UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2011**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ________ TO ________

COMMISSION FILE NUMBER 000-19954

JEWETT-CAMERON TRADING COMPANY LTD.
(Exact Name of Registrant as Specified in its Charter)

BRITISH COLUMBIA	**NONE**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
32275 N.W. Hillcrest, North Plains, Oregon	**97133**
(Address Of Principal Executive Offices)	(Zip Code)

(503) 647-0110
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **[X] Yes** [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller Reporting Company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] **No [X]**

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock, no par value – 2,014,865 common shares outstanding at April 13, 2011.

Jewett-Cameron Trading Company Ltd.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
(Unaudited – Prepared by Management)

FEBRUARY 28, 2011

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	February 28, 2011	August 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,733,701	$ 8,710,314
Accounts receivable, net of allowance of $nil (August 31, 2010 - $17,593)	5,936,967	3,874,114
Inventory, net of allowance of $196,057 (August 31, 2010 - $221,200) (note 3)	6,619,159	6,265,782
Note receivable	41,500	41,500
Prepaid expenses	161,166	56,696
Prepaid income taxes	558,979	-
Taxes receivable	200,941	-
Total current assets	18,252,413	18,948,406
Property, plant and equipment, net (note 4)	1,866,824	1,926,031
Intangible assets, net (note 5)	548,242	585,714
Deferred income taxes (note 6)	190,350	198,582
Total assets	$ 20,857,829	$ 21,658,733

- Continued -

The accompanying notes are an integral part of these consolidated financial statements.

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	February 28, 2011	August 31, 2010
Continued		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,176,291	$ 465,165
Litigation reserve (note 12(a))	1,595,151	-
Accrued liabilities	840,048	1,138,866
Accrued income taxes	-	8,133
Total current liabilities	3,611,490	1,612,164
Contingent liabilities and commitments (note 12)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
20,000,000 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,014,865 common shares (August 31, 2010 - 2,311,937)	1,901,462	2,181,814
Additional paid-in capital	600,804	600,804
Retained earnings	14,744,073	17,263,951
Total stockholders' equity	17,246,339	20,046,569
Total liabilities and stockholders' equity	$ 20,857,829	$ 21,658,733

The accompanying notes are an integral part of these consolidated financial statements.

JEWETT-CAMERON TRADING COMPANY LTD.
STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods Ended February 28,		Six Month Periods Ended February 28,	
	2011	**2010**	**2011**	**2010**
SALES	$ 11,860,014	$ 7,675,454	$ 17,945,065	$ 15,050,380
COST OF SALES	9,734,195	5,913,667	14,373,452	11,672,995
GROSS PROFIT	2,125,819	1,761,787	3,571,613	3,377,385
OPERATING EXPENSES				
Selling, general and administrative expenses	418,217	519,314	898,401	1,060,029
Depreciation and amortization	65,757	72,922	131,134	133,618
Wages and employee benefits	886,508	817,275	1,708,047	1,697,562
	1,370,482	1,409,511	2,737,582	2,891,209
Income from operations	755,337	352,276	834,031	486,176
OTHER ITEMS				
Gain (loss) on sale of property, plant and equipment	(1,114)	(3,492)	4,336	(3,492)
Interest and other income	-	2,658	26	4,418
Interest expense (note 12(a))	(16,023)	-	(408,014)	-
Litigation reserves (note 12(a))	-	-	(962,137)	-
	(17,137)	(834)	(1,365,789)	926
Income (loss) before income taxes	738,200	351,442	(531,758)	487,102
Income tax (expense) recovery	(241,251)	(146,970)	182,372	(210,000)
Net income (loss)	$ 496,949	$ 204,472	$ (349,386)	$ 277,102
Basic earnings (loss) per common share	$ 0.25	$ 0.09	$ (0.16)	$ 0.12
Diluted earnings (loss) per common share	$ 0.25	$ 0.09	$ (0.16)	$ 0.12
Weighted average number of common shares outstanding:				
Basic	2,014,865	2,390,977	2,162,580	2,390,977
Diluted	2,014,865	2,390,977	2,162,580	2,390,977

The accompanying notes are an integral part of these consolidated financial statements.

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Common Stock				
	Number of Shares	Amount	Additional paid-in capital	Retained earnings	Total
August 31, 2007	2,384,792	$ 2,200,014	$ 600,804	$ 11,563,379	$ 14,364,197
Net income	-	-	-	2,610,134	2,610,134
Shares issued to ESOP	6,185	56,098	-	-	56,098
August 31, 2008	2,390,977	2,256,112	600,804	14,173,513	17,030,429
Net income	-	-	-	1,582,477	1,582,477
August 31, 2009	2,390,977	2,256,112	600,804	15,755,990	18,612,906
Shares repurchased and cancelled (note 9)	(79,040)	(74,298)	-	(474,853)	(549,151)
Net income	-	-	-	1,982,814	1,982,814
August 31, 2010	2,311,937	2,181,814	600,804	17,263,951	20,046,569
Shares repurchased and cancelled (note 9)	(297,072)	(280,352)	-	(2,170,492)	(2,450,844)
Net loss	-	-	-	(349,386)	(349,386)
February 28, 2011	2,014,865	$ 1,901,462	$ 600,804	$ 14,744,073	$ 17,246,339

The accompanying notes are an integral part of these consolidated financial statements.

