

**An Examination of the
Markets for Sliced Softwood Veneer**

by

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Vancouver, B.C.**

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I INTRODUCTION

The objectives of this study were to:

1. conduct a market search in Western Canada, Pacific Northwest, California, and Japan, and identify purchasers of thin sawn boards and/or sliced veneer interested in entering into medium to long term sales agreements with a British Columbia based manufacturing company;
2. determine the approximate volume of product sold, the end user interest in a joint venture partnership, and competitors in the market place; and
3. produce a report that would serve to form the basis for a manufacturing feasibility study.

In North America, the principal users of sliced softwood veneer are the wood door and window manufacturers. Veneer is used for curved window tops and for exterior skins on door rails and stiles and some window components. It is also used in the manufacture of parquet, as a wrap for MDF mouldings, and for bent furniture components. The preferred product appears to be a sliced, vertical grain veneer.

In the United States, there are a few large wood door and window manufacturers. Located in Wisconsin, Illinois, Iowa, Minnesota, and Indiana, most use sliced softwood veneer for cost cutting reasons. The preferred softwood species has traditionally been Ponderosa pine, but recently, due to supply constraints, some firms have begun to replace Ponderosa pine with veneer produced from "selected pines". The major species under this classification are eastern white pine, lodgepole pine, and southern yellow pine. A few use hardwood veneers including oak, cherry, walnut, and an assortment of tropical hardwoods.

In Japan, sliced softwood veneer is used as an exterior laminate to cover the solid wood or glued up post cores. These posts are used in the entrance to houses, particularly the traditional (post and beam) housing segment.

The market survey for this study included the direct contact with over sixty industry representatives in approximately fifty companies. Information was gathered through these interviews on the demand for sliced veneer, present consumption, the competitiveness of existing producers, and current price levels.

The results of this survey are outlined in the following pages.

II VENEER IMPORTS AND EXPORTS

Statistics Canada groups wood veneer imports and exports under Product Classification 4408. It is defined as: "...veneer sheets and sheets for plywood (whether or not sliced) and other wood sawn lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness not exceeding 6 mm." Statistics Canada does not provide further differentiation between veneer for consumption in the door and window manufacturing sector and that consumed by the plywood industry.

Product Classification 4408 is subdivided into:

4408.10	Coniferous
4408.10.10	Douglas fir
4408.10.90	Other
4408.20	Tropical woods: dark red meranti, light red meranti, white lauan, sipo, etc.
4408.90	Other
4408.90.30	Birch
4408.90.40	Maple
4408.90.70	Oak
4408.90.93	Walnut
4408.90.99	Other

For the purposes of this report, the statistical information on subgroups 4408.10, 4408.20, and 4408.90 were summarized and analyzed.

Table 1

CANADIAN VENEER EXPORTS - (1992)

Product	Country	Value	Volume
4408.10	to: USA	\$42,771,000	69,037,842 m ²
	Other	277,000	249,732
	Total	\$43,049,000	69,287,574 m²
4408.90	USA	\$121,036,000	92,696,797 m ²
	Germany	5,853,000	3,523,320
	Sweden	1,712,000	984,095
	Japan	1,935,000	1,912,090
	Other	14,607,000	10,474,546
Total	\$146,652,000	110,610,457 m²	

Most of the 4408.10 classification originated in British Columbia. This rotary cut veneer is used primarily to manufacture plywood.

Most of the 4408.90 classification originated in Quebec and Ontario. The majority of this product is also used for the manufacture of plywood. Some of the higher quality veneers are used in other value added applications.

To compare exports with imports of similar products, the data on veneer imports was collected.

