78	37.9%

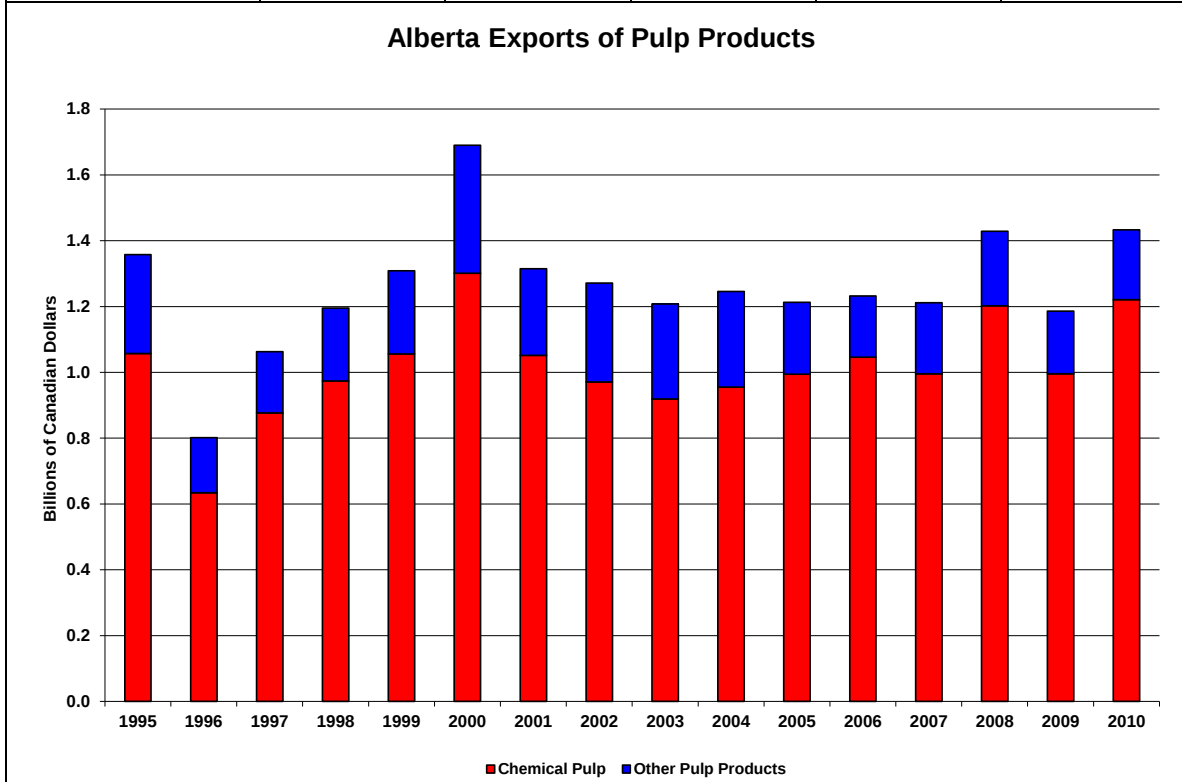


Source: Global Trade Information Services, Inc.

Alberta's exports of pulp products have cooled since 2000, with annual sales hovering around \$1.2 billion thereafter except the surges of 2008 and 2010. As seen, over 85% of the pulp exported was of chemical grades.

Alberta's Exports of Wood Pulp, billions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Chemical Pulp	1.00	1.20	1.00	1.22	22.6%
Other Pulp Products	0.22	0.23	0.19	0.21	11.6%
Total	1.21	1.43	1.19	1.43	20.9%