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods Ended February 28,		Six Month Periods Ended February 28,	
	2011	**2010**	**2011**	**2010**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ 496,949	$ 204,472	$ (349,386)	$ 277,102
Items not involving an outlay of cash:				
Depreciation and amortization	65,757	72,922	131,134	133,618
Gain (loss) on sale of property, plant and equipment	1,114	3,492	(4,336)	3,492
Deferred income taxes	8,826	(26,200)	8,232	103,480
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable	(4,176,909)	(1,093,080)	(2,062,853)	297,789
(Increase) decrease in inventory	133,437	1,423,403	(353,377)	1,572,823
Increase in prepaid expenses	(16,886)	(141,459)	(104,470)	(107,338)
Increase in prepaid income taxes	(144,083)	-	(567,112)	-
Increase in taxes receivable	(200,941)	-	(200,941)	-
Increase (decrease) in accounts payable and accrued liabilities	907,707	43,245	2,007,459	(864,313)
Decrease in accrued income taxes	-	(302,982)	-	(370,040)
Net cash provided by (used in) operating activities	(2,925,029)	183,813	(1,495,650)	1,046,613
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,589)	(138,793)	(35,569)	(181,581)
Proceeds from sale of property, plant and equipment	-	-	5,450	-
Net cash used in investing activities	(1,589)	(138,793)	(30,119)	(181,581)
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of common stock	-	-	(2,450,844)	-
Net cash used in financing activities	-	-	(2,450,844)	-
Net increase (decrease) in cash and cash equivalents	(2,926,618)	45,020	(3,976,613)	865,032
Cash and cash equivalents, beginning of period	7,660,319	7,648,583	8,710,314	6,828,571
Cash and cash equivalents, end of period	$ 4,733,701	$ 7,693,603	$ 4,733,701	$ 7,693,603

Supplemental disclosure with respect to cash flows (note 15)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Jewett-Cameron Trading Company Ltd. was incorporated in British Columbia on July 8, 1987 as a holding company for Jewett-Cameron Lumber Corporation ("JCLC"), incorporated September 1953. Jewett-Cameron Trading Company, Ltd. acquired all the shares of JCLC through a stock-for-stock exchange on July 13, 1987, and at that time JCLC became a wholly owned subsidiary. JCLC has the following wholly owned subsidiaries. MSI-PRO Co. ("MSI), incorporated April 1996, Jewett-Cameron Seed Company, ("JCSC"), incorporated October 2000, and Greenwood Products, Inc. ("Greenwood"), incorporated February 2002. Jewett-Cameron Trading Company, Ltd. and its subsidiaries (the "Company") have no significant assets in Canada.

The Company, through its subsidiaries, operates out of facilities located in North Plains, Oregon. JCLC's business consists of the manufacturing and distribution of specialty metal products and wholesale distribution of wood products to home centers and other retailers located primarily in the United States. Greenwood is a processor and distributor of industrial wood and other specialty building products principally to customers in the marine and transportation industries in the United States. MSI is an importer and distributor of pneumatic air tools and industrial clamps in the United States. JCSC is a processor and distributor of agricultural seeds in the United States.

These unaudited financial statements are those of the Company and its wholly owned subsidiaries. In the opinion of management, the accompanying Consolidated Financial Statements of Jewett-Cameron Trading Company Ltd., contain all adjustments, consisting only of normal recurring adjustments, necessary to fairly state its financial position as of February 28, 2011 and August 31, 2010 and its results of operations and cash flows for the three and six month periods ended February 28, 2011 and February 28, 2010 in accordance with U.S. GAAP. Operating results for the three and six month periods ended February 28, 2011 are not necessarily indicative of the results that may be experienced for the fiscal year ending August 31, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

Generally accepted accounting principles

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, JCLC, MSI, JCSC, and Greenwood, all of which are incorporated under the laws of Oregon, U.S.A.

All inter-company balances and transactions have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates incorporated into the Company's consolidated financial statements include the estimated useful lives for depreciable and amortizable assets, the estimated allowances for doubtful accounts receivable and inventory obsolescence, possible product liability and possible product returns, and litigation contingencies and claims. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers cash and cash equivalents to be highly liquid in nature. At February 28, 2011, cash and cash equivalents were $4,733,701. At August 31, 2010, cash and cash equivalents were $8,710,314.

Accounts receivable

Trade and other accounts receivable are reported at face value less any provisions for uncollectible accounts considered necessary. Accounts receivable primarily includes trade receivables from customers. The Company estimates doubtful accounts on an item-by-item basis and includes over aged accounts as part of allowance for doubtful accounts, which are generally ones that are ninety days or greater overdue.

The Company extends credit to domestic customers and offers discounts for early payment. When extension of credit is not advisable, the Company relies on either prepayment or a letter of credit.

Inventory

Inventory, which consists of finished goods, is recorded at the lower of cost, based on the average cost method, and market. Market is defined as net realizable value. An allowance for potential non-saleable inventory due to excess stock or obsolescence is based upon a review of inventory components.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. The Company provides for depreciation over the estimated life of each asset on a straight-line basis over the following periods:

Office equipment	5-7 years
Warehouse equipment	2-10 years
Buildings	5-30 years

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Intangibles

The Company's intangible assets have a finite life and are recorded at cost. The most significant intangible assets are two patents related to our gate support systems. Amortization is calculated using the straight-line method over the remaining lives of 84 months and 96 months, respectively. Intangibles are reviewed annually for impairment.

Asset retirement obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and normal use of the long-lived assets. The Company also records a corresponding asset which is amortized over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost). The Company does not have any significant asset retirement obligations.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less costs to sell.

Currency and foreign exchange

These financial statements are expressed in U.S. dollars as the Company's operations are based only in the United States. Any amounts expressed in Canadian dollars are indicated as such.

The Company does not have non-monetary or monetary assets and liabilities that are in a currency other than the U.S. dollar. Any income statement transactions in a foreign currency are translated at rates that approximate those in effect at the time of translation. Gains and losses from translation of foreign currency transactions into U.S. dollars are included in current results of operations.