TABLE 2

CANADIAN VENEER IMPORTS - (1992)

Product		Country	Value	Volume
4408.10	from:	USA	\$6,593,000	4,622,112 m ²
		Other	209,000	111,488
		Total	\$6,803,000	4,733,600 m²
4408.20	from:	USA	\$998,000	422,251
		Other	894,000	426,690
		Total	\$1,892,000	848,941 m²
4408.90	from:	USA	\$27,074,000	19,564,814
		Germany	659,000	198,601
		Italy	2,342,000	519,768
		Spain	357,000	99,403
		Switzerland	531,000	165,955
		Ivory Coast	1,284,000	800,226
		Singapore	1,145,000	399,542
		Brazil	517,000	197,172
		Other	781,000	614,347
		Total	\$34,693,000	22,559,831 m²

The information contained in the above tables was derived from special Statistics Canada runs prepared for the Council of Forest Industries. Notwithstanding this special run, the information does not differentiate between rotary and sliced veneer imports and exports. Thus, it is not possible to quantify sliced veneer imports and exports.

The use of published statistical information, in its current form, is of limited use to this research project. It was determined that, in order to obtain the necessary information, a telephone survey of producers, manufacturers, and traders in the regions under review would have to be conducted.

III MARKET RESEARCH

The identification of veneer end users was accomplished through the use of trade directories, discussions with association officials, interviews with end users, and through telephone discussions with manufacturers, suppliers, and traders.

A list of potential Japanese users of veneer was obtained from Mr. John Powles, Council of Forest Industries, Tokyo, Japan.

A survey of existing literature on the demand, consumption, and production of softwood veneer provided little factual information. The exception to this was the Japanese market which, to a great extent, centers on the use of veneer for the overlay of core post material. The use of softwood veneer in Japan is directly related to the production of laminated lumber. The following table provides an indication of the market for softwood veneer in Japan.

Table 3

JAPANESE PRODUCTION OF LAMINATED LUMBER - (m³)

	1991	1992
Non-structural, non-overlaid	127,782	122,437
Non-structural, overlaid	200,724	201,559
total non-structural	328,506	323,996
Structural, small dimension		
non-overlaid	8,986	8,962
overlaid	84,026	83,942
Structural, large dimension	33,477	34,434
total structural	126,489	127,338
Total	454,995	451,334

Source: Japan Laminators Association

In recent years, the total production of laminated posts was approximately 84,000 m³. The core material has, until quite recently, been lodgepole pine and white spruce (22mm x 107mm kiln dried material). During the past nine months, this market has turned to Scandinavia for an alternate, lower priced, suitable core material.

It is estimated that to produce 84,000 m³ of laminated posts in excess of 10 million veneer slices, each approximately 10.5 cm x 10.5 cm x 2.80 m, are required. The consumption of veneer in the overlaid non-structural industry could be up to twenty times higher.

In Japan, the preferred specie of veneer is Japanese Cypress. A possible British Columbia grown alternative is Yellow Cypress (*Chamaecyparis nootkatensis*).

Seven Japanese post manufacturers were identified and contacted (a summary of the interview information is provided in Appendix 1). Seven Industries Co. Ltd., indicated an interest in the supply of certain wood products.

A similar list of North American based users of veneer was obtained through discussions with trade association representatives and the use of trade directories (a summary of the telephone interviews is provided in Appendix 2).

IV PRODUCTION COSTS AND PRICES

The price of sliced softwood veneer is a function of:

- cost of raw material (lumber or slicing blanks)
- species
- product grade (No.1 for exterior use; No.2 for core laminate)
- veneer size (thickness and length are the principal dimensions controlling the price)
- volumes ordered
- market competition at any given time
- profit

A British Columbia based veneer buyer provided the following Western Canadian perspective of the market for veneer. He suggested that the price of this product was driven by the U.S. door manufacturing industry which produces 10,000 units per day. The vast majority of production used to be in vertical grain Douglas fir. Mills in British Columbia stopped supplying the industry as a result of the countervail duty and when new markets were identified offshore.

In April, 1994, the price of 2x6 lumber suitable for slicing into 1/8" thick by 6" wide veneer, 85" long was as follows:

Hemlock	US\$2,500/mbf	CAN\$3,425/mbf
Douglas fir	US\$3,300/mbf	CAN\$4,520/mbf

One solid wood door manufacturer mentioned that the price he is paying for hemlock, which he processes into solid wood door components, is CAN\$2,300/mbf. He claimed that the wastage factor was approximately 4%. Most industry spokespersons suggested a more realistic falldown percentage would be between 14-20%.

