

# Japan Lumber Journal

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## Amount of Shipments of Artificially Dried Lumber in 2008

### Sawmills in the Top 15 Areas of Lumber Shipment in Japan for 2008

		Shipment and Details				Number of Sawmills			
		Total (1,000 m <sup>3</sup> )	Kiln-dried wood (%)	Domestic (%)	Imported (%)	Total	Domestic Lumber	Domestic & Imported	Imported Lumber
1	Hiroshima	1,347	41.1	0.4	99.6	122	75	32	15
2	Hokkaido	1,073	12.0	93.1	6.9	213	151	57	5
3	Miyazaki	706	21.5	96.9	3.1	191	169	14	8
4	Ehime	443	19.6	55.8	44.2	156	98	41	17
5	Oita	437	14.9	94.9	5.1	206	172	30	4
6	Ibaraki	436	30.7	22.2	77.8	177	113	47	17
7	Kumamoto	426	12.7	95.1	4.9	194	178	13	3
8	Hukushima	363	27.8	72.5	27.5	282	161	100	21
9	Toyama	325	28.6	0.8	99.2	144	15	74	25
10	Iwate	300	17.3	96.1	3.9	191	114	75	2
11	Mie	286	41.6	80.7	19.3	369	310	50	9
12	Kochi	281	15.0	51.8	48.2	126	104	12	10
13	Hukuoka	273	8.0	69.9	30.1	174	125	30	19
14	Tochigi	263	39.2	92.9	7.1	164	136	10	18
15	Shizuoka	256	15.6	58.5	41.5	293	158	88	47

Based on type of use, lumber-use (mainly softwood) accounted for 67.6% of the total at 177 kiln drying units. Use related to housing accounted for 24% at 64 units, and these two uses accounted for about 92%. The remainder included laminated lumber use with 2 units and other uses with 19 units. In the past five years, the aggregate total was 1,330 drying kiln units and 42,754 m<sup>3</sup> supplied to customers.

Recently compiled by the Japan Lumber Drying Equipment Association, the supply-side results in 2008 showed 262 kiln drying units (15% increase compared to the previous year) and 11,333 m<sup>3</sup> (25% increase) in the amount supplied to customers.

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The association also recently compiled the shipment conditions of lumber factories and of artificially dried lumber for 2008. According to the report, the number of lumber factories, mainly in small to mid-sized scale, in Japan in the last few years has continued to decrease by about 500 factories each year, and by the end of last year, there were 7,378 factories.

In addition, the amount of log consumption decreased 8.3% compared to the previous year to 17,619,000 m<sup>3</sup>, and within this amount, the percentage of domestic logs increased 1.6 points compared to the previous year to 63.2%.

Artificially dried lumber, which has shown a rising trend in recent years, increased 2.4% compared to the previous year to 2,348,000 m<sup>3</sup> and accounted for 21.6% of the total

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**Amount of Shipments ...**

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amount of shipments, which was a 1.9 point increase compared to the previous year.

The prefectures with large amounts of lumber product shipments (lumber product shipments of over 250,000 m<sup>3</sup>) numbered 15 prefectures led by Hiroshima. The largest factory using North American material in Japan is in Hiroshima, and it accounts for about 12% of the total amount of shipments, and the percentage of artificially dried lumber is high at 41%.

Among the areas that have a high percentage of artificially dried lumber, the areas that also have a high percentage of artificially dried, domestic lumber are Mie (mainly cypress, percentage of artificially dried lumber: 41.6%), Tochigi (mainly cedar, 39.2%), and Miyazaki (mainly cedar, 21.5%). For foreign lumber, the areas include Ibaragi (mainly North American material, 30.7%) and Toyama (mainly Russian material, 28.6%).

With a combination of both domestic and foreign material, the areas

include Fukushima (mainly cedar and Russian material, 27.8%) and Ehime (mainly cypress and North American material, 19.6%).

In other areas, Hokkaido had a percentage of domestic material at 93%, but the percentage of artificially dried lumber was low at 12%. Oita also had a percentage of domestic material at 94.9% and a percentage of artificially dried lumber of 14.9%. With a 50-50 percentage of domestic and foreign material, Shizuoka and Kochi had percentages of artificially dried lumber of 15.6% and 15.0% respectively, and with two-thirds domestic material and one-third foreign material, Fukuoka had the lowest percentage of artificially dried lumber among the 15 prefectures at 8%.

movement of timber products, and that product prices remained at the bottom levels. He also mentioned that the current situation was likely to persist for a while, pointing out the need for business with a long-term perspective. While slowdown in the shipment is prolonged, the arrival of North American lumber products is being tightened, and there has been no change in the market situation led by the increase in inventories. The arrival at the Tokyo Lumber Terminal (the lot no.15) that handles the largest amount of North American lumber products in Japan was 23,000 cubic meters in June. The arrival is expected to be 24,000 cubic meters in July and 23,000 cubic meters in August.

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**Wholesalers' View:  
American Timber  
Market in July**

At a monthly meeting of the Keihin chapter of the Japan North American Lumber Conference held on July 13, the chairman Enokido said that there was still no change in the

As for the movement of North American lumber products in Japan, inquiries for hemlock products (such as 3 meter posts or purlins) increased from the end of May to June, but after the arrival at the end of June, the increase slowed down. The arrival leads to a decline in inquiries. The shipment of hemlock batten products is steady. The shipment of Douglas

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**Our products :**  
 Nisobo, Isobo  
 Menggi, Skirting Board  
 Tasobo, Urazan  
 Picture Frame Component  
 Truck Flooring & Body  
 Finger Jointed Laminated Board  
 Laminated Block

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fir KD lumber to precut factories is small, and prices remain unchanged. The arrival of good-quality yellow cedar lumber is low. While the arrival of Russian larch is also low, the shortage is supplemented by Japanese cypress. The arrival of spruce continues to decline.