Earnings (loss) per share

Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings (loss) per common share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive common shares.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Earnings (loss) per share (cont'd…)

The earnings (loss) per share data for the periods presented are as follows:

	Three Month Periods Ended February 28,		Six Month Periods Ended February 28,	
	2011	2010	2011	2010
Net income (loss)	$ 496,949	$ 204,472	$ (349,386)	$ 277,102
Basic weighted average number of common shares outstanding	2,014,865	2,390,977	2,162,580	2,390,977
Effect of dilutive securities Stock options	-	-	-	-
Diluted weighted average number of common shares outstanding	2,014,865	2,390,977	2,162,580	2,390,977

Comprehensive income (loss)

The Company has no items of other comprehensive income (loss) in any period presented. Therefore, net income (loss) presented in the consolidated statements of operations equals comprehensive income (loss).

Stock-based compensation

All stock-based compensation is recognized as an expense in the financial statements and such costs are measured at the fair value of the award.

No options were granted during the six month period ended February 28, 2011, and there were no options outstanding on February 28, 2011.

Financial instruments

The Company uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and cash equivalents - the carrying amount approximates fair value because the amounts consist of cash held at a bank and a money market fund that invests almost exclusively in U.S. Treasury Bills.

Accounts receivable - the carrying amounts approximate fair value due to the short-term nature and historical collectability.

Notes receivable - the carrying amounts approximate fair value due to the short-term nature of the amount.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Accounts payable and accrued liabilities - the carrying amount approximates fair value due to the short-term nature of the obligations.

Taxes Receivable - the carrying amount approximates fair value due to the short-term nature of the obligations.

Litigation Reserve - the carrying amount approximates fair value due to the short-term nature of the obligations.

The estimated fair values of the Company's financial instruments as of February 28, 2011 and August 31, 2010 are as follows:

	February 28, 2011		**August 31, 2010**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Cash and cash equivalents	$ 4,733,701	$ 4,733,701	$ 8,710,314	$ 8,710,314
Accounts receivable	5,936,967	5,936,967	3,874,114	3,874,114
Note receivable	41,500	41,500	41,500	41,500
Taxes receivable	200,941	200,941	-	-
Litigation reserve	1,595,151	1,595,151	-	-
Accounts payable and accrued liabilities	2,016,339	2,016,339	1,604,031	1,604,031

The following table presents information about the assets that are measured at fair value on a recurring basis as of February 28, 2011, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	February 28, 2011	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash and cash equivalents	$ 4,733,701	$ 4,733,701	$ —	$ —

The fair values of cash and cash equivalents are determined through market, observable and corroborated sources.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Shipping and handling costs

The Company incurs certain expenses related to preparing, packaging and shipping its products to its customers, mainly third-party transportation fees. All costs related to these activities are included as a component of cost of goods sold in the consolidated statement of operations. All costs billed to the customer are included as revenue in the consolidated statement of operations.

Revenue recognition

The Company recognizes revenue from the sales of lumber, building supply products, industrial wood and other specialty products and tools, when the products are shipped, title passes, and the ultimate collection is reasonably assured. Revenue from the Company's seed operations is generated from seed processing, handling and storage services provided to seed growers, and by the sales of seed products. Revenue from the provision of these services and products is recognized when the services have been performed and products sold and collection of the amounts is reasonably assured.

Reclassifications

Certain reclassifications have been made to prior periods' financial statements to conform to the classifications used in the current period.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2010-06, "Improving Disclosures about Fair Value Measurements," which amends existing disclosure requirements under ASC 820. ASU No. 2010-06 requires new disclosures for significant transfers between Levels 1 and 2 in the fair value hierarchy and separate disclosures for purchases, sales, issuances, and settlements in the reconciliation of activity for Level 3 fair value measurements. This ASU also clarifies the existing fair value disclosures regarding the level of disaggregation and the valuation techniques and inputs used to measure fair value. ASU No. 2010-06 will only impact disclosures and is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures on purchases, sales, issuances and settlements in the roll forward of activity for Level 3 fair value measurements. Those disclosures are effective for interim and annual periods beginning after December 15, 2010.

(Expressed in U.S. Dollars)

3. INVENTORY

A summary of inventory is as follows:

	February 28, 2011	August 31, 2010
Wood products and metal products	$ 5,860,329	$ 5,656,361
Industrial tools	304,270	479,494
Agricultural seed products	454,560	129,927
	$ 6,619,159	$ 6,265,782

4. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant, and equipment is as follows:

	February 28, 2011	August 31, 2010
Office equipment	$ 477,478	$ 638,030
Warehouse equipment	1,263,198	1,321,884
Buildings	2,272,880	2,181,990
Land	615,213	635,381
	4,628,769	4,777,285
Accumulated depreciation	(2,761,945)	(2,851,254)
Net book value	$ 1,866,824	$ 1,926,031

In the event that facts and circumstances indicate that the carrying amount of an asset may not be recoverable and an estimate of future discounted cash flows is less than the carrying amount of the asset, an impairment loss will be recognized. Management's estimates of revenues, operating expenses, and operating capital are subject to certain risks and uncertainties which may affect the recoverability of the Company's investments in its assets. Although management has made its best estimate of these factors based on current conditions, it is possible that changes could occur which could adversely affect management's estimate of the net cash flow expected to be generated from its operations.