The current price (April, 1994) of a 1/8" thick, 5 3/8" wide, 97" long No.1 vertical grain, Douglas fir veneer was quoted by one source in the United States at US\$3.60 (CAN\$4.93) per sliced unit. For a No.2 product, the price quoted was US\$3.00 (CAN\$4.11). This product could, for example, be used as core material on bent window components.

The price quoted for the equivalent hemlock product was US\$2.90 (CAN\$3.97) for No.1 veneer and US\$2.40 (CAN\$3.29) for No.2 veneer.

One manufacturer in the United States mentioned that his production cost for one sheet of Douglas fir, vertical grain veneer, 1/16" thick, 4 7/8" wide and 81" in length, is between US\$1.30-1.50. He mentioned that on the open market, this sheet currently sells for US\$2.20.

In late April, 1994, the following products and prices were quoted to the consultant:

1/10", 4 7/8", 81"	No.1 pine	US\$1.84 per unit
1/8", " "	No.1 pine	US\$2.28 per unit

1/10", 5 7/8", 81"	flat jamb pine c/w centre glue line	US\$2.16 per unit
1/8", " "	same	US\$2.71 per unit

1/10", 4 7/8", 81"	No.2 & better hem/fir	US\$1.55 per unit
1/8", 4 7/8", 81"	No.2 & better hem/fir	US\$1.90 per unit

This product is available in No.2 and better, mixed grain (heavy to flat grain) only.

1/10", 5 3/4", 81"	No.2 & better hem/fir	US\$1.88 per unit
1/8", " "	same	US\$2.35 per unit

Radiata pine veneer from Chile and New Zealand is also found on the market. To compare prices, a quote was sought from a U.S.-based wholesaler. Radiata pine sliced veneer 0.4 mm thick (slightly less than 3/16"), 4 7/8" wide, and 86" long (which was, at the time of the quote, in stock) cost US\$215 per thousand square feet. If the product is fleece backed for type 1 bonding, the price more than doubles to US\$550 per thousand square feet. Other sizes are available on special order with a 6-8 week delivery period.

The following unit prices were recently paid by a British Columbia firm for laminated door components purchased in small volumes. The product was a laminated, select, Douglas fir product.

stile	US\$13.81	CAN\$18.92
top rail	US\$ 4.86	CAN\$ 6.66
vertical munt	US\$ 4.29	CAN\$ 5.88
small munt (12")	US\$ 1.82	CAN\$ 2.49
bottom rail	US\$ 7.75	CAN\$10.62

It was suggested that, if larger volumes were purchased directly from the producer, prices could be 20% lower.

V CONCLUSIONS

In North America, there are many users of sliced softwood veneer. They support a fairly large, primarily U.S.-based, softwood slicing industry in business. Users include manufacturers of doors and windows, door and window components, laminated products, veneered posts, furniture components, and a variety of other laminated and veneered products. In terms of sliced softwood veneer, the preferred species at this time is Ponderosa pine. The range of veneer sizes available in the market is quite large.

Most door and window manufacturers in North America have resolved the need for a secure supply of high quality veneer by investing in their own slicing operations or by purchasing the majority of their veneer from a subsidiary or from a few trusted producers. Most of the company representatives contacted reported that they purchase sliced veneer on the open market only when their needs surpass their ability to supply from within or from traditional suppliers.

The U.S. market for sliced softwood veneer appears to be in an oversupply situation. There is an abundance of pine (primarily Ponderosa pine) in a variety of sizes and grades. Imported softwood veneer from Chile and New Zealand adds further price competition.

The market opportunities for sliced softwood veneer produced from raw material grown in British Columbia's forests are, at this time, limited. It can be developed, but this will require considerable effort in terms of identifying market niches, developing an ability to serve a varied market in terms of sizes and species, and producing at costs that allow the veneer to be priced competitively in a market that is at present well supplied with Ponderosa pine veneer.