To put it plainly, the situation in producing areas of North American lumber products is quiet. Canadian factories have been making a shift to make-to-order production, and have no product inventories. They manufacture products, depending on demands from Japan. Lumber for packaging is shipped to China. In the U.S., prices of timber products turned around from bottom prices, and local prices of Douglas fir KD lumber are going up.

As for the arrival and shipment of products at the Keihin ports in May, the arrival of North American wooden products totaled 67,100 cubic meters or 107% of the usual amount. The shipment was 72,000 cubic meters or 101%. Inventories at the end of May dropped to 65,850 cubic meters or 0.93 months. The shipment exceeded the arrival again in May by 4,900 cubic meters, and inventories are at the low level,

Wholesale Price of American Logs in Keihin Ports

(1,000 yen / cubic meter)

Logs	2009				
	Mar	Apr	May	June	July
RC No.3, 12"up (Alaska)	34.2	34.2	34.2	34.2	34.2
YC pole, 6"up (Alaska)	28.8	28.8	28.8	28.8	28.8
Sp No.2, 24"up (Alaska)	90	90	90	90	90
Hem No.3, 12"up, Cascade	22.68	21.6	20.88	20.16	20.16
Hem No.3, 12"up, Coast	20.88	19.8	19.08	18.36	18.36
Hem, medium dia. 8/11 (J-sort)	17.64	16.56	15.84	15.84	15.84
DF No.3, 12"up, Cascade	33.12	31.32	30.24	29.52	29.52
DF No.3, 12"up, SS	29.88	28.8	27.72	27	27
DF No.3, 12"up, Coast	27.72	26.64	25.56	24.84	24.84
DF, medium dia. 8/11 (J-sort)	23.4	22.32	21.24	20.52	20.52

falling below the one month level.

By item, the arrival of hemlock small square lumber (total of 4-1/8 inch and 3-9/16 inch) was 10,500 cubic meters or 118%. The shipment was 12,200 cubic meters or 93%. The movement of small square lumber was steady again in May as it was in March and April. Inventories at the end of May were down to 6,700 cubic meters or 0.99 months for 4-1/8 inch and 9,700 cubic meters or 1.51 months for 3-9/16 inch. A sense of shortage in supply is getting stronger for 3-9/16 inch. The arrival of hemlock products other than small square lumber was 4,600 cubic meters and the shipment was 3,400 cubic meters. Inventories

at the end of May increased to 9,000 cubic meters or 1.39 months.

In the Douglas fir product segment, the arrival of small square lumber was 4,300 cubic meters while the arrival of other types of products were 5,700 cubic meters. The shipment was 5,700 cubic meters for small square lumber and 7,550 cubic meters for other types of products. For both products, shipment exceeded the arrival, which led to a decline in inventories. Inventories of small square lumber and other types of products were down to 8,800 cubic meters and 11,000 cubic meters respectively. The decline in

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JAPAN DIY HOMECENTER SHOW 2009

August 27-29, 2009, Makuhari Messe (location; Tokyo suburb)  
 Exhibit Categories including; Building Materials/Timber, Interior Materials / Home Furnishing Goods, Exterior Goods, Gardening / Agricultural Materials, etc.



The Theme for the Show was Decided  
 "Everyday Kindness to Housing and Living.  
 DIY is all about Family Love."

Organized by JAPAN DIY INDUSTRY ASSOCIATION  
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**American Timber ...**

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the arrival of Douglas fir products is becoming pronounced.

The arrival of SPF products was 38,100 cubic meters while the shipment was 38,000 cubic meters. Both arrival and shipment in May recorded strong movement of goods at 130%, as they did in April. Inventories at the end of the month were 8,900 cubic meters or 0.30 months. The arrival of yellow cedar products was extremely low at 980 cubic meters while the shipment was 2,600 cubic meters. Inventories at the end of May declined significantly to 8,600 cubic meters or 2.69 months. The arrival and shipment of spruce products were 670 cubic meters and 180 cubic meters respectively with inventories standing at 1,200 cubic meters.

As for log prices, even though prices of Douglas fir and hemlock

**Wholesale Price of American Lumber in Keihin Ports**

(1,000 yen / cubic meter)

	2009				
	Mar	Apr	May	June	July
Hem 4-1/8", 13' roof beam, std	43	43	43	43	43
Hem 4-1/8", 13' roof beam, KD	55	55	55	55	55
Hem 4-1/8", 10' post, std.	42	42	42	42	42
Hem 4-1/8", 10' post, KD.	55	55	55	55	55
Hem 3-9/16", 13' purlin, std.	43	43	43	43	43
Hem 3-9/16", 13' purlin, KD.	55	55	55	55	55
Hem 4m x 45 x 105, batten products, green	38	38	38	38	38
Hem 4m x 45 x 105, batten products, KD	54	54	54	54	54
DF 4-1/8" roof beam, std.	45	45	45	45	45
DF 3-9/16" purlin, std.	45	45	45	45	45
DF 4m x 45 x 105, batten products, green	45	45	45	45	45
DF 4m x 45 x 105, batten products, KD	55	55	55	55	55
DF "hirakaku" 105, imported, Green	48	48	48	48	48
DF "hirakaku" 105, imported, KD	61	61	61	61	61
DF "hirakaku" 120, home-sawn, Green	52	52	52	52	52
DF "hirakaku" 120, home-sawn, KD	65	65	65	65	65
YC 4-3/16" rough, std.	66	65	65	65	65
YC 4-13/16" rough, std.	66	65	65	65	65
YC 5x6W, random length, BC Clear	165	165	165	165	165
Nordic 3m x 27 x 105, stud, KD	54	54	54	54	54

that are the main products went down significantly for 3 consecutive months from April to June, the

decline finally stopped in July. The market indications for hemlock 12 cm up Coast, hemlock medium diameter (J-sort), Douglas fir 12cm up SS, and Douglas fir Coast held weakly while market indications for other products held from the previous month. Because of the sluggish demands, domestic prices of North American logs kept falling, but there are finally signs of changes in the domestic situation due to factors such as rise in local prices on a dollar basis.

