



## International Wood Markets Group

Press Release

**Canada & U.S. "Top 20" Lumber Producers' Annual Ranking: 2014****U.S. Lumber Expansion By Canadians Leads the Way****March 27, 2015 - Vancouver, BC**

The latest **WOOD MARKETS** annual survey of the "**Top 20**" **Canadian and U.S. softwood lumber producers in 2014** shows modest gains by the industry in both countries as lumber demand continues to rise slowly (but steadily) in the U.S. as well as in key export markets. Total U.S. softwood lumber shipments increased 4.1% to 31.3 billion bf and Canadian production recorded smaller gains, or +3.1% to 24.2 billion bf.

Corporate acquisitions were again a big part of the story as the Canadian buying frenzy continued in the U.S. South - since 2004 when only 2 U.S. sawmills were owned by Canadian companies (only West Fraser), there are now more than 35 mills that have been purchased by Canadian firms in the South and the U.S. West. "In fact", commented Russ Taylor, President of WOOD MARKETS, "the combined sawmill count owned by West Fraser, Canfor and Interfor is now higher in the U.S. than it is in Canada, reflecting the tight availability of timber and limited lumber growth prospects in Western Canada!"

These and other industry highlights were released last week in the March 2015 issue of [WOOD Markets Monthly International Report](#). The consultants at International WOOD MARKETS Group, Vancouver B.C. have conducted this survey annually since 1997.

Although the top 20 Canadian companies increased production slightly in 2014 (+0.6%), they recorded a decrease in their market share of total Canadian lumber shipments, slipping to 78% in 2014 from 80% in 2013. The top 5 Canadian producers were **Canfor, West Fraser, Tolko, Resolute and Interfor**, with their order unchanged from 2013. However, output was lower for the top 3 Canadian companies due to their B.C. interior mills feeling the impact of the mountain pine beetle infestation. In 2014, these top 5 Canadian lumber companies produced a total of 11.6 billion bf (48.0% of Canadian lumber output), versus 12.1 billion bf (51.4%) in 2013.

Canfor retained its lead spot despite its output dropping by 11% (to 3.74 billion bf) due to the sale of its Daaquam mill (Quebec) and the closure of its Quesnel mill. In close second spot was West Fraser at 3.48 billion bf (-3%, due in part to the closure of its Houston mill).

**CANADA TOP 5 SOFTWOOD LUMBER  
PRODUCERS - 2014 (Million Bf)**

Rank		Company	No. of Mills	Production		Change
2013	2014			2013	2014	
1	1	Canfor	13	4,207	3,735	-11%
2	2	West Fraser	12	3,571	3,476	-3%
3	3	Tolko	8	1,935	1,886	-3%
4	4	Resolute FP	14	1,480	1,585	7%
5	5	Interfor	5	872	943	8%
<b>Total Top 5</b>			<b>52</b>	<b>12,065</b>	<b>11,625</b>	<b>-3.6%</b>
<b>Total Top 20</b>			<b>101</b>	<b>18,801</b>	<b>18,906</b>	<b>0.6%</b>
<b>Total Canada</b>				<b>23,491</b>	<b>24,226</b>	<b>3.1%</b>
<b>Top 5 as a % of Tot. Canada</b>				<b>51.4%</b>	<b>48.0%</b>	
<b>Top 20 as a % of Tot. Canada</b>				<b>80.0%</b>	<b>78.0%</b>	

Notes: Includes lumber produced only at primary sawmills and excludes U.S. production.  
Source: WOOD MARKETS



The top 20 U.S. firms produced 60.8% of all American softwood lumber shipments in 2014, versus 58.2% in 2013. This growth indicates that the largest U.S. producers (including Canadian firms) are continuing with their investment strategies aimed at increasing their capabilities and mill efficiencies in preparation for the ongoing U.S. lumber market recovery.

Unlike Canada, the order of the top 5 U.S. companies shifted in 2014. While **Weyerhaeuser** (+12% to 3.3 billion bf) retained first place, **Georgia-Pacific** moved into second at 2.27 billion bf (+42%) following the complete addition of Temple-Inland's five sawmills. Slipping from second to third was **Sierra Pacific** (-2% to 1.95 billion bf) as the company worked on the rebuild of its Quincy sawmill and commissioned work on a new sawmill in Frederickson, WA. **West Fraser** kept its fourth spot, with output up 15% to 1.82 billion bf and **Hampton** remained in fifth spot.

The top 5 U.S. firms produced 35.1% (11.0 billion bf; +10.4% over 2013) of U.S. lumber shipments, up from 33.2% in 2013; Canada's top 5 produced 48.0% (11.6 billion bf; -3.6% vs. 2013) of Canadian lumber shipments, down from 51.4% in 2013.

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**USA TOP 5 SOFTWOOD LUMBER PRODUCERS - 2014 (Million Bf)**

Rank		Company	No. of Mills	Production		Change
2013	2014			2013	2014	
1	1	Weyerhaeuser	15	3,290	3,679	12%
3	2	Georgia-Pacific <sup>1</sup>	16	1,602	2,270	42%
2	3	Sierra Pacific	12	1,984	1,951	-2%
4	4	West Fraser	15	1,582	1,817	15%
5	5	Hampton <sup>1</sup>	6	1,500	1,275	-15%
<b>Total Top 5</b>			<b>64</b>	<b>9,958</b>	<b>10,992</b>	<b>10.4%</b>
<b>Total Top 20</b>			<b>124</b>	<b>17,478</b>	<b>19,024</b>	<b>8.8%</b>
<b>Total U.S.</b>				<b>30,040</b>	<b>31,277</b>	<b>4.1%</b>
<b>Top 5 as a % of Tot. U.S.</b>				<b>33.2%</b>	<b>35.1%</b>	
<b>Top 20 as a % of Tot. U.S.</b>				<b>58.2%</b>	<b>60.8%</b>	

Notes: Includes lumber produced only at primary sawmills and excludes all Canadian and offshore production.  
<sup>1</sup> Estimate  
 Source: WOOD MARKETS



"With the prospects of steady to stronger lumber demand and higher prices later in 2015 and into 2016 and 2017," commented Taylor, "there is still one major issue that the industry is watching closely: what happens in mid-October 2015 if the **Softwood Lumber Agreement** is not renewed between the U.S. and Canada." This will be a key discussion topic in one of the Panel Sessions at **WOOD MARKETS' 5th Global Softwood Log & Lumber Conference in Vancouver BC on May 7**.

The complete Top 20 Lists and further analysis are available to subscribers of **WOOD Markets Monthly International Report**.

For further information or details on the "Top 20" lists, please contact:  
 International WOOD MARKETS Group - (1) 604-801-5996 or e-mail:  
 Russell Taylor [retaylor@woodmarkets.com](mailto:retaylor@woodmarkets.com)

This press release can also be viewed at <https://www.woodmarkets.com/news/>

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Richard P. Vlosky, Ph.D.

Director Louisiana Forest Products Development Center

Crosby Land & Resources Endowed Professor of Forest Sector Business Development

Room 227, School of Renewable Natural Resources

Louisiana State University

Baton Rouge, LA 70803

Phone (office): (225) 578-4527

Fax: (225) 578-4251

Mobile Phone: (225) 223-1931