The market research undertaken by the consultant identified ten North American companies interested in discussing the purchase of sliced softwood veneer from British Columbia:

Bend Door Co.	Loewen Windows
Brightwood Corporation	Nord Door Co.
Clearpine Contact Lumber	Pella Corporation
ENE Wood Products Ltd.	Simpson Door Company
Kolbe & Kolbe Millwork Co. Inc.	Wilmar Windows

One Japanese firm indicated an interest in veneer from British Columbia:

Seven Industries Co. Ltd.

The range of veneer grades, sizes, and species sought by these companies is wide. A British Columbia slicer may have to tailor production to the specific needs of many clients. Economies of scale may be difficult to obtain due to small runs of various species and different veneer thicknesses, widths, and lengths sought after by clients.

It is felt that, as the availability of suitable raw material for the manufacture of solid wood doors and window decreases, the demand for sliced veneer will increase. This is already occurring in some markets. An investor with access to raw material, a small captive market, and good marketing expertise should find an investment in a slicing operation to be a profitable venture, especially in British Columbia at this time.

It is recommended that a firm wishing to initiate a slicing operation in British Columbia do so in a measured fashion and expand only as the market is developed.

Appendix 1

JAPANESE POST MANUFACTURERS

Nara-ken Laminated Wood Kogyo Kyodo Kumia
436 Ajima Tawaramoto-cho, Shiki-gun,
Nara, 636-03. Japan
Tel: (07443)2-4087
Fax: (07443)3-6779
Mr. Shigeru Tanaka, Managing Director

Yamasan Lumber Co. Ltd.
123-1 Sakurai-City
Nara, Japan
Tel: (07444)3-8111
Fax: (07444)3-3255
Mr. Kazunari Yamamoto, Executive Director

Fukumoto Ringyo Co. Ltd.
601 Oono, Sakurai City
Nara, Japan
Tel: (07444)2-3271
Fax: (07444)2-1617

Seven Industries Co. Ltd.
1107 Shichiso, Kamogun
Gifu, Japan
Tel: (0574)48-2277
Fax: (0574)48-2228
Mr. K.G. Sugi, Executive Vice President

Seattle based subsidiary: Seven Industries Co. Ltd.
Tel: 206-451-8113
Fax: 206-451-8310
Mr. Homer Signor, Manager

(This company indicated an interest in purchasing sliced veneer.
Discussions should be undertaken through their Seattle,
Washington, based representative).

Inosho Forestry Co. Ltd.
530 Iri Kagamino-cho, Tomata-gun
Okayama, Japan
Tel: (0868)54-1085
Fax: (0868)54-3330
Mr. Hiromi Kobayashi, Plant Manager

Kato Sangyo Co. Ltd. (specialized importer)
1699-1 Arashimcho, Yasugi-shi
Shimane, Japan
Tel: (0854)28-8857
Fax: (0854)28-9000
Mr. Masao Kato, President

Koike Mokuzai
4-20 Kiba
Toyama-shi, Japan
Tel: (0764)41-3311
Fax: (0764)41-3337
Mr. H. Koike, Director

Tenri Laminated Wood Association
Kiba Danchi, Nishi Nagara-cho
Tenri, Nara, Japan
Tel: (07436)7-0136
Fax: (07436)6-2816
Mr. Y. Kakutani, President

Appendix 2

SUMMARY OF TELEPHONE INTERVIEWS

Viking Industries Inc.

Corporate office,
Portland, Oregon
Tel: (800) 547-9980
Bill Stafford

The company basically assembles doors and windows. They purchase the components from:

- Brightwood Lumber, Madras, Oregon
- Contact Lumber, Prineville, Oregon
- Missoula White Pine, Missoula

Many of the components that they purchase are laminated products using finger joined core material with a veneer exterior. This includes door rails and stiles. Bill felt that this market niche is growing rapidly.

Brightwood Corporation

Madras, Oregon
(503) 475-2234
Bob Boyle

Brightwood finds that it is cheaper to purchase the veneer on the open market than produce it. Their principal suppliers are:

- Quality Veneer, Idaho
- Western Veneer, Metron
- Whisper Wood, Redland, California
- DAW Nellis Crown, Redland California
- Setzer, California.