The arrival of logs at the Keihin ports in May was 4,700 cubic meters for Douglas fir and 300 cubic meters for hemlock. The shipment was 1,300 cubic meters for Douglas fir and 600 cubic meters for hemlock. Inventories at the end of May totaled

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**Supply/Demand of American Timber**

(1,000 cubic meters)

	Import			Consumption			Stocks		
	Log	Lumber	Total	Log	Lumber	Total	Log	Lumber	Total
<b>2004</b>	3,728	3,993	7,721	3,827	3,962	7,788	454	344	798
<b>2005</b>	3,383	3,308	6,690	3,440	3,403	6,843	429	294	723
<b>2006</b>	3,240	3,438	6,678	3,417	3,443	6,860	298	290	588
<b>2007</b>	<b>3,018</b>	<b>2,724</b>	<b>5,742</b>	<b>3,062</b>	<b>2,797</b>	<b>5,859</b>	<b>260</b>	<b>201</b>	<b>461</b>
<b>2008</b>	<b>2,638</b>	<b>2,931</b>	<b>5,559</b>	<b>2,644</b>	<b>2,909</b>	<b>5,583</b>	<b>254</b>	<b>223</b>	<b>477</b>
Jan.	197	256	453	172	274	446	286	183	469
Feb.	137	191	328	183	196	379	239	178	417
Mar.	195	220	415	202	224	426	232	174	406
Apr.	284	189	473	253	189	442	266	174	440
May	241	272	513	241	270	511	280	176	456
June	203	262	465	201	242	443	281	197	478
July	283	291	574	272	268	540	292	220	512
Aug.	184	251	435	198	242	440	279	228	507
Sep.	309	274	583	267	270	537	320	232	552
Oct.	211	283	494	262	299	561	276	216	492
Nov.	236	254	490	226	254	480	302	216	518
Dec.	153	183	336	201	177	378	254	223	477
<b>2009</b>									
Jan.	315	204	519	202	204	406	367	222	589
Feb.	82	176	258	198	185	383	251	213	463
Mar.	240	166	406	153	181	334	339	198	537
Apr.	158	189	347	228	196	436	269	192	449
May	270	160	430	241	176	417	299	176	475

10,500 cubic meters or 4.07 months with inventories of Douglas fir and hemlock standing at 9,050 cubic meters and 1,400 cubic meters respectively. The arrival of semi-finished products was 1,650 cubic meters while the shipment was 2,100 cubic meters. Inventories at the end of May dropped to 6,250 cubic meters or 1.61 months.

In May, the Kashima Port that supplies logs for the Kashima Factory of Chugoku Mokuzai Co., Ltd. received and shipped 62,200 cubic meters. The volume of the arrival and shipment was large as it was in April.

**Wholesalers' View:  
Tokyo Wholesale  
Market in July**

At the monthly meeting of Lumber Price Market Investigation Committee of Tokyo Lumber Wholesalers' Association held on July 7, the movement of lumber items was reported to be remaining stagnant and their prices staying at the bottom both in imported and domestic items. However, as bright remarks such as "the number of price estimate has increased" or "there are an increased number of public projects" have gradually increased, the demand situation is expected to recover after the rainy season. Precut factories were quite busy in June, as there was rush demand that required to precut lumber in June and complete the framework in July, because the implementation of the liability law for defect warranty is scheduled in October. Lately, large scale precut factories including POLUS-TEC Co., Ltd. and HIVIC Co., Ltd. have been enhancing their operation in order to take general building companies' contracts. It might be because they have reached the judgment that it is dangerous to

largely rely on power builders as they are inconsistent.

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Prices of most lumber items were holding from the previous month in July in both domestic and imported ones. Only the prices for Akita cedar laminated connective posts dropped ¥50 per piece. In imported lumber, the price of hemlock preserved sills dropped ¥1,000 per cubic meter. The price of Akita cedar laminated wood was renewed because the price of European white wood laminated connective posts dropped. Hemlock preserved sills are losing its market to laminated wood. In plywood, the price of lauan plywood for concrete forming, which had been bullish since the previous month, increased ¥20 per sheet. On the contrary, the price of softwood structural plywood (9mm, 3.3m) was reported to have dropped ¥30 per sheet.

<Japanese Timber>

The movement of Japanese items was reported to be stagnant. Akita timber said, "Though general cedar logs of 14-28cm in diameter are scarce, the movement of products is still dull." Kishu timber said, "Cedar logs for posts are scarce. And distribution inventories of products are also in short, but the movement of products is inactive." And Kyushu timber said, "Though we made an increased number of price estimates, the number of contracts was limited. The movement of cedar KD posts is sluggish." However, bright news increased as follows. "There are an increased number of public projects. Cypress green square lumber for sills is in short. The movement of planed KD cypress baby square lumber is active." (Tokai timber) "Cedar 4m lumber moved a little and cedar KD studs are also moving." (Kyushu timber) "We have accepted orders to manufacture fixtures." (Akita timber)

The market is about to enter the new phase though the speed is slow. As Yoshino timber's purchasing volume has become small, it has changed the way to purchase only what it needs by ordering through telephone. The role of the market of products is questioned.