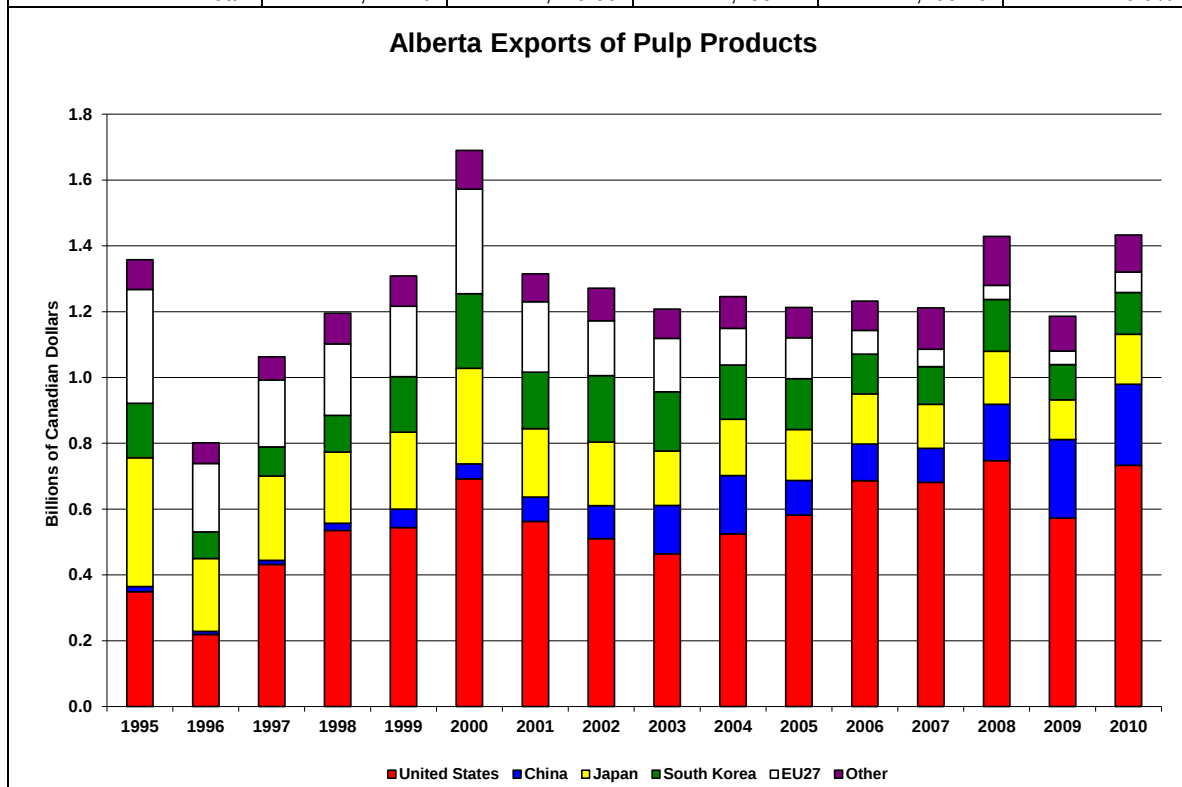


Source: Global Trade Information Services, Inc.

Similar to most forest products, the United States purchased more than half of Alberta's export sales. After seeing shipments to all markets, except China, pull back in 2009, a 20.9% recovery was observed in 2010.

Alberta's Exports of Pulp Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	681.40	747.16	572.31	733.24	28.1%
China	103.10	171.46	238.99	246.31	3.1%
Japan	134.28	160.76	120.64	151.82	25.8%
South Korea	114.15	157.43	107.16	126.91	18.4%
EU27	53.24	43.11	41.48	62.50	50.7%
Other	125.29	149.10	105.19	112.47	6.9%
Total	1,211.46	1,429.03	1,185.77	1,433.25	20.9%



Source: Global Trade Information Services, Inc.