Bob suggested that there is an oversupply of sliced veneer at this time.

Clearpine Contact Lumber

Prineville, Oregon
Tel: (503) 447-4195
Leroy, Veneer Department Supervisor

The mill slices pine and hemlock veneer. He referred me to: Peter McKibbin, Portland head office. (503) 228-7361.

Peter mentioned that there are two firms in Oregon producing veneer. They are Clearpine Contact Lumber and Quality Veneer. Peter did not consider that there is an oversupply of sliced veneer at this time and, in fact, he is interested in purchasing additional volumes of this product. He referred me to: Steve Forester, Buyer, Clearpine Mouldings. (503) 447-4195.

Steve confirmed that they are in the market for sliced veneer. They would like to contract for the secure supply of one truck load per month of vertical grain, hemlock sliced veneer. There is no interest at this time in Douglas fir veneer. He had little interest in yellow cedar veneer.

Missoula White Pine

Missoula, Idaho
Tel: (406) 728-4010

At this time Missoula White Pine is buying all the veneer that they use. They have no difficulty sourcing the product and Joe stated that there is an oversupply in the market. He was referring to Ponderosa pine only. Joe suggested I speak to Jim Johnston or Dwain Duff, Plant Manager for additional technical information on the product.

American Moulding & Millwork

Stockton, California
Tel: (209) 946-5800
Cheryl Trimboli, Sales Manager, Western USA & Canada
Cheryl referred me to: Steve Puckett, Portland Mill
Tel: (503) 447-4177

Their sawmill produces squares that are sent out for custom slicing. They produce what they require and have no surplus for sale on the open market nor do they have a need to purchase sliced veneer from third parties. Steve felt that there is an oversupply of sliced veneer on the market.

Marion Plywood Corporation

Wisconsin
Tel: (715) 754-5231
Tom Bieberitz, Purchasing Manager

Marion Plywood Corporation does not slice veneer. They only produce rotary cut veneer. They have, in the past, been in the laminating business. At that time, they purchased sliced veneer for this application. Tom mentioned that the market has changed and that window manufacturers do the laminating themselves. At present, they have a small demand for Ponderosa pine, sugar pine and red oak sliced veneer. He did not think that in the near future his company would be in the market for sliced hemlock or Douglas fir veneer.

Ben Pivnick Plywood & Veneer Co

Missouri

Tel: (313) 626-0870

This firm does not produce sliced veneer. They purchase what they need from outside sources. They do not, at this time, have a need for veneer from species grown in British Columbia.

Quality Veneer Inc.

Idaho

Tel: (208) 454-1337

Jim Blackwood, New Products Manager

Quality Veneer Inc. and Western Veneer (of Eugene, Oregon) account for approximately 75% of the production in the region. Jim has sold some sliced veneer to MacMillan Bloedel in British Columbia.

Setzer Forest Products Inc.

California

(916) 442-2555

Brian

Setzer Forest Products slices pine, white fir, ponderosa pine and some hemlock. They produce all they need and would not consider purchasing product from third parties at this time.

JELD-WEN Inc.

Portland, Oregon

Tel: (503) 882-3451

David Lindgren, Sales Manager

Peter Dempsey, Marketing Manager

Wayne Chamberlin, Lumber and Cut Stock Purchasing Manager

Alternate to Wayne is Duncan Kilner, 1-800-535-3462

Jeld-Wen is one of the larger window and door manufacturers in the USA. Their numerous plants have autonomy in terms of the purchasing of material. Usually, they cut their own lumber and slice what they require. Some companies purchase sliced veneer when their own production is not able to meet demand.

Pozzi Window Co. (A JELD-WEN Co.)