<'hirakaku'>

Sales of 'hirakaku' were bad in June and its prices remained the same as the previous month. Whether they will stay at the bottom or change for the better is unforeseeable. For the time being, they will move with small changes.

<Hardwood>

As the industries of fittings, furniture, and interior were in a slump also in June, the movement of hardwood products was bad. However, the situation has become rather hopeful as an estimate of materials for furniture related to public projects will be made around the Bon holidays. The producing centers are suffering from the scarcity of orders from Japan.

<Imported timber>

Domestic prices for North American logs have stopped to drop. Importing prices for North American general logs have also stopped to drop in June. However, shipment of them is still sluggish and wholesalers' inventories are increasing. The movement of Alaskan spruce logs is good, and new arrival of them is being waited. Spruce custom cut logs did not arrive, and they are going scarce. Yellow cedar logs are also scarce.

As North American products' demand-and-supply balance is kept, their inventories did not increase. In Douglas fir KD lumber, 3m items are ordered by precut factories more than 4m items. The price for hemlock

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**Tokyo Wholesale ...**

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preserved sills dropped ¥1,000 per cubic meter. As more laminated wood is used for sills, the competition between them increased. Hemlock green square lumber (9cm square, 10.5cm square) and Douglas fir KD 3m square lumber are in short.

In Russian products, locally-sawn Igirma products (red pine KD

lumber) did not arrive. However, other maker's products arrived. Producing areas are requesting a price increase; however, it is difficult to raise domestic prices. European white wood products are under a similar situation. A person in charge says, "Though local cost seems to be increasing, it is difficult to ask the domestic market to raise their prices." The prices of laminated connective posts are also bullish but

it is not enough to raise the price. Future prices for white wood studs are expected to increase.

In Southsea lumber products, arrival of Malaysian lauan items was small. Agathis planks were also scarce. Spot prices of Indonesian mercusi pine are bearish. Offers from Japan are decreasing. The movement of hard wood used for decks is active. Arrival of red pine laminated wood and yunshan cedar planks was also small.

**Wholesalers' Market Prices in Kiba, Tokyo**

(lumber & logs 1,000 yen / cbm; plywood 1,000 yen / sheet; CP 1,000 yen / piece)

item	grade	2009		
		June	July	
JRC-Akita, narrow width board for rail	1st	50	50	holding
JRC-Akita kowari lumber	knotless	0.28	0.28	"
*JRC-Akita, laminated kudabashira (CP)	5-ply	2.05	2	weaker
JRC-Tokai, baby square for roof beam	KD planed special 1st	60	60	holding
JC-Tokai, baby square for sill	special 1st	88	88	"
JC-Tokai, batten products	KD planed special 1st	60	60	"
JRC-Kishu, baby square for post	special 1st	54	54	"
JC-Kishu, baby square for post	special 1st	90	90	"
JC-Kyushu, baby square for sill	special	86	86	"
JRC-Kyushu, baby square for post, mouldered	special	50	50	"
JRC-Kyushu, baby square for post	KD special	56	56	"
*JRC-Kyushu, hirawari for mabashira(studs)	KD special	59	59	"
Ash, plain board	dried, special	216	216	"
Alaskan Spruce log	No.3	57.6	57.6	"
DF log	No.3 Coast	28.8	28.8	"
*Spruce, flitch	Select Merch	60	60	"
DF, hirakaku, green (home sawn)	-	50	50	"
DF, hirakaku, KD (home sawn)	-	62	62	"
DF, laminated beam (imported)	-	110	110	"
Redwood, laminated beam (imported)	-	70	70	"
*JRC&DF, hybrid laminated beam	-	68	68	"
Hem, baby square (imported)	green (S4S)	43	43	"
Hem, baby square (imported)	KD (S4S)	52	52	"
DF, baby square (imported) KD		52	52	"
DF, baby square (imported) KD		50	50	"
YC, baby square (imported)	green (FOHC)	72	72	"
*Hem, treated sill	special 1st	56	55	weaker
Red Pine, Taruki (rafter, home sawn)	1st	62	62	holding
*Red Pine, Taruki (rafter, imported) KD		69	69	"
Red Pine KD	1st	60	60	"
*Red Pine, stud (mabashira)		60	60	"
Whitewood, stud (mabashira, imported)	KD, pithless	56	56	"
Whitewood, kudabashira (CP)	5-ply	1.8	1.8	"
WS, square edged (imported)	1st, treated	140	140	"
Mercusi Pine, laminated lumber	A-grade	135	135	"
Yunshan Cedar lumber, KD	A-grade (S2S)	240	240	"
*Red Pine, laminated lumber	A-grade	125	125	"
Lauan plywood, Type II	1st, F4-star	0.48	0.48	"
CF plywood, Type I (imported)	JAS (A), F1-star	0.95	0.97	stronger
Lauan structural plywood (imported)	JAS, F4-star	1.05	1.05	holding
Softwood structural plywood, Type I (12mm)	JAS, F4-star	0.83	0.83	"
Softwood structural plywood, Type I (24mm)	JAS, F4-star	2.05	2.05	"

<Plywood>

The plywood market remained stagnant in June. The market was inactive and prices stayed at the bottom. The volume of imported plywood was 209,000 cubic meters in May, which decreased as largely as 59.3% from the same month in a year earlier, making the total volume during January-May low with a reduction of 23.1%. Reacting to the sluggishness of export toward Japan, attitudes of producing centers have changed. They place priority on good markets like Korea and Middle Eastern countries, and offer extremely high prices to Japan. So Japanese buyers reluctantly purchase what they need at high prices. Though domestic softwood plywood factories are still continuing production curtailment, manufacturers' inventories are slightly increasing.