(Expressed in U.S. Dollars)

5. INTANGIBLE ASSETS

A summary of intangible assets is as follows:

	February 28, 2011	August 31, 2010
Patent	$ 850,000	$ 850,000
Other	30,605	30,605
	880,605	880,605
Accumulated amortization	(332,363)	(294,891)
Net book value	$ 548,242	$ 585,714

6. DEFERRED INCOME TAXES

Deferred income tax assets as of February 28, 2011 of $190,350 (August 31, 2010 - $198,582) reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

7. BANK INDEBTEDNESS

There was no bank indebtedness under the Company's line of credit as of February 28, 2011 or August 31, 2010.

Bank indebtedness, when it exists, is secured by an assignment of accounts receivable and inventory. Interest is calculated solely on the one month LIBOR rate plus 200 basis points.

8. CAPITAL STOCK

Common stock

Holders of common stock are entitled to one vote for each share held. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation.

9. CANCELLATION OF CAPITAL STOCK

Treasury stock may be kept based on an acceptable inventory method such as the average cost basis. Upon disposition or cancellation, the treasury stock account is credited for an amount equal to the number of shares cancelled, multiplied by the cost per share and the difference is treated as paid-in-capital in excess of stated value.

During the 1st quarter of Fiscal 2011, the Company repurchased and cancelled a total of 297,072 shares of its common stock under a 10b5-1 share re-purchase plan. The total cost was $2,450,844 at an average share price of $8.25 per share. The premium paid to acquire these shares over their per share book value in the amount of $2,170,492 was recorded as a decrease to retained earnings.

During the 4th quarter of Fiscal 2010, the Company re-purchased and cancelled a total of 79,040 shares of its common stock under a 10b5-1 share re-purchase plan. The total cost was $549,151 at an average share price of $6.95 per share. The premium paid to acquire these shares over their per share book value in the amount of $474,853 was recorded as a decrease to retained earnings.

10. STOCK OPTIONS

The Company has a stock option program under which stock options to purchase securities from the Company can be granted to directors and employees of the Company on terms and conditions acceptable to the regulatory authorities of Canada, notably the Toronto Stock Exchange ("TSX"), the Ontario Securities Commission and the British Columbia Securities Commission.

Under the stock option program, stock options for up to 10% of the number of issued and outstanding common shares may be granted from time to time, provided that stock options in favor of any one individual may not exceed 5% of the issued and outstanding common shares. No stock option granted under the stock option program is transferable by the optionee other than by will or the laws of descent and distribution, and each stock option is exercisable during the lifetime of the optionee only by such optionee. Generally, no option can be for a term of more than 10 years from the date of the grant.

The exercise price of all stock options, granted under the stock option program, must be at least equal to the fair market value (subject to regulated discounts) of such common shares on the date of grant. Options vest at the discretion of the board of directors.

The Company had no stock options outstanding as of February 28, 2011 and August 31, 2010.

(Expressed in U.S. Dollars)

11. EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP")

The Company sponsors an ESOP that covers all U.S. employees who are employed by the Company on August 31 of each year and who have at least one thousand hours with the Company in the twelve months preceding that date. The ESOP grants to participants in the plan certain ownership rights in, but not possession of, or voting control of, the common stock of the Company held by the Trustee of the Plan. Shares of common stock are allocated annually to participants in the ESOP pursuant to a prescribed formula. The Company records compensation expense based on the market price of the Company shares when they are allocated. Any dividends on allocated ESOP shares are recorded as a reduction of retained earnings. ESOP compensation expense was $146,677 and $164,118 for the fiscal years ended August 31, 2010 and 2009, respectively, and is included in wages and employee benefits. The ESOP shares are as follows:

	February 28, 2011	**August 31, 2010**
Shares owned by ESOP	341,199	349,456

12. CONTINGENT LIABILITIES AND COMMITMENTS

a) Legal Claim

A subsidiary was a plaintiff in a lawsuit filed in Portland, Oregon, entitled, Greenwood Products, Inc. et al v. Greenwood Forest Products, Inc. et al., Case No. 05-02553 (Multnomah County Circuit Court).

During fiscal 2002 the Company entered into a purchase agreement to acquire inventory over a 15 month period with an initial estimated value of $7,000,000 from Greenwood Forest Products, Inc. During the year ended August 31, 2003, the Company completed the final phase of the inventory acquisition. As partial consideration for the purchase of the inventory the Company issued two promissory notes, based on its understanding of the value of the inventory purchased. The Company believes it overpaid the obligation by approximately $820,000. The holder counterclaimed for approximately $2,400,000.

Litigation was completed on March 5, 2007, with the court's general judgment and money award. The net effect was money judgment in favor of Greenwood Forest Products, Inc. for $242,604. The Company accrued reserves to cover the money judgment related to this dispute. Both parties filed appeals for review of the court's opinion.

(Expressed in U.S. Dollars)

12. CONTINGENT LIABILITIES AND COMMITMENTS (cont'd…)

a) Legal Claim (cont'd…)

During the 1st quarter of Fiscal 2011, the Oregon Court of Appeals ruled that the judgment in favor of Jewett Cameron as plaintiffs should be reversed and the judgment in favor of defendants should stand. The judgment in favor of the Company was for $819,000 plus attorneys fees. The judgment against plaintiffs is for $1,187,137. The Company is appealing the decision to the Oregon Supreme Court. The Company recorded during the 1st quarter a liability totaling $1,579,125, and during the 2nd quarter, an additional $16,026 interest expense was recorded.