ALBERTA PAPER PRODUCTS



Photo Credit: © 2011 Thinkstock

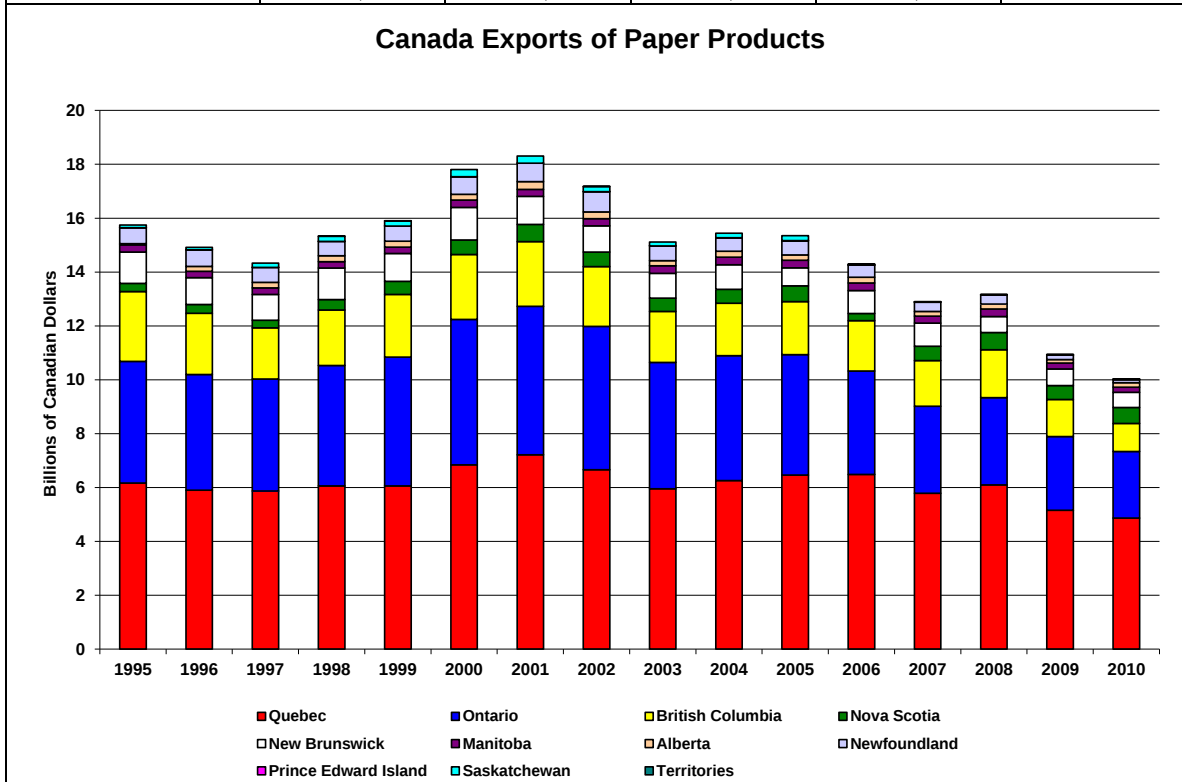
Newsprint is still essentially the only paper product produced and exported by Alberta. The advancement and popularity of electronic readers and tablet computers will continue to lower the consumption of newsprint, leaving the future uncertain.

PAPER PRODUCTS' EXPORTS

Even though sales of pulp recovered by almost 38% in 2010, paper products sold by Canada fell 8.3% to settle at \$10 billion, marking the lowest output in the last 15 years. While the top three exporting provinces struggled, Alberta and Nova Scotia experienced minor recoveries. With only one paper mill, Alberta holds a small percentage, just 1%, of Canada's exports of paper products.

Canada Exports of Paper Products by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Quebec	5,785.49	6,101.30	5,152.02	4,867.48	-5.5%
Ontario	3,230.07	3,239.29	2,737.40	2,472.47	-9.7%
British Columbia	1,698.44	1,774.62	1,377.35	1,037.69	-24.7%
Nova Scotia	530.27	638.76	520.53	597.03	14.7%
New Brunswick	863.59	592.15	616.10	559.48	-9.2%
Manitoba	252.78	282.33	219.75	188.83	-14.1%
Alberta	177.04	180.25	129.62	168.65	30.1%
Newfoundland	340.92	337.14	166.11	113.48	-31.7%
Prince Edward Island	0.86	0.82	1.87	7.76	315.5%
Saskatchewan	13.22	10.93	10.06	7.58	-24.7%
Territories	0.07	0.03	0.03	0.05	58.4%
Total	12,892.75	13,157.60	10,930.84	10,020.51	-8.3%