**Statistics**

**Plywood Supply in May**

Compiled by the Japan Plywood Manufacturers' Association from the Ministry of Finance's *Trade Statistics*, the amount of imported plywood in May was 209,000 m<sup>3</sup> (40.7% decrease compared to last year), a large decrease. The decrease in the 40% level was the first since

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\*JRC=Japanese Red Cedar, JC=Japanese Cypress, DF=Douglas Fir, Hem=Hemlock,

YC=Yellow Cedar, WS=White Seraya, CP=connective post, CF=concrete form

\*\* The prices for dealing in a small lot; close to retail prices.

\*\*\*The items with \* are new since January 2009.

February of last year, which recorded a 43.5% decrease. The two-digit decrease from the comparison to last year has continued for the 6<sup>th</sup> straight month.

The amount from Malaysia, the largest country of import, decreased by a half to 103,000 m<sup>3</sup> (52.0% decrease), a decrease for the seventh straight month. Also Indonesia, which in the previous month shifted to an increase for the first time in two months, once again decreased to 72,000 m<sup>3</sup> (7.4% decrease), and China also decreased for the 7<sup>th</sup> straight month to 26,000 m<sup>3</sup> (48.5% decrease).

The overall accumulated total for January to May was 1,138,000 m<sup>3</sup> (23.1% decrease compared to the same period last year), and in particular, Malaysia, which accounts for 53% of the imports, greatly decreased to 601,000 m<sup>3</sup> (27.4% decrease). Next was Indonesia, which also has a large amount of imports, with 363,000 m<sup>3</sup> (4.1% decrease). China also fell sharply to 142,000 m<sup>3</sup> (40.7% decrease).

Compiled from lumber statistics, the amount of domestically manufactured regular plywood in May decreased for the 24<sup>th</sup> straight month to 166,000 m<sup>3</sup> (21.9% decrease compared to the same month last year) due to a cut in production by domestic manufacturers. The decrease was also recorded as the 7<sup>th</sup> month of a two-digit decrease. The amount of shipments also decreased for the 8<sup>th</sup> straight month to 169,000 m<sup>3</sup> (22.4% decrease). Inventories at the end of the month were at 340,000 m<sup>3</sup> (15.7% decrease compared to the same period last year) decreasing for the 11<sup>th</sup> straight month.

The total amount of softwood plywood, which accounts for more than 80% of the domestic production, decreased for the 22<sup>nd</sup> straight month to 141,000 m<sup>3</sup> (14.4% decrease compared to the same month last year). The amount of shipments decreased for the 8<sup>th</sup> straight month to 143,000 m<sup>3</sup> (18.7% decrease), and inventories at the end of the month continued to shrink to 222,000 m<sup>3</sup> (25.4% decrease compared to the same period last year).

Adding imported plywood to domestically manufactured plywood, the domestic supply of plywood was 375,000 m<sup>3</sup> (33.7% decrease compared to the same month last year) decreasing for the 8<sup>th</sup> straight month. Although the supply amount shrank more than 30%, movement has not been seen in the domestic market, and just as before, weakness in actual demand clearly stood out.

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**Company:**  
**DAIKEN will Start  
Collection and Recycle  
of Curing Boards**

DAIKEN CORPORATION (Osaka City) lately established a recycle system to reuse and collect insulation board (wood fiber board) such as curing boards discarded from construction sites. DAIKEN will publicize the system to building constructors generating curing boards and start that collection and recycle system this month.

In building construction, curing is  
(Continued on Page 8)

### ***Plywood Market 4<sup>th</sup> Week July***

In the softwood plywood market, around halfway through July, there was a growing recognition among trading companies and distributors that prices had to be brought back to the price level presented by a major domestic manufacturer of softwood plywood. However, low prices far from that price level are still found occasionally in some areas, and they may dampen the overall market situation. While housing starts fail to improve smoothly and demand does not increase, plywood factories are striving hard to maintain adjustment in output of products (production cut). Those involved in distribution need to sell plywood with a good understanding of the current situation.

There are some changes in conditions of producing areas of imported plywood. In Indonesia, suppliers are becoming more bullish week after week. While there are differences among items, as a whole, prices are likely to go up by US\$20-30 per cubic meter from the previous month. Buyers willing to replenish their stocks are accepting the price increase ahead of the actual increase.

In Malaysia, the contract volume to be fulfilled by the largest supplier in Sarawak quickly reached 300,000 cubic meters, out of which around 30% are for Japan. Other countries are increasingly willing to purchase plywood, and they have started finalizing the future contracts.

### DAIKEN will Start ...

(Continued from Page 7)

required not to scratch the floor, and lately, curing boards made of wood fiber has been used as curing materials, which became widely available with 8 million sheets a year. However, most of these boards are not actually recycled.

DAIKEN recognized the collection and effective utilization of curing boards as social responsibility, and acquired a broad area approval for the system with DAIKEN, Takahagi DAIKEN and Okayama DAIKEN, constructed a collection and recycle structure. What to be collected is wood fiber boards which is the ones DAIKEN once sold and discarded

as industrial discharge. DAIKEN makes consinging contracts with waste generators such as building constructors, and arranges a waste-collection and transportation company which bring collected materials to recycle plant of Takahagi DAIKEN and Okayama DAIKEN where they are recycled for raw materials of insulation boards.

