

Forestry has been a cornerstone of the New Brunswick economy for generations, generating economic growth, recreational activities, and environmental sustainability among communities and families. There are approximately six million hectares of forest land in the province. About 50 per cent is Crown land, 35 per cent is private woodlots, and 15 per cent is industrial freehold. In addition to private and industrial landowners, there are 405 forest and logging companies, and 90 support businesses. In 2017, the primary forest sector generated \$493 million in revenues. About two-thirds of these revenues were generated by softwood (mainly spruce-fir-jack pine), with hardwood contributing around one-third.

The wood processing sector comprises 137 businesses, which include approximately 35 industrial sawmills, 6 pulp and paper mills, and 2 panel mills. The balance of the wood processing sector is comprised of smaller, locally owned mills and of secondary processing facilities which remanufacture wood products to create finished goods such as windows, doors and furniture.

Industry at a Glance

| | |
|--|------------------|
| Number of small private woodlots | Over 40,000 |
| Number of primary forest businesses | 495 |
| Number of forest processing businesses | 137 |
| Value of primary forest production | \$493 million |
| Value of processed forest product shipments* | Over \$2 billion |
| Value of exports | \$1.9 billion |
| GDP (direct) | \$1.4 billion |
| Employment-Primary (FTEs) | 3,500 |
| Employment-Processing (FTEs) | 9,100 |

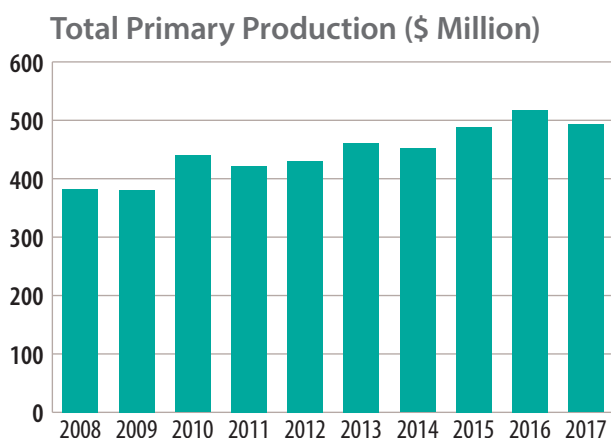
* Estimate

Together these businesses produced over \$2 billion of processed forest products. New Brunswick is the largest exporter of forest products in Atlantic Canada valued at \$1.9 billion in 2017. The United States, India and Indonesia are the main export destinations, accounting for 76 per cent, eight per cent and five per cent of export share, respectively. In 2017, the primary forest sector generated approximately 3,500 full-time equivalent jobs, while the processing sector generated 9,100 full-time equivalent jobs.

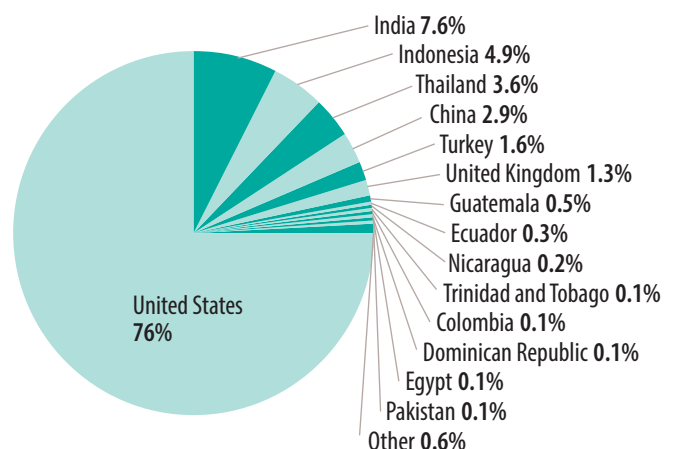
Exports by Country

| Country | Value (\$ Million) | |
|---------------------|--------------------|----------------|
| | 2016 | 2017 |
| United States | 1,390.0 | 1,435.2 |
| India | 121.2 | 142.9 |
| Indonesia | 78.3 | 92.3 |
| Thailand | 69.9 | 68.9 |
| China | 37.7 | 53.8 |
| Turkey | 19.1 | 30.2 |
| United Kingdom | 24.0 | 24.4 |
| Guatemala | 7.4 | 8.9 |
| Ecuador | 2.6 | 5.1 |
| Nicaragua | 0.0 | 3.1 |
| Trinidad and Tobago | 3.1 | 2.6 |
| Colombia | 2.2 | 2.2 |
| Dominican Republic | 5.1 | 2.2 |
| Egypt | 0.7 | 1.8 |
| Pakistan | 0.6 | 1.7 |
| Other | 13.8 | 12.1 |
| Total | 1,775.7 | 1,887.4 |

Data source: Trade Data Online (January 2019)



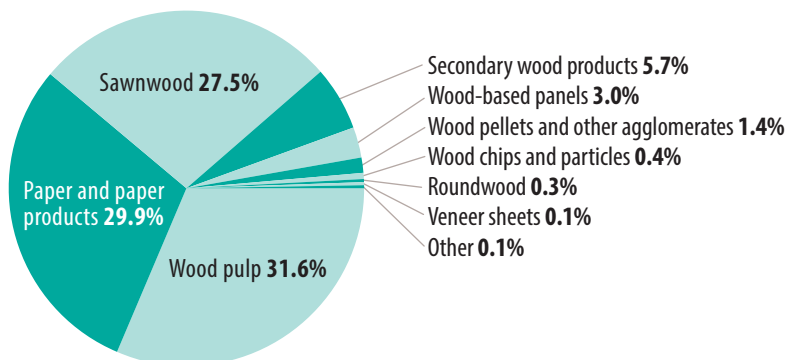
Exports by Country (\$1.9 Billion)