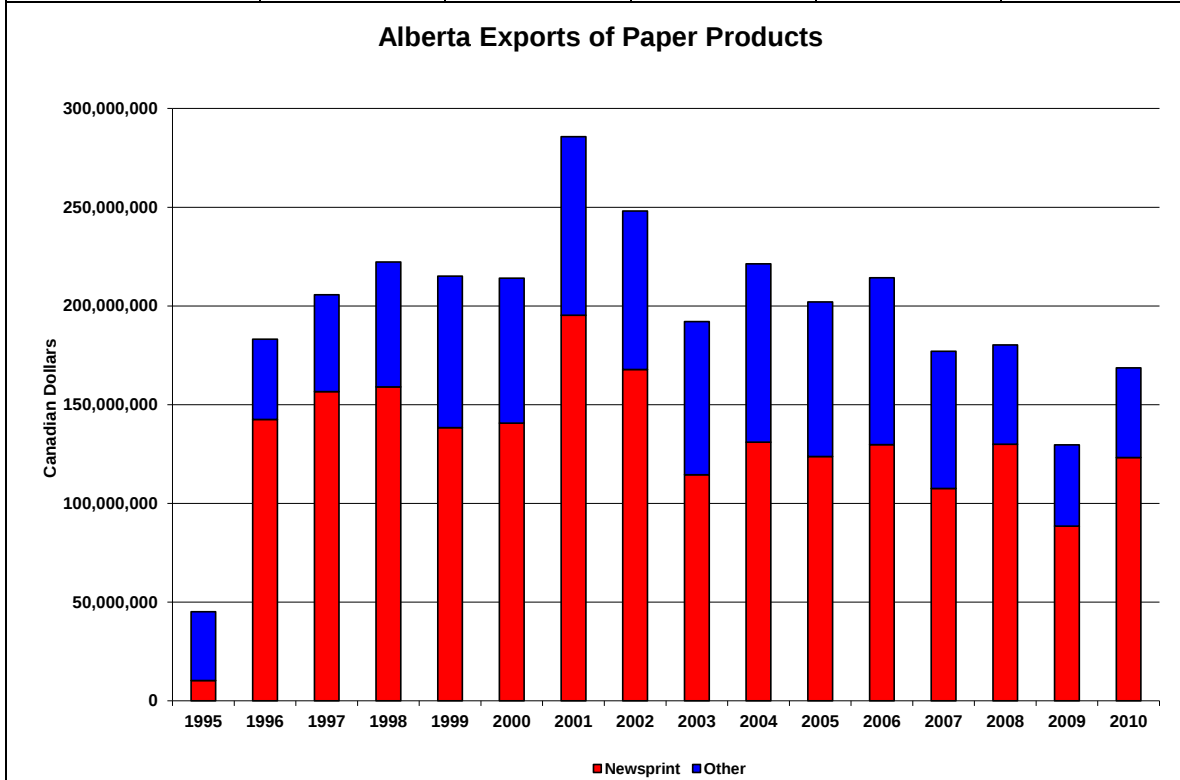


Source: Global Trade Information Services, Inc.

Despite a 30% bounce back, exports of paper products in 2010 by Alberta were still 41% below the 2001 sales. As illustrated, newsprint represented about 75% of all paper sales.

Alberta Exports of Paper Products, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Newsprint	107.57	129.93	88.42	123.21	39.4%
Other Paper Products	69.47	50.32	41.21	45.44	10.3%
Total	177.04	180.25	129.62	168.65	30.1%