The system's coverage areas are throughout Japan except Hokkaido and Okinawa. Estimated obligation fees for waste generators include actual costs for transportation, storage and recycle process. DAIKEN gives an instance in case of generation and collection of wastes around the Tokyo metropolitan area; about 8,000

yen per 4t-truck (about 1,000 sheets loading). DAIKEN is planning 3,000 t of collections by using this system a year.

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### Topics:

### Consultation Service Corner about Wooden Gymnastic Halls

On June 12, Japan Laminated Wood Products Association has set up "A Consultation Service Corner about Wooden Gymnastic Halls for Japanese Martial Arts" on the association's Website (<http://www.syuseizai.com/>).

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## European Timber News

The amount of European softwood lumber products received in May 2009 decreased to 183,200 cubic meters, a 3.1% increase compared to the previous month. Compared to last year, the amount received increased by 7.6%. As the arrivals of other imported lumber decreased, only arrival of European lumber remains stable.

Looking at it based on country, the amount received was 66,500 cubic meters from Sweden, 58,900 cubic meters from Finland, 16,400 cubic meters from Austria, 15,600 cubic meters from Romania, 10,600 cubic meters from Latvia, 5,350 cubic meters from Germany, and 9,700 cubic meters from other countries. The amount received from Sweden was the largest again in this month. Compared to the previous month, the amount received from Romania and Latvia increased largely by 21.7% and 32.7% respectively. The amount received from Romania is close to that from Austria. The amount received from Austria is on the decrease. Compared to the previous year, the amount received from all countries increased except for Austria and Finland.

The amount of laminated lumber received from Europe in May was 33,900 cubic meters, a 2.6% increase compared to the previous month and a 25.0% increase compared to last year. The arrival of laminated lumber has been slowly recovering. Based on country, the amount received was 13,100 cubic meters from Finland and 12,700 cubic meters from Austria. The amount received from Sweden was 1,200 cubic meters, and the amount received from "other countries" including Germany was 6,900 cubic meters.

The overall price (CIF Japan Port) of European lumber products in May decreased by 4.5% to 29,183 yen per cubic meter from 30,570 yen in the previous month. It fell 27.6% compared to last year still having strong competitiveness in Japanese market. Based on the leading countries, the price was 31,648 yen from Austria, 27,797 yen from Finland, 27,741 yen from Sweden. Compared to the previous month, prices of Austria, Finland and Sweden decreased 9.1%, 5.3% and 2.5% respectively. Compared to the previous year, the price was a 25.9% fall for Sweden, a 26.7% fall for Finland and a 26.1% fall for Austria.

The price of structural laminated lumber was 42,486 yen per cubic meter, a 9.7% fell from 47,066 yen in the previous month. Compared to last year, the price was a 20.9% decrease. The prices of Austrian products and Finnish Products were 40,648 yen and 43,899 yen, a 15.0% fell and a 7.1% fell from the previous month respectively.

Due to the revision of education guidelines, martial arts will become compulsory in the course of health and physical education in junior high schools from fiscal 2012. Following this decision, the Ministry of Education, Culture, Sports, Science and Technology has planned to build gymnastic halls for martial arts in 2,300 schools all over Japan in five years from fiscal 2009 to fiscal 2013. In the budget for fiscal 2009, it has earmarked ¥4,026 million (for 180 schools) for this purpose. Among 10,150 public junior high schools in Japan, only 4,769 schools or 47% of all have the facility. Among private junior high schools, only 181 schools (24.8%) out of 729 have the facility. So, quick construction is needed.

The consultation service corner introduces inquirers to the association's member companies which are experienced in and know well about designs of wooden gymnastic halls (for martial arts) and fixtures of flooring, walls, and entrances. It supports autonomies and educational institutes which are considering building such gymnastic halls by offering information and consultations.

The association says that it is planning, in addition to the settlement of this corner, to do a campaign in which it teaches how to design wooden buildings and gives examples of such gymnastic halls through tours and lectures.

### News in Brief

*(Continued from Page 11)*

pellets from inside and outside of Japan. Last year, production volume of pellets was 40,000 tons, which did not reach the estimated level of 60,000 tons, mainly because a major manufacturer's delay in starting full-scale operation and the price stagnancy since last fall. However, the number of heaters using pellets as their fuel surpassed the 10,000 unit level all over Japan, and about 460 boilers were installed. Among used pellets, 85% was used as the boiler fuel. The total number of the association's members expanded to 55 companies at the end of March 2009.

## Russian Timber News

The arrival from Russia cannot stop decreasing. The amount of Russian logs received in May was 48,400 m<sup>3</sup>, a 21.9% decrease compared to the previous month and a 77.7% decrease compared to last year. In detail, the amount was 17,500 m<sup>3</sup> for larch (a 29.8% decrease compared to the previous month and an 85.5% decrease compared to last year), 25,000 m<sup>3</sup> for pine (a 12.5% decrease compared to the previous month and a 51.1% decrease compared to last year), and 3,400 m<sup>3</sup> for spruce (a 44.5% decrease compared to the previous month and a 89.9% decrease compared to last year). The log arrival of these all three wood species was in a bad slump in May. Log purchase for both lumber use and plywood use by Japanese end users is becoming extremely weakened.

The amount of lumber products received in May was 2,850 m<sup>3</sup> for larch, and the total for spruce and pine, which is the leading variety, was 73,900 m<sup>3</sup>. The amount of spruce and pine received increased by 9.3% compared to the previous month and by 9.7% compared to last year, and the trend of that arrival has been firm in this year. Unlike the sharp decrease in log arrival, a major change has not been seen in supply and demand trends of rough lumber. The amount of structural laminated lumber received in May was 4,400 m<sup>3</sup>. The amount received increased by 71.4% compared to the previous month and decreased by 9.7% compared to last year recording the first large arrival since May 2008 of 4,900 m<sup>3</sup>.

