

TALKING TIMBER



SOFTWOOD ... RESPECT!

The market should learn to appreciate the value of softwood, says John Park



It was, of course, when and not if; as I write this, following hot on the heels of 'all-time high' and 'record-shattering' are 'record free fall' and 'plummeted'! Back to 'normal' shortly, I suppose.

Email dated June 23 2021 with 'Softwood Briefing from *TTJ*' – the concluding paragraph: "In summary, irrespective of price corrections that might surface during the second half of the year, it would appear that softwood has *finally achieved the*

respect it deserves as a sought-after, low-carbon and renewable resource. But like all good things, it is taking longer to arrive." (My italics).

I think it is safe to say that undercutting on price has been the business model favoured by the UK softwood trade.

The consequence is that those ever-lower prices have become the accepted 'norm' for softwood in the UK with any price increase, however modest, received with various degrees of indignation amongst consumer sectors. But such was the recent price increase – and to such heights, indignation notwithstanding, that theft of wood is now seen as an alternative lucrative business model – that it is pictured in satirical cartoons replacing a diamond in an engagement ring and even BBC news editors felt it worthy of a mention, and on the 'Today' programme of all places. For some reason they didn't mention sought-after, low-carbon and renewable resource.

The *TTJ* briefing noted the increase in price, measured against the same time last year for July shipments, of 139% in sterling. I wonder what level of respect would have been engendered had the increase been on a par with western SPF on the North American market, which reached a 'record high' of US\$1,630/1000fbm towards the end of May – that is plus 344% year-on-year? It went higher!

So where is the value and what has created that 'respect'? We know what has created that increase but the price 'off the stump' hadn't changed – for example, in the UK from the Forest Research website: "The average price for coniferous standing sales was £31.03 per cubic metre over-bark standing in nominal terms in the year to March 2021, an increase from £28.22 in the year to March 2020". Just short of 10%.

And I saw another article headed 'What's happened to lumber?'. And note where the concern lies. "Mystified by a 300% increase in the price of softwood, ... design consultant, ... ponders: 'There are lots of trees out there, and there are lots of people to cut them down, and there are lots of people to process the lumber. So, I don't really grasp this. Something's gone wrong in terms of competition in the marketplace.'"

Yes, I rather think it has, as well as that individual's grasp of

John Park is a board member and immediate past chairman of the WTS and manager of Canada Wood UK

reality given, for example, the BC Interior harvest has been reduced by 20% (that's a lot of wood) and with a labour shortage production can't just be increased at the drop of a hat, with longer term uncertainty following insect infestation and wildfires.

And also, just at present, there is another old growth spat happening in British Columbia, with protestors wishing to preserve the dwindling old growth forest not set aside in reserves attracting global media interest, not to mention the celebrity bandwagon.

For most people, and all companies, along the supply chain, the value of and in softwood is profit, especially if you are trading wood on the futures market, not the fact that it's a low-carbon, renewable resource, although sought-after it certainly is.

On the other hand, building designers and their clients and major contractors are increasingly aware of that and along with corporate social responsibility comes the demand for wood from third-party certified sustainable forests, not a requirement in 1968 but now an additional cost for primary producers before even cutting a road, let alone a tree. For wood as a sought-after, low-carbon and renewable resource, is that added value or just added cost? Depends on your point of view, I guess.

But, the least anyone deriving a profit from wood could do is to learn as much about it as possible. From learning comes understanding. From understanding comes real respect. ■

*Below:
The BC Interior
harvest has been
reduced by 20%*



The Wood Technology Society

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