Bend, Oregon

Tel: (800) 547-6880

Tel: (503) 382-4411

Kelly Guy, Mill Manager

Pozzi Window Co. uses sliced veneer in their door manufacturing plant. The preferred species is Ponderosa pine which they produced in their own mill. They do not use sliced veneer in their window manufacturing plant at this

time. Kelly did not think that they would be in the market for sliced hemlock or other veneer produced by third parties.

Bend Door Co. (A JELD-WEN Co.)

Bend, Oregon
Tel: (503) 385-1422
Gary Elder, Purchasing Manager

Bend Door Co. produces sliced veneer internally for their needs and also purchases outside volumes to supplement their production as and when required. They only buy Douglas fir veneer, vertical grain, in 81", 85", and 97" lengths. The thickness is 1/16". The widths are 4 7/8" and 5 7/8".

Gary mentioned that there is a lot of veneer on the market but that very few firms are slicing short lengths (primarily due to the additional costs of slicing shorts). He mentioned that he is interested in shorter lengths, i.e. 17" to 45".

Gary purchases approximately 10-15,000 pieces from third parties each month, in 80", 85", and 97" lengths.

Nord Door (JELD-WEN Co.) also uses sliced veneer. They prefer hemlock veneer. Gary mentioned that he would be pleased to discuss this further at the appropriate time.

Nord Door Co. (A JELD-WEN Co.)

Tel: (206) 259-9292
Chuck Williams

Nord Door tries to supply their own needs as much as possible. When they run short of material, they purchase on the open market. The volumes that they would occasionally purchase are in the order of 200-300 pieces as and when required. They require vertical grain hemlock, 1/16" thick, 4 7/8" wide. Lengths would be 25", 29", and 81".

They currently slice only hemlock. They slice 1/16" thickness, 4 7/8" width, vertical grain.

Chuck mentioned that the current market is well supplied but that as the supply of solid wood tightens up, more sliced material will be used.

Doorcraft Manufacturing Co. (A JELD-WEN Co.)

Vancouver, Washington
Tel: (206) 696-4031
Brian Settje

Doorcraft Manufacturing Co. consumes "a lot" of sliced softwood veneer. He does not purchase this product, preferring to obtain it from Jeld-Wen Imports. Jeld-Wen Imports specializes in securing a steady supply of this material. The contact person is Cindy Parker.

JELD WEN Imports

Tel: (206) 693-0419
Cindy Parker

Jeld Wen Imports only purchases veneered plywood or MDF. Most of their product is imported from Japan. They do not use softwood plywood in the manufacture of wood doors. All the veneered product that they import is a hardwood product.

Vancouver Door Company Inc.

Puyallup, Washington
Tel: (206) 845-9581

JR (buyer) advised me that Vancouver Door Company Inc. only purchases prefabricated door skins. The veneer that is used on the door skins includes oak, cherry, teak, walnut, etc. At this time, they have no need for sliced softwood veneers.

Sauder Industries Ltd. - Door Group

Richmond, British Columbia
(604) 278-6251
Brian Esau, Purchasing Manager

Sauder purchases 1/8" thick door skins. They have no need for sliced veneer products at this time.

Reimer Hardwoods

Tel: (604) 850-9281
Colin Reimer

Reimer Hardwoods does not manufacture products such as sliced veneer. It is a wholesaler relying on the import of a range of hardwoods, some of which they reprocess. It also brings in limited quantities of clear Ponderosa pine plywood and some vertical grain Douglas fir plywood. Its sales of these products do not exceed one lift per month. Colin suggested that I talk to Frank at Surrey Veneer or Ron at ENE Wood Products.

ENE Wood Products Ltd.

Surrey, British Columbia
Tel: (604) 599-8255
Ron Gunn

At this time, ENE Wood Products Ltd. does not slice veneer. When they have a need for this product they either purchase it or have it custom sliced. Ron believes that there is enough capacity in the Pacific Northwest to satisfy the current market. He stated that there was not a "crying demand" for this product. Ron is, however, interested in establishing contact with a new supplier, especially if it is a locally based one.

Colin Duxbury, Trader

Tel: (604) 856-8200

Colin feels that during the past three years there has not been an oversupply of sliced wood veneer. He suggested that the future of engineered wood products was very good and, therefore, the demand for sliced wood veneer would also be on the increase.