A summary of the litigation reserve is as follows:

	February 28, 2011	August 31, 2010
Litigation loss	$ 962,137	$ -
Litigation reserve	225,000	225,000
Interest	408,014	-
Total	$ 1,595,151	$ 225,000

b) Lease Agreements

Greenwood formerly leased office premises pursuant to operating leases. During September 2009, Greenwood functioned out of an approximately 4,000 square foot leased office space located at 5885 SW Meadows Road, Lake Oswego, OR 97035. Upon expiration of the lease on September 30, 2009, Greenwood co-located its operations in the building utilized by JCLC and MSI. For the years ended August 31, 2010 and 2009 rental expense was $8,082 and $90,000, respectively. For the six months ended February 28, 2011 and 2010 rental expense was $Nil and $7,500 respectively.

JCLC formerly leased office premises pursuant to an operating lease which expired on January 4, 2010. At that time, JCLC purchased the building it had formerly been leasing. For the six months ended February 28, 2011 and 2010 rental expense was $Nil and $2,968 respectively.

c) Line of Credit

At February 28, 2011 and August 31, 2010 the Company had an un-utilized line-of-credit of $5,000,000 (note 7). The line-of-credit has certain financial covenants. The Company is in compliance with these covenants.

13. SEGMENT INFORMATION

The Company has four principal reportable segments. These reportable segments were determined based on the nature of the products offered. Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company evaluates performance based on several factors, of which the primary financial measure is business segment income before taxes. The following tables show the operations of the Company's reportable segments.

(Expressed in U.S. Dollars)

13. SEGMENT INFORMATION (cont'd…)

Following is a summary of segmented information for the six month periods ended February 28:

	2011		2010
Sales to unaffiliated customers:			
Industrial wood products	$ 3,950,434		$ 4,565,359
Lawn, garden, pet and other	10,707,328		7,413,406
Seed processing and sales	2,353,401		2,220,267
Industrial tools and clamps	933,902		851,348
	$ 17,945,065		$ 15,050,380
Income (loss) before income taxes:			
Industrial wood products	(243,156)		$ (95,197)
Lawn, garden, pet and other	983,154	*	1,051,915
Seed processing and sales	113,225		(419,188)
Industrial tools and clamps	40,824		(428)
Unallocated overhead	(55,654)		(50,000)
	838,393		$ 487,102
Identifiable assets:			
Industrial wood products	$ 2,716,702		$ 2,213,207
Lawn, garden, pet and other	16,605,723		15,419,642
Seed processing and sales	848,392		1,089,132
Industrial tools and clamps	612,665		624,246
Unallocated overhead	74,347		82,146
	$ 20,857,829		$ 19,428,373
Depreciation and amortization:			
Industrial wood products	$ 931		$ 1,608
Lawn, garden, pet and other	119,062		121,983
Seed processing and sales	9,871		6,985
Industrial tools and clamps	1,270		3,042
	$ 131,134		$ 133,618
Capital expenditures:			
Industrial wood products	$ -		$ -
Lawn, garden, pet and other	1,590		175,166
Seed processing and sales	33,979		6,415
Industrial tools and clamps	-		-
	$ 35,569		$ 181,581
Interest expense:			
Lawn, garden, pet and other	$ 16,023		$ -

* For comparability purposes, this amount excludes one-time charges for litigation reserve ($962,137) and related interest ($408,014).

(Expressed in U.S. Dollars)

13. SEGMENT INFORMATION (cont'd…)

The following table lists sales made by the Company to customers which were in excess of 10% of total sales for the six months ended February 28:

	2011	2010
Sales	$ 5,428,364	$ 2,052,800

The Company conducts business primarily in the United States, but also has limited amounts of sales in foreign countries. The following table lists sales by country for the six months ended February 28:

	2011	2010
United States	$ 15,814,213	$ 12,360,584
Canada	1,381,387	1,549,819
Mexico	125,013	522,516
Europe	215,953	380,331
Asia/Pacific	346,843	237,130
Africa	34,381	-
South America	27,275	-

All of the Company's significant identifiable assets were located in the United States as of February 28, 2011 and 2010.

14. CONCENTRATIONS

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company places its cash and cash equivalents with a high quality financial institution. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated geographically in the United States amongst a small number of customers. At February 28, 2011, three customers accounted for accounts receivable greater than 10% of total accounts receivable at a combined total of 62%. At February 28, 2010 two customers accounted for accounts receivable greater than 10% of total accounts receivable at 27%. The Company controls credit risk through credit approvals, credit limits, credit insurance and monitoring procedures. The Company performs credit evaluations of its commercial customers but generally does not require collateral to support accounts receivable.

Volume of business

The Company has concentrations in the volume of purchases it conducts with its suppliers. For the six months ended February 28, 2011, there were three suppliers that each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $6,898,933. For the six months ended February 28, 2010 there were two suppliers that each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $3,192,279.

(Expressed in U.S. Dollars)

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Certain cash payments for the six months ended February 28 are summarized as follows:

	Three Month Periods Ended February 28		Six Month Periods Ended February 28	
	2011	2010	2011	2010
Cash paid during the periods for:				
Interest	$ -	$ -	$ -	$ -
Income taxes	$ 558,979	$ 488,119	$ 558,979	$ 488,119

There were no non-cash investing or financing activities during the periods presented.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

These unaudited financial statements are those of the Company and its wholly owned subsidiaries. In the opinion of management, the accompanying Consolidated Financial Statements of Jewett-Cameron Trading Company Ltd., contain all adjustments, consisting only of normal recurring adjustments, necessary to fairly state its financial position as of February 28, 2011 and August 31, 2010 and its results of operations and cash flows for the six month periods ended February 28, 2011 and February 28, 2010 in accordance with U.S. GAAP. Operating results for the three and six month periods ended February 28, 2011 are not necessarily indicative of the results that may be experienced for the full fiscal year ending August 31, 2011.