The CIF Japan Port price of logs in May was 11,925 yen per cubic meter for larch, 17,847 yen for pine, and 12,933 yen for spruce, and compared to the previous month, larch, pine and spruce fell 6.7%, 0.8% and 3.6% respectively. Compared to last year, the prices are a 30.0% fell for larch, a 3.5% fell for pine, and a 21.2% fell for spruce. Importing price of Russian logs showed a strong downward trend. The price of hardwood oak was 41,039 yen decreasing by 8.8% compared to the previous month.

The price of lumber products was 24,313 yen per cubic meter for larch, 33,472 yen for pine and spruce, and the price of the main items of pine and spruce was a decrease of 5.3% compared to the previous month and 2.6% compared to last year. The price of hardwood largely increased by 29.1% to 78,092 yen per cubic meter bouncing up and down the same with that of logs. The price of structural laminated wood was 33,632 yen per cubic meter with a decrease of 4.4% compared to the previous month and 27.9% compared to last year indicating downward price trend in this year.

News in Brief



**Sponsored by the nonprofit organization, Sainoki, Talk Café was held on June 13 at Seihoku Gallery in the University of Tokyo Yayoi Auditorium, Annex.** The theme was “Material from Forest Thinning and the Carbon Business.” Plans are being made for national land conservation and reducing CO2 emissions through the use of material from forest thinning and leftover forestry material, which are unused lumber resources. Chiaki Konishi, chief of the second group in charge at Toshiba Corporation’s Environmental Systems, spoke about the topic titled “From the Standpoint of a Business.” Currently developing a project that uses leftover forestry material to manufacture nano carbon, Toshiba

Corporation is already constructing a plant in Hita City, Oita Prefecture. During the presentation that offered a dream such as “if it is a tree, anything can be used” and “if it is put into practical use, tons of lumber will be used each day,” many questions were drawn from the audience.

**On June 9, the Canadian Consulate in Nagoya and the Canadian Council of Forest Ministers held *Canadian Sustainable Forest Management Seminar*** at the Westin Nagoya Castle in Nishi Ward, Nagoya City. In his greeting, Allan Edwards, the Canadian consul and trade representative, said in promoting Canadian material, “In order to build houses that are safe and economical and that also take the environment into consideration for everyone in Japan, Canadian “green building” technology is without a doubt useful.” The seminar covered four presentations: 1) Roxanne Comeau, Market Support Manager of the Canadian Forest Service, speaking about the general view of Canadian forestry, 2) Dr. Pierre Bernier of the Canadian Forest Service’s Laurentian Forestry Centre speaking about the effects of climate change on forestry and forests, 3) a senior researcher from the Athena Institute speaking about LCA in manufacturing softwood lumber, tools, and case studies, and 4) the chief secretary of British Columbia’s Ministry of Forests and Range speaking about sustainable forest management in British Columbia.



**The Japan Log House Association held its general meeting for the 2009 fiscal year on June 9.** From the results of a survey of members (response rate of 87%, 94 companies) taken last year, the number of constructed log houses were 1,629 units (9.0% decrease compared to the previous year) built by the log structure method and 105 units (62.8% decrease) built by the post and beam method becoming a large decrease. With the effects of the global financial crisis from the second half of last year, the drop in purchasing intention was analyzed to be a major factor in this decrease. In the business plan for this year, one item among the array of measures that are seen as important is technological development such as improving earthquake resistance and energy saving performance of log houses based on the assistance project by the Ministry of Land, Infrastructure, Transport and Tourism “to strengthen technological basics in order to attain very long term housing.” Next, plans were confirmed to activate and expand the organization and its members (currently 116 companies) including associate members and support members. In addition, the plans also included scientifically proving the beneficial points of houses made of wood such as log houses and spreading its use to various places such as hospitals, schools, and nursery schools. For the mid to long term, the plan will stress the importance of working to expand the log house market with a target of 10,000 units.

**In order to provide information concerning energy savings of a home smoothly to consumers, the Ministry of Land, Infrastructure, Transport and Tourism finalized guidelines on June 16 concerning the display of labels.** In the revision of the energy savings law in April of this year, the builder of a newly constructed, single family house is encouraged to improve the energy savings performance of the house. “Criteria for housing builders and business owners,” which includes target standards for energy savings was also established at the same time. Also according to the law, “the seller or renter of the building will make an effort to display the energy savings performance to general consumers.” Based on this, the ministry established guidelines in order to inform consumers about energy savings performance of homes conforming to the “criteria for housing builders and business owners.” The display method with labels is being recommended. Using the “energy savings label for homes,” the

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following will be displayed: 1) an overall assessment and evaluation will be made of the heat insulation performance and efficiency of the building fixtures and equipment using the “general energy savings standards” and 2) whether the heat insulation performance of the exterior walls and windows conform to energy savings criterion (1999 standards) will be evaluated using the “heat insulation performance standards.” A green colored label will be used in the case of a third party such as authorized building inspection facility conducting the assessment and evaluation of conformity, and a blue one will be used in the case of a builder or business owner conducting self-assessment and self-evaluation.