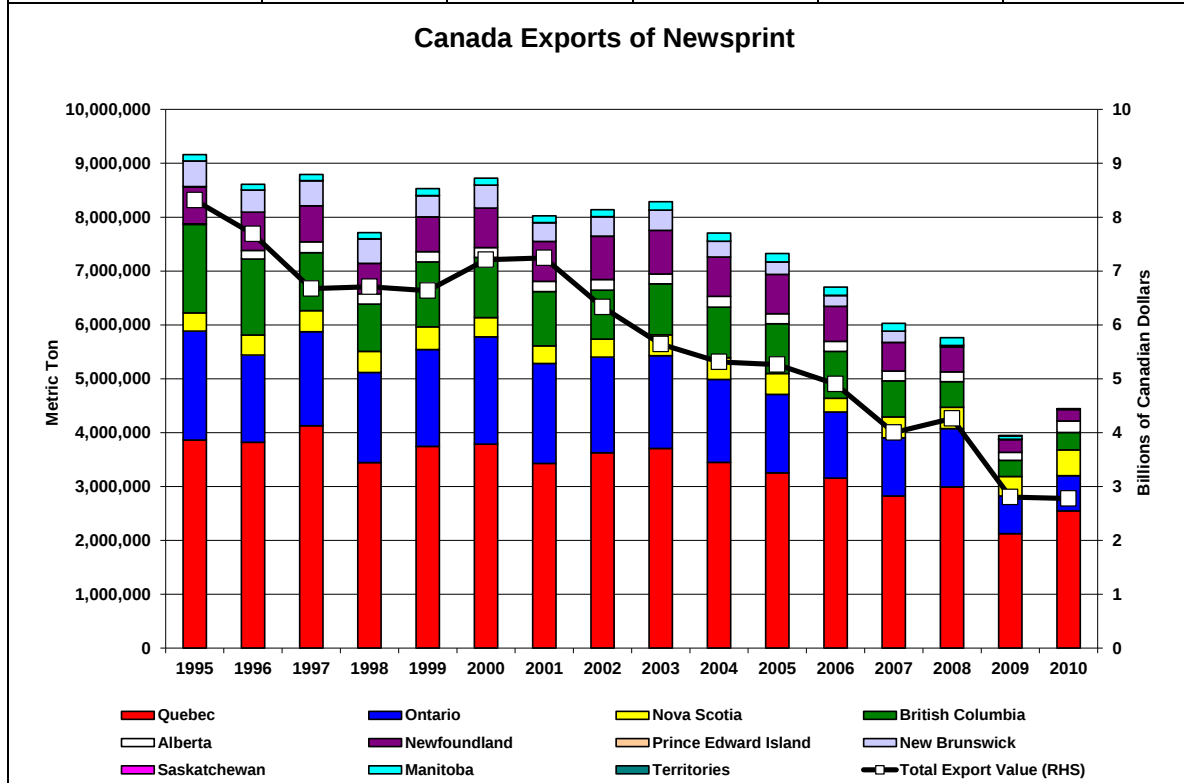
Source: Global Trade Information Services, Inc.

NEWSPRINT

With electronic readers and handheld tablet computers becoming popular in recent years, a number of newspapers have gone to online circulation, resulting in a plunge in newsprint demand. With only one newsprint mill in the province, Alberta's exports in value represented a mere 5% of Canada's total offshore sales.

Canada Exports of Newsprint by Provinces, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
Quebec	1,928.36	2,228.60	1,520.40	1,625.56	6.9%
Ontario	714.88	805.24	513.73	411.88	-19.8%
Nova Scotia	254.11	302.28	253.49	295.73	16.7%
British Columbia	433.34	349.46	207.33	200.10	-3.5%
Alberta	107.57	129.93	88.42	123.21	39.4%
Newfoundland	337.20	328.31	165.57	113.05	-31.7%
Prince Edward Island	0.08	0.00	0.02	6.37	28880.6%
New Brunswick	136.48	18.19	2.71	2.01	-25.7%
Saskatchewan	0.09	0.06	0.02	0.68	2963.0%
Manitoba	87.81	102.16	51.32	0.17	-99.7%
Territories	0.00	0.00	0.03	0.00	-100.0%
Total	3,999.91	4,264.23	2,803.05	2,778.76	-0.9%



Source: Global Trade Information Services, Inc.

Since 1995, the US was the lone customer for Alberta newsprint. However, a small percentage of newsprint was sold to other jurisdictions in 2007, and more recently 2010. Even with the US continuing to be the leading customer for Alberta newsprint, shipments to the US have fallen 38% since their peak in 2001.

Alberta Exports of Newsprint, millions of Canadian Dollars

	2007	2008	2009	2010	% Change (09-10)
United States	107.39	129.91	88.42	122.74	38.8%
Other	0.18	0.01	0.00	0.47	-
Total	107.57	129.93	88.42	123.21	39.4%



Source: Global Trade Information Services, Inc.

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