He mentioned, as an example of the changes taking place, that MacMillan Bloedel used to be the main supplier of vertical grain solid wood hemlock lumber to the door industry. This material was used to produce a solid wood door stile. Today, this product has virtually disappeared and composites have taken its place. The only doors that he knows of that are produced with a solid vertical grain hemlock wood are the oversize doors.

Colin mentioned that veneer slicers are starved for raw material. This applies to not only hemlock, but also pine, fir, Douglas fir, etc. He mentioned that as a result of the offshore demand for Douglas fir, sliced product is no longer available and interest in this product has dwindled. He also suggested that should there be sufficient production of Douglas fir sliced veneer, there would be renewed interest in this product.

Colin compared the B.C. door industry with the U.S. counterpart and stated that in B.C., the minimum thickness required is 1/8". In the U.S., some companies can use 1/14" thickness. Colin currently sells 1/8" product.

Pella Hunt Windows

London, Ontario
Tel: (519) 686-3100
Doug Langford, Purchasing

Hunt uses only solid wood, even for the curved window components. Doug does not see a need for sliced wood veneer nor laminated components in the near future.

Loewen Windows

Steinbeck, Manitoba
Tel: (204) 326-6446
Dave Penner, Purchasing Manager

Loewen Windows is just beginning to look into the possibility of using sliced veneer in their manufacturing process. He would be interested in obtaining information including prices.

Woodlands Windows

Prince George, British Columbia
Tel: (604) 562-1396
Peter Vyle

Woodlands Windows does not consume sliced wood veneer. They use only solid wood products.

Wilmar Windows

Winnipeg, Manitoba
Tel: (204) 668-8230
Gord Seier, Purchasing Manager

Wilmar Windows uses both oak and Douglas fir sliced veneer. They have had trouble sourcing Douglas fir and would appreciate an alternate, steady source of supply. They use 4 7/8", 3/32", in 10' lengths. They consume approximately one truck load per 4-5 months.

B.C. Door Company Limited

Vancouver, British Columbia
Tel: (604) 266-9161
Gordon Palmer
Shayne Palmer

Up to now, they have used only solid wood for their doors. However, they recently purchased some sliced veneer for 1 3/4" and 1 3/8" doors. Only 200 pieces for each thickness of door were purchased. As long as they are able to get solid wood they will continue to manufacture solid wood doors. Gord mentioned that the cost of using veneer was too high (labour intensive). He mentioned that he could buy 20,000 BF of lumber and cut it up into solid wood components more cheaply than he could buy and produce laminated components. He suggested that in future it is the way to go but until it is price competitive he will remain in the solid wood market.

Leitje International

Portland, Oregon
Tel: (503) 246-5353

This company slices veneer and ships offshore. One of their markets is Taiwan. I believe that their principal thickness is 1/10" and 1/8". This information is second hand as it was not possible to establish direct contact with this firm.

Andersen Windows Inc.

100 Fourth Ave. No
Bayport, MN 55003-1096
Tel: (612) 439-5150
Fax: (612) 439-5485
Mr. David Dickman, Buyer

Andersen Windows Inc. uses Ponderosa pine, in solid wood form. When they do require a laminated component they subcontract the production of this component to other companies (usually located on the west coast of the USA). At this time, and into the foreseeable future, they do not, and do not plan to, purchase veneer.

David said that his experience is that there is a good supply of softwood veneer. That the market is very competitive and price conscious. He was not worried about future supplies for the veneered stock that the firm purchases from outside sources.

I asked him if there could be a time when Andersen Windows could switch to Douglas fir or hemlock veneered components. He stated that he did not think that this was possible.

We did not get into the dimensions of the veneer used since this was a subject with which he was less familiar.

David is very approachable and was open to future contacts.

Kolbe & Kolbe Millwork Co. Inc.

