2019 Forest Sector Review

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, 30 per cent is private woodlots, and 20 per cent is industrial freehold. In addition to private and industrial landowners, there are 374 forestry and logging companies, and 91 support businesses. In 2019, the primary forest sector generated $535 million in revenues. About 68 per cent of these revenues were generated by softwood (mainly spruce-fir-jack pine), while hardwood contributed the remaining 32 per cent.

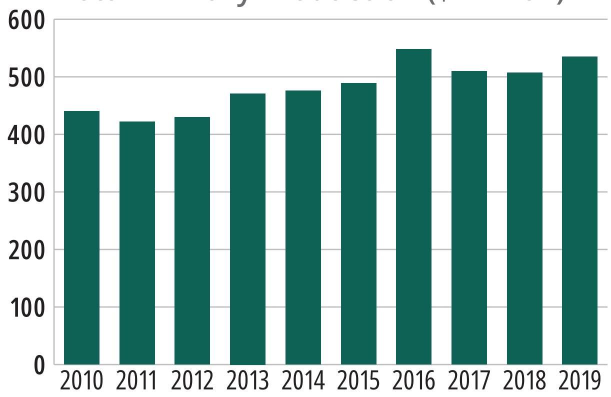
The wood processing sector comprises 132 businesses, which include approximately 35 industrial sawmills, six pulp and paper mills, and two panel mills. The balance of the wood processing sector is comprised of smaller, locally owned mills and of secondary processing facilities which remanufacture wood products to create finished goods such as windows, doors, and furniture. New Brunswick is the largest exporter of forest products in Atlantic Canada valued at $1.89 billion in 2019. The United States, India, and China were the top export destinations in 2019, accounting for 79 per cent, seven per cent, and four per cent of export share, respectively. In 2019, the primary forest sector generated approximately 3,375 full-year equivalent jobs, while the processing sector generated 8,820 full-year equivalent jobs.

Industry at a Glance

Number of small private woodlots	Over 40,000
Number of primary forest businesses	465
Number of forest processing businesses	132
Value of primary forest production	$534.9 million
Value of processed forest product shipments	x
Value of exports	$1.89 billion
GDP (direct)	$1.32 billion
Employment-Primary[1]	3,375
Employment-Processing[2]	8,820

x Data are suppressed.
[1,2] Full-year equivalent jobs.

Total Primary Production ($ Million)

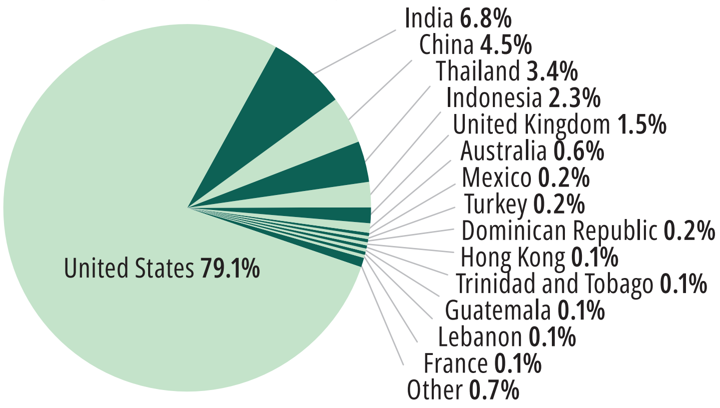


Exports by Country

Country	Value ($ Million) 2018	Value ($ Million) 2019
United States	1,560.5	1,497.8
India	123.4	129.3
China	63.2	84.6
Thailand	73.2	64.6
Indonesia	87.9	43.6
United Kingdom	15.3	28.5
Australia	3.1	12.0
Mexico	1.8	4.3
Turkey	3.5	3.1
Dominican Republic	0.7	3.1
Hong Kong	0.0	2.3
Trinidad and Tobago	1.9	2.1
Guatemala	2.8	1.9
Lebanon	5.1	1.7
France	0.1	1.5
Other	34.6	12.9
Total	**1,977.1**	**1,893.4**

Source: Trade Data Online (September 2021).

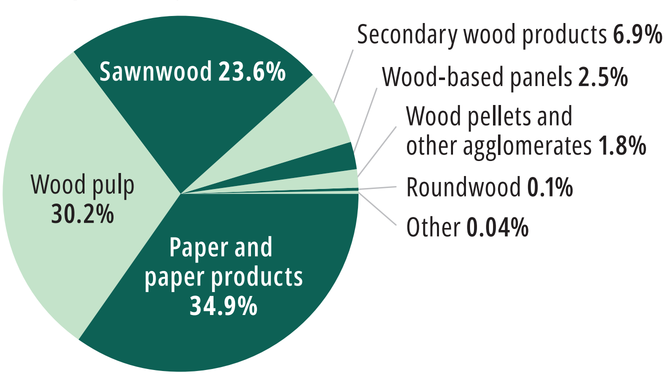
Exports by Country ($1.89 Billion)