**The 5<sup>th</sup> Japan Credit Certification Committee was held on June 19**, and it has accepted 11 applications of emission-reduction projects in the fields related to agriculture, forestry and fisheries. According to the Ministry of Agriculture, Forestry and Fisheries, seven cases among them were projects of sawmills that convert their boiler fuels from kerosene to woody biomass. In CO2 emission trading, potential demand for woody fuels including bark, pellets, and chips seems to be so high that they are eagerly sought after by various fields. This time, all of the 11 applications in the field of agriculture, forestry and fisheries are related to woody biomass. And in seven cases, emission-reducers (sellers of credit) are sawmills including forestry cooperatives. And among three applications of boiler establishment, two are planned by sawmills. Estimated amount of CO2 reduction per year is as much as 18,859 CO2-t in total. The number of applications filed since the first committee meeting reached 118 cases (about 110,000 CO2-t of reduction per year). Among them, 41 cases (about 60,000 CO2-t per year) are related to the field of agriculture, forestry and fisheries.

**NCN has started provision of SE construction method for domestic lumber in earnest, jointly with Seihoku Group, Meiken Lamwood Corporation, Cypress Sunadaya Co., Ltd., and Saito Wood Industry Co., Ltd.**, through builders registered as constructors of this method all over Japan. When NCN was doing business individually with builders, “it was difficult to secure and supply materials having stable strength and quality” (said headquarters). So it could not start full-scale supply of them. By cooperating with Seihoku as the leading plywood manufacturer, Meiken as a manufacturer of structural laminated wood, Sunadaya as a maker of yellow cedar and cypress laminated sills, and Saito as a maker of laminated beams made from domestic larch, NCN has resolved the problems concerning domestic timber and made it possible to stably supply laminated wood of high quality and high performance. In addition, it is trying to secure the traceability by attaching legitimacy proof and certificate of origin issued by forestry cooperatives on laminas as the material for laminated wood. The company says, “Taking the logging timing into consideration, and trying to return our profits to the producing areas, we will supply long-life high-quality houses and contribute to promote the lumber industry in Japan and form recyclable society.

**Daiwa House Industry Co. Ltd.** (headquartered in Osaka) **has announced that, its 100% subsidiary company will start “Suzhou Industrial Park Project” in Chiangsu in China in July**, which will build 18 buildings or a total of 902 units of condominiums on 77,000 square meters of site. It is the first case for any Japanese company to develop condominiums by independent capital in China. Since October 2008, the Chinese government has carried out projects to expand domestic demand; for example, deregulation in individual’s acquisition of houses and purchase of second houses, and financial supports. The company sets the upper-income Chinese people such as executive officers, self-employed business operators, and civil officials living in Chiangsu, Shanghai, and its vicinity as its target. The construction will start in July this year and scheduled to complete in May 2011. Move-in date will be June. Daiwa House will start selling them from November this year. Room-layouts vary from 2LDK to 4LDK (from 86 square meters to 175 square meters). Planned prices are from the ¥10,000,000 level to more than ¥40,000,000.

**Japan Wood Pellet Association has held its ordinary general meeting for fiscal 2009 in Tokyo on June 22.** At the meeting, the association has confirmed projects submitted from its three working groups as follows. The quality and specification group confirmed to (1) manufacture pellets by trial which follow the quality standards of Japan Housing and Wood Technology Center, and establish the society’s standards (for heaters) after checking the quality of them, (2) establish the society’s certification system (for heaters), and (3) draft an original plan of the society’s quality standards for pellets for boilers. The technology development group will (1) draw out technical guidelines for improvement and development of pellet burners, (2) make out management manual about transportation, storage, and transfer of pellets, and (3) study about the association’s performance standards for pellet heaters. The planning and information group will work to (1) study about becoming a general corporation, (2) provide sales statistics of the production and the sales of pellets and their burning appliances, and (3) collect and offer information about

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**Meeting:**

# JLIA's General Meeting for 2009 Held



The general meeting started with discussions about and approval of submitted bills such as reports on business and a statement of accounts for fiscal 2008, and business plans and budget for fiscal 2009. In business plans, the meeting has approved to develop concrete business programs with basic plans and frameworks as follows: (1) consolidate relations with bodies of the same industry in and out of Japan and

Japan Lumber Importers' Association has held its general meeting for fiscal 2009 in Tokyo on June 19. At the beginning, Chairman Toshihito Tamba delivered a speech and said, "Current situation of the lumber industry is very difficult. The volume of imported lumber in 2007 dropped 15% compared with 2006, and that in 2008 dropped 20% from 2007. Taking this year's housing starts (expected less than 1,000,000 units) into consideration, it is inevitable for us to adjust the importing volume in order to keep the supply-and-demand balance." And he advised the members to watch the situation carefully and take appropriate action accordingly. He also added, "China has achieved V-shape recovery, and the developing markets such as Brazil, Russia, and India are showing a recovery trend. The situation of the United States is not expected to go worse." And he implied that the Japanese market has got out of the worst period and is moving into a new phase. The association called on the members to cope with what they should do including encouraging the widespread use of legal timber by advertising that wood is a recyclable and environment-friendly resource.

exchange information with them, (2) tackle the problems of illegal logging, (3) make efforts to expand the usage of lumber in order to recover demand for lumber, and (4) review the membership fees and the expenditure.

To exchange opinions with domestic and overseas bodies, the association will continue (1) periodical dialogue with groups of plywood and lumber in Indonesia and Malaysia, (2) regular dialogue with Dalexportles, (3) regular meetings with American Forest & Paper Association, and (4) an exchange of information and opinions with Quebec Wood Export Bureau and American Hardwood Export Council. To tackle the illegal logging problems, it will focus on (1) cooperation with the Forestry Agency, (2) maintenance of recognition system for logging enterprises and promotion of distribution of legal logs, (3) proofing projects for the log tracking system, (4) promotion projects for legitimate logs, and (5) calling overseas bodies for collaboration. The association has also approved to participate in the lumber demand-and-supply meetings organized by the Forestry Agency and to continue running Japan Southsea Lumber Conference and Japan North American Lumber Conference.

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