1323 South Eleventh Avenue
Wausau, WI 54401-5998
Tel: (715) 842-5666
Fax: (715) 842-3642
Mr. Kelly Spatz, Lumber Buyer

Kolbe & Kolbe uses a lot of sliced Ponderosa pine veneer. However, since November 1993, Kelly has begun to purchase small volumes of vertical grain Douglas fir sliced veneer.

Their current need for vertical grain Douglas fir sliced veneer is approximately 15,000 pieces per month. He purchases from two suppliers and is pleased with both the quality of the product supplied and the price. The product

that he currently buys is 1/16" thick, 4 7/8" wide, and 57", 63", 70" and 84" in length.

Kelly, while being very cooperative in most areas of our discussion, would not discuss price. He did mention, however, that while he was purchasing 1/16" product, he would prefer 1/8" material. **He is willing to discuss the purchase of 1/8" material with any supplier.**

He believes that their consumption of vertical grain Douglas fir veneer will remain static for the foreseeable future.

Marvin Windows

P.O. Box 100
Warroad, MN 56763
Tel: (218) 386-1430
Fax: (218) 386-2925
Mr. Gerald Krahn, Head Purchasing Dept.
Tel: (218) 386-4000

Gerald is usually available in the early morning. It is difficult to reach him later in the day. I reached him and explained that I was interested in identifying a market for sliced veneers.

Gerald explained that Marvin Windows has invested in a slicing machine, having got into the production of sliced veneer when the economics indicated that solid wood was less competitive than veneered product. They do not purchase sliced veneer from third parties and expect that they will be able to satisfy their needs for the foreseeable future.

They use primarily Ponderosa pine which is sliced to 1/10" thickness. However, he believes that the future way to go is into wrapping using for this purpose very thin veneers. He asked if I had any information on this subject.

He commented on the fact that many companies had got into the slicing business.

Pella Corporation

102 Main Street
Pella, IA 50219
Tel: (515) 628-1000
Fax: (515) 628-6487
Mr. Terry Behning, Senior Buyer

Terry mentioned that Pella consumes a very large quantity of pine veneer. While he would not provide the exact amounts purchased, he did confirm that it was a "very considerable" volume.

The Pella product is known as a pine product. Terry said that he would not switch veneers for this reason. He mentioned "aesthetic" reasons.

Pella purchases veneers that are 1/30" thick, in random widths from 4" and wider, in 7' and 8' lengths only.

I believe that this firm will not switch to a drastically different material at this time nor in the foreseeable future. Should it be possible to supply a product similar in appearance to pine, Pella could possibly consider purchasing product.

Simpson Door Company

P.O. Box 210, 400 Simpson Avenue
McCleary, WA 98557
Tel: (206) 495-3291
Fax: (206) 495-3295
Mr. Stuart Smyth, Purchasing Manager

Stuart has been with Simpson Door Company for 19 years. He has been buying product for 9 years.

The company has been using veneers and laminating product for 20 years. They have been slicing product for their own consumption for over 14 years. They got into this business when they encountered problems in terms of veneer supply and, particularly, "chronic quality problems."

The veneer that Simpson produces is 1/16" thick and 4.04" wide, variable lengths, and a variety of species including West Coast species.

Stuart mentioned that the firm prefers to purchase lumber rather than slicing flitches. The reason for this is that slicing flitches, in their experience, have many internal defects that are difficult to identify. They sort the lumber and only slice the best product adapted to their needs and standards.

After much discussion, including an exchange of information on Simpson's operations and investments in Chile (Contao, Chiloe Continental), Stuart mentioned that they do occasionally purchase some veneer on the open market. He mentioned that the volume is in the order of 10-12,000 pieces per month. He quickly pointed out that the market was very competitive, prices were low, and competition was stiff. He buys when the price is at the lowest possible level. He confided that the company would consider purchasing up to 30-40,000 pieces per month if the quality and the price were right.

Our final discussion was on the competition posed by engineered wood products. Stuart's views are that products such as cut stock, engineered components, LVL, etc. are priced too high. He suggested that one could often get solid wood products at lower cost.

I found Stuart an easily approachable person willing to discuss the subject at some length and in detail.