2017 Highlights

- New Brunswick's primary forest products were valued at \$493 million in 2017, \$38 million (seven per cent) lower than the previous year. This drop in value largely resulted from a decline in spruce-fir-jack pine sales.
- Prices remained flat while harvested volume of most species declined due to high inventory levels from the previous year's harvest coupled with cautious demand caused by increased trade uncertainty with the United States.
- Sales of spruce-fir-jack pine decreased by \$31 million (nine per cent) to \$317 million in 2017, due to a drop in harvested volume by about 595,000 cubic metres to 5.9 million cubic metres.
- Hardwood sales were down four per cent (\$6.4 million), totaling \$156 million in 2017. This resulted from a decline in harvested volume by about 136,000 cubic metres to 3.4 million cubic metres.
- Cedar sales amounted to \$10 million in 2017, down \$0.6 million (six per cent) compared to 2016, as a result of lower harvested volume. Particularly, harvested volume fell by 12,000 cubic metres to 187,000 cubic metres.
- Sales of red pine increased by about one-third (\$0.3 million) to reach \$1.3 million in 2017, due to greater harvested volume by about 7,000 cubic metres. Particularly, production volume increased from 21,000 cubic metres in 2016 to 28,000 cubic metres in 2017.
- New Brunswick exported \$1.9 billion worth of forest products in 2017, up \$112 million (six per cent) compared to the previous year. This is the fifth straight year of export increases and the highest export value of forest products the province has seen since 2006.
- Exports to the United States rose by \$45 million (three per cent) to total \$1.4 billion in 2017. This increase resulted mainly from higher sawnwood sales.
- Other key markets that showed notable increases in 2017 were India, Indonesia and China. Particularly, exports to India and Indonesia were up by \$22 million (18 per cent) and \$14 million (18 per cent), respectively, mainly due to higher wood pulp sales; while those to China were up by \$16 million (43 per cent) mostly due to higher sales of paper and paper products and wood pulp.
- In 2017, the top export commodities were wood pulp, paper and paper products, and sawnwood, valued at \$596 million, \$565 million and \$519 million, respectively. Compared to 2016, wood pulp exports rose by \$40 million (seven per cent), while exports of paper and paper products and sawnwood increased by \$26 million (five per cent), and \$42 million (nine per cent), respectively.

Exports by Product (\$1.9 Billion)



Primary production

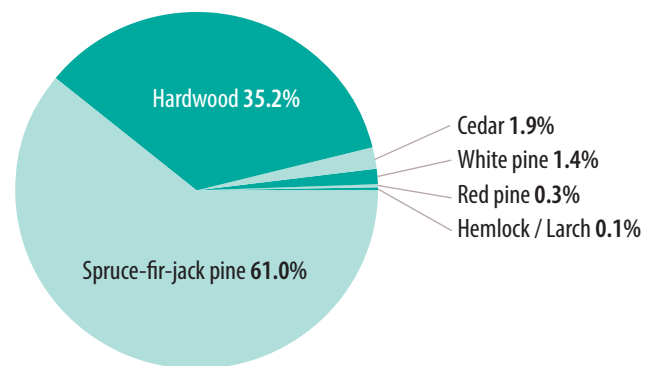
| Species | Volume (000 M ³) | | Value (\$ Million) | |
|----------------------|------------------------------|--------------|--------------------|--------------|
| | 2016 | 2017 | 2016 | 2017 |
| Spruce-fir-jack pine | 6,475 | 5,879 | 348.5 | 317.3 |
| Hardwood | 3,530 | 3,394 | 162.8 | 156.4 |
| Cedar | 199 | 187 | 10.6 | 10.0 |
| White pine | 141 | 137 | 7.2 | 7.0 |
| Red pine | 21 | 28 | 0.9 | 1.3 |
| Hemlock / Larch | 18 | 12 | 0.8 | 0.6 |
| Total | 10,384 | 9,638 | 530.9 | 492.6 |

Exports by Product

| Product | Value (\$ Million) | |
|-------------------------------------|--------------------|----------------|
| | 2016 | 2017 |
| Wood pulp | 555.4 | 595.8 |
| Paper and paper products | 539.3 | 565.2 |
| Sawnwood | 477.3 | 519.1 |
| Secondary wood products | 94.3 | 107.7 |
| Wood-based panels | 60.5 | 57.1 |
| Wood pellets and other agglomerates | 26.0 | 26.1 |
| Wood chips and particles | 10.4 | 8.3 |
| Roundwood | 5.7 | 6.0 |
| Veneer sheets | 1.6 | 1.1 |
| Other | 5.2 | 1.2 |
| Total | 1,775.7 | 1,887.4 |

Data source: Global Trade Tracker (January 2019)

Primary Production Volume (9.6 Million M³)



Primary Production Value (\$493 Million)