The Company's operations are classified into four reportable segments, which were determined based on the nature of the products offered along with the markets being served. The segments are as follows:

- Industrial wood products
- Lawn, garden, pet and other
- Seed processing and sales
- Industrial tools

The industrial wood products segment reflects the business conducted by Greenwood Products, Inc. (Greenwood), a wholly owned subsidiary of Jewett-Cameron Lumber Corporation (JCLC). Greenwood is a processor and distributor of industrial wood and other specialty building products. A major product category is treated plywood that is sold to boat manufacturers and the transportation industry.

The lawn, garden, pet and other segment reflects the business of Jewett-Cameron Lumber Corporation, which is a manufacturer and distributor of specialty metal products and a wholesaler of wood products. Wood products include fencing and landscape timbers, while metal products include dog kennels, a proprietary gate support system, perimeter fencing, and greenhouses. JCLC uses contract manufacturers to make the specialty metal products. Some of the products that JCLC distributes flow through the Company's distribution center located in North Plains, Oregon, and some are shipped direct to the customer from the manufacturer. Primary customers are home centers and other large retailers.

The seed processing and sales segment reflects the business of Jewett-Cameron Seed Company (JCSC), a wholly owned subsidiary of JCLC. JCSC processes and distributes agricultural seed. Most of this segment's sales come from selling seed to distributors with a lesser amount of sales derived from cleaning seed.

The industrial tools segment reflects the business of MSI-PRO (MSI), a wholly owned subsidiary of JCLC. MSI imports and distributes products including pneumatic air tools, industrial clamps, and saw blades; that are primarily sold to retailers that in turn sell to contractors and end users. Some of these products carry the Avenger Products brand label.

RESULTS OF OPERATIONS

Three Months Ended February 28, 2011 and February 28, 2010

For the three months ended February 28, 2011, sales increased $4,184,560 to $11,860,014 from $7,675,454 for the three months ended February 28, 2010. This represents an increase of 54% and is primarily due to higher sales at JCLC.

Sales at Greenwood were $2,114,737 for the three months ended February 28, 2011, which was down slightly compared to sales of $2,145,594 for the three months ended February 28, 2010. The boat manufacturing industry remained weak, which has resulted in lower demand for Greenwood's industrial wood products, although the Company is developing new industry relationships in other industries. Operating loss before taxes at Greenwood was $89,245 for the three months ended February 28, 2011 compared to a net loss of $84,385 for the three months ended February 28, 2010.

Sales at JCLC were $7,809,322 for the three months ended February 28, 2011 compared to sales of $3,762,306 for the three months ended February 28, 2010. This represents and increase of $4,047,016, or 108%. Operating income for the current quarter was $772,017, which was an increase of $360,693, or 88%, compared to operating income of $411,324 in the year-ago quarter. The higher sales and income for the current quarter was due to the Company's aggressive efforts to increase its market share of existing products with current customers. The operating results of JCLC are historically seasonal with the first two quarters of the fiscal year being slower than the final two quarters of the fiscal year.

Sales at JCSC were $1,437,472 for the three months ended February 28, 2011, which was an increase of $81,366 or 6% compared to sales of $1,356,106 for the three months ended February 28, 2010. Operating profit for the current quarter was $79,910, an increase of $17,592 from the operating income of $62,318 recorded by JCSC in the prior year's quarter.

Sales at MSI were $498,483 for the three months ended February 28, 2011, which was an increase of $87,035, or 21%, compared to sales of $411,448 for the three months ended February 28, 2010. Operating income for the current quarter was $24,869 compared to a loss of ($18,751) for the prior year's quarter.

Gross margin for the three months ended February 28, 2011 was 17.9% compared to 23.0% for the three month period ended February 28, 2010. The lower gross margin reflects higher material and transportation costs in the current quarter.

Operating expenses decreased by $39,029 to $1,370,482 for the three month period ended February 28, 2011 from $1,409,511 for the three month period ended February 28, 2010. Selling, General and Administrative Expenses decreased by $101,097 from $519,314 to $418,217. Wages and Employee Benefits increased by $69,233 to $886,508 from $817,275, with the increase primarily attributable to higher sales commissions and bonuses related to the higher level of sales in the current quarter. Depreciation and Amortization decreased by $7,165 to $65,757 from $72,922.

Income tax expense for the three month period ended February 28, 2011 was $241,251 compared to $146,970 for the three month period ended February 28, 2010. The Company estimates income tax expense for the quarter based on combined federal and state rates that are currently in effect.

Net income for the three month period ended February 28, 2011 was $496,949, or $0.25 per basic and diluted share, compared to net income for the period ended February 28, 2010 of $204,472 or $.09 per basic and diluted share. The net income per share was positively affected by the lower average number of common shares in the current quarter due to the Company's share repurchases during the 4th quarter of Fiscal 2010 and the 1st quarter of Fiscal 2011.

Six Months Ended February 28, 2011 and February 28, 2010

For the six months ended February 28, 2011, sales increased $2,894,685 to $17,945,065 from sales of $15,050,380 recorded in the six month period ended February 28, 2010. The increase is primarily due to higher sales at JCLC.

Sales at Greenwood were $3,950,434 for the six months ended February 28, 2011, which was a decrease of $614,925, or 13%, compared to sales of $4,565,359 for the six months ended February 28, 2010. Sales to boat manufacturers represented approximately 9% of Greenwood's total sales for the six months ended February 28, 2011, and demand from these kinds of customers has been severely affected by weak economic conditions. Boat manufacturers continue to work down excess inventory accumulated over the several years, and until such point, we do not foresee an industry recovery. We continue to develop a readiness to participate when the market rebounds. In the meantime, we have been searching for alternative uses for our industrial wood products and developing new customer relationships. As a result, the operating loss before taxes at Greenwood was $239,836 for the six months ended February 28, 2011 compared to a net loss of $95,197 for the six months ended February 28, 2010.