2019 Highlights

- New Brunswick's primary forest products increased in value by $28 million (six per cent) to total $535 million in 2019, with sales of spruce-fir-jack pine, hardwood, and cedar rising the most.
- Sales of spruce-fir-jack pine rose by $23 million (seven per cent) to reach $345 million in 2019, due to greater harvested volume. Particularly, harvested volume increased by 404,100 cubic metres (seven per cent), from 5.86 million cubic metres in 2018 to 6.26 million cubic metres in 2019.
- Revenues from hardwood amounted to $174 million in 2019, up two per cent ($3.5 million) from the previous year. This was due to a four-per-cent rise in volume, from 3.26 million cubic metres to 3.39 million cubic metres, more than offsetting a two-per-cent reduction in average price.
- Compared to 2018, cedar sales increased by 18 per cent ($1.1 million) to $7.3 million in 2019. This was driven by a rise in harvested volume, up by 19 per cent (22,100 cubic metres) to 136,400 cubic metres in 2019.
- New Brunswick exported $1.89 billion worth of forest products in 2019, down $84 million (four per cent) from the year prior. This decline was largely due to lower sales of sawnwood (by $99 million, 18 per cent) and wood pulp (by $27 million, five per cent). On the other hand, increases were seen in sales of paper and paper products (by $30 million, five per cent), wood pellets and other agglomerates (by $17 million, 97 per cent), and secondary wood products (by $6.7 million, five per cent).
- The top export market for New Brunswick's forest products was the United States, valued at $1.50 billion in 2019. Compared to 2018, exports were four per cent ($63 million) lower, with sales of sawnwood declining the most. Sales of other key products, such as paper and paper products, secondary wood products, and wood pulp, rose.
- Other important destination markets that decreased in value in 2019 were Indonesia and Thailand. Sales to Indonesia fell by one-half to $44 million, while exports to Thailand dropped by $8.5 million (12 per cent) to $65 million. These declines resulted from lower sales of wood pulp.
- Key markets that saw increases were China (by $21 million, 34 per cent), due to higher wood pulp sales, the United Kingdom (by $13 million, 86 per cent), driven by greater sales of wood pellets and other agglomerates, and Australia (by $8.8 million, 284 per cent), due to higher sales of paper and paper products.

Exports by Product ($1.89 Billion)

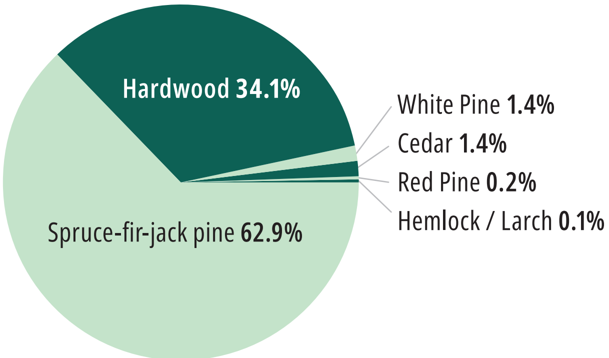


Primary production

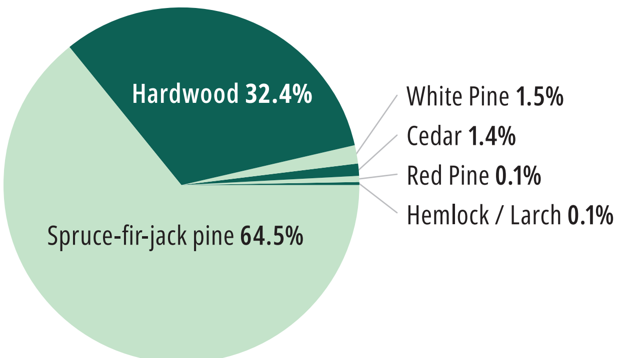
Species	Volume (000 M³)		Value ($ Million)	
	2018	2019	2018	2019
Spruce-fir-jack pine	5,856.6	6,260.7	321.5	344.9
Hardwood	3,256.6	3,391.5	170.0	173.5
White Pine	129.9	140.1	7.6	8.2
Cedar	114.3	136.4	6.2	7.3
Red Pine	23.9	15.5	1.0	0.7
Hemlock / Larch	13.8	8.2	0.6	0.4
Total	**9,395.1**	**9,952.5**	**506.9**	**534.9**

Note: 2018 primary production data have been revised.
Due to rounding, numbers in the tables in this report may not add up precisely to the totals provided.

Primary Production Volume (9.95 Million M³)



Primary Production Value ($534.9 Million)



Exports by Product

Product	Value ($ Million)	
	2018	2019
Paper and paper products	630.5	660.2
Wood pulp	598.2	571.0
Sawnwood	546.3	447.2
Secondary wood products	123.7	130.4
Wood-based panels	53.0	47.2
Wood pellets and other agglomerates	17.4	34.3
Roundwood	3.0	2.2
Other	5.0	0.8
Total	**1,977.1**	**1,893.4**

Source: Global Trade Tracker (September 2021).