Sales at JCLC were $10,707,329 for the six months ended February 28, 2011 compared to sales of $7,413,406 for the six months ended February 28, 2010. This represents an increase of $3,293,923, or 44%, as the Company managed to increase its market share of its existing products among its current customers. Operating income before income taxes was $948,644 compared to $1,051,915 in the six month period ended February 28, 2010. This represents a decrease of ($103,271), which was due to lower gross margins in the current period. The margins were negatively impacted by higher material and transportation costs. Historically, the operating results of JCLC are seasonal with the first two quarters of the fiscal year typically being much slower than the final two quarters of the fiscal year.

Sales at JCSC were $2,353,401 for the six months ended February 28, 2011, which was an increase of $133,134, or 6%, compared to sales of $2,220,267 for the six months ended February 28, 2010. Grass seed demand remains weak due to substantially lower new home construction rates in North America and reduced demand from golf courses. Operating income for the current six month period was $127,330 compared to a net loss of $419,188 in the six month period ended February 28, 2010. The prior period's results were negatively effected by a one-time $463,498 inventory write-down due to the significant decrease in market value which was recorded in November 2009.

Sales at MSI were $933,902 for the six months ended February 28, 2011, which was an increase of $82,554, or 10%, compared to sales of $851,348 for the six months ended February 28, 2010. Operating income for the current six month period was $53,546 compared to a net loss of $428 recorded in the six months ended February 28, 2010.

Gross margin for the six month period ended February 28, 2011 was 19.9% compared to gross margin of 22.4% for the six months ended February 28, 2010. The overall gross margin in the current six month period has been negatively impacted by higher material costs and higher transportation costs.

Operating expenses decreased by $153,627, or 5%, from $2,891,209 in the six month period ended February 28, 2010 to $2,737,582 for the current six month period ended February 28, 2011. Selling, General and Administrative Expenses decreased by $161,628 from $1,060,029 to $898,401, and Wages and Employee Benefits rose slightly to $1,708,047 from $1,697,562. Depreciation and Amortization decreased by $2,484, to $131,134 from $133,618.

Income tax recovery for the current six month period ended February 28, 2011 was $182,372 compared to income tax expense of ($210,000) for the six month period ended February 28, 2010.

During the current six month period, the Company received an adverse decision in its legal proceedings Greenwood Products, Inc. et al v. Greenwood Forest Products, Inc. et al. A litigation reserve of $1,354,125 was taken in the first quarter while the Company appeals the decision to the Oregon Supreme Court. The current period's income tax recovery was primarily due to the effect of the application of the combined litigation reserves and related interest expense against income, which was only partially offset by the higher income from operations. The Company estimates income tax expense for the quarter based on combined federal and state rates that are currently in effect.

Including the effects of the litigation reserve, net loss for the six month period ended February 28, 2011 was ($349,386), or ($0.16) per basic and diluted share, compared to next income of $277,102, or $0.12 per basic and diluted share for the six month period ended February 28, 2010.

LIQUIDITY AND CAPITAL RESOURCES

As of February 28, 2011, the Company had working capital of $14,640,923 compared to working capital of $17,336,242 as of August 31, 2010. This represents a decrease of $2,695,319, which was largely due to the Company increasing a Litigation Reserve, including interest, of $1,370,151 in the current six month period, as well as repurchasing and cancelling a total of 297,072 common shares at a cost of $2,450,844, all of which was funded from existing cash balances. The largest differences in individual components of working capital during the period were a $3,976,613 decrease in cash and cash equivalents; a $2,062,853 increase in accounts receivable; a $353,377 increase in inventory; an increase of $104,470 in prepaid expenses; an increase of $567,112 in prepaid income taxes; an increase of $200,941 in taxes receivable; an increase of $711,126 in accounts payable; a decrease of $298,818 in accrued liabilities; and the litigation reserve of $1,595,151 which was established in the current period.

As of February 28, 2011, accounts receivable and inventory represented 69% of current assets and 60% of total assets. For the three months ended February 28, 2011, the accounts receivable collection period or DSO was 45.1 compared to 38.8 for the three months ended February 28, 2010. For the six months ended February 28, 2011, the DSO was 59.8 compared with 39.8 for the six months ended February 28, 2010. Inventory turnover for the three months ended February 28, 2011 was 61.8 days compared with 92.7 days for the three months ended February 28, 2010. For the six month period February 28, 2011, inventory turnover was 81.1 days compared with 95.6 days for the six month period ended February 28, 2010.

External sources of liquidity include a line of credit from U.S. Bank of $5,000,000 of which $350,000 is presently dedicated to standby letters of credit to support international transactions. At February 28, 2011, the Company had no borrowing balance leaving $4,650,000 available. Borrowing under the line of credit is secured by an assignment of accounts receivable and inventory. The interest rate is calculated solely on the one month LIBOR rate plus 200 basis points.

The Company has been utilizing its cash position by repurchasing common shares under 10b5-1 plans in order to increase shareholder value. During the 4th quarter of Fiscal 2010, the Company re-purchased and cancelled a total of 79,040 shares of its common stock at a total cost of $549,151, or an average share price of $6.95 per share. During the 1st quarter of Fiscal 2011, the Company repurchased and cancelled a total of 297,072 shares at a total cost of $2,450,844, which was an average share price of $8.25 per share. As of April 13, 2011, the Company had not repurchased any shares under the repurchase program announced on January 13, 2011.

Business Risks

This quarterly report includes “forward–looking statements” as that term is defined in Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” or “hopeful,” or the negative of those terms or other comparable terminology, or by discussions of strategy, plans or intentions. For example, this section contains numerous forward-looking statements. All forward-looking statements in this report are made based on management’s current expectations and estimates, which involve risks and uncertainties, including those described in the following paragraphs.

Risks Related to Our Common Stock

We may decide to acquire assets or enter into business combinations, which could be paid for, either wholly or partially with our common stock and if we decide to do this our current shareholders would experience dilution in their percentage of ownership.

Our Articles of Incorporation give our Board of Directors the right to enter into any contract without the approval of our shareholders. Therefore, our management could decide to make an investment (buy shares, loan money, etc.) without shareholder approval. If we acquire an asset or enter into a business combination, this could include exchanging a large amount of our common stock, which could dilute the ownership interest of present stockholders.

Future stock distributions could be structured in such a way as to be 1) diluting to our current shareholders or 2) could cause a change in control to new investors.

If we raise additional funds by selling more of our stock, the new stock may have rights, preferences or privileges senior to those of the rights of our existing stock. If common stock is issued in return for additional funds, the price per share could be lower than that paid by our current stockholders. The result of this would be a lessening of each present stockholder’s relative percentage interest in our company.

Our shareholders could experience significant dilution if we issue our authorized 10,000,000 preferred shares.

The Company’s common shares currently trade within the NASDAQ Capital Market in the United States and on the TSX Exchange in Toronto, Ontario, Canada. On NASDAQ the average daily trading volume for the six month period ended February 28, 2011 was approximately 5,300 shares. Trading volume on the TSX Exchange was significantly less than on NASDAQ. With this limited trading volume, investors could find it difficult to purchase or sell the Company’s common stock.

Risks Related to Our Business

We could experience a decrease in the demand for our products resulting in lower sales volumes, which would give us less capital with which to operate.

In the past we have at times experienced decreasing products sales with certain customers. The reasons for this can be generally attributed to factors such as competition, wood products prices, and interest rates. If economic conditions deteriorate or if consumer preferences change, we could experience a significant decrease in profitability.

If our top customers were lost and could not be replaced.

For the six months ended February 28, 2011, our top ten customers represented 56% of our total sales. We would experience a significant decrease in sales and profitability and would have to cut back our operations, if these customers were lost and could not be replaced. Our top ten customers are in the U.S. and are primarily in the home improvement, marine, and agricultural industries.

We could experience delays in the delivery of our products to our customers causing us to lose business.

We purchase our products from other vendors and a delay in shipment from these vendors to us could cause significant delays in our delivery to our customers. This could result in a decrease in sales orders to us and we would experience a loss in profitability.

We could lose our credit agreement and could result in our not being able to pay our creditors.

We have a line of credit with U.S. Bank in the amount of $5 million of which there is no borrowing balance. We are currently in compliance with the requirements of our existing line of credit. If we lost this credit it could become impossible to pay some of our creditors on a timely basis.

If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could harm our business and we could be subject to regulatory scrutiny.

We have completed a management assessment of internal controls as prescribed by Section 404 of the Sarbanes-Oxley Act. Based on this process we did not identify any material weaknesses. Although we believe our internal controls are operating effectively, we cannot guarantee that in the future we will not identify any material weaknesses in connection with this ongoing process.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company does not have any derivative financial instruments as of February 28, 2011. However, the Company is exposed to interest rate risk.

The Company's interest income and expense are most sensitive to changes in the general level of U.S. interest rates. In this regard, changes in U.S. interest rates affect the interest earned on the Company's cash equivalents as well as interest paid on debt.

The Company has a line of credit whose interest rate may fluctuate over time based on economic changes in the environment. The Company is subject to interest rate risk and could be subject to increased interest payments if market interest rates fluctuate. The Company does not expect any change in the interest rates to have a material adverse effect on the Company's results from operations.

Foreign Currency Risk

The Company operates primarily in the United States. However, a relatively small amount of business is conducted in currencies other than U.S. dollars. Also, to the extent that the Company uses contract manufacturers in China, currency exchange rates can influence the Company's purchasing costs.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the specified time periods. They are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. For the quarter ended February 28, 2011 the CEO and CFO have concluded that our disclosure controls and procedures were effective. For the quarter ended February 28, 2011 the CEO and CFO have also concluded that the disclosure controls and procedures were effective for the purpose of ensuring that material information required to be in this report is made known to management and others, as appropriate, to allow timely decisions regarding required disclosures.

CEO and CFO CERTIFICATIONS

Appearing immediately following the Signatures section of this Quarterly Report there are two separate forms of "Certifications" of the CEO and CFO. The second form of Certification is required in accord with Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certification). This section of the Quarterly Report, which you are currently reading is the information concerning the Controls Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS.

Disclosure Controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (Exchange Act), such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Internal Controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized; (2) our assets are safeguarded against unauthorized or improper use; and (3) our transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with generally accepted accounting principles. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives.

LIMITATIONS ON THE EFFECTIVENESS OF CONTROLS.

The Company's management, including the CEO and CFO, does not expect that our Disclosure Controls or our Internal Controls will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CONCLUSION

In accordance with SEC requirements, the CEO and CFO note that, as of the quarter ended February 28, 2011 covered by this report, there were no material weaknesses in our Internal Controls. No changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended February 28, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings

One of our subsidiaries was a plaintiff in a lawsuit filed in Portland, Oregon, entitled, Greenwood Products, Inc. et al v. Greenwood Forest Products, Inc. et al., Case No. 05-02553 (Multnomah County Circuit Court).

During fiscal 2002 the Company entered into a purchase agreement to acquire inventory over a 15 month period with an initial estimated value of $7,000,000 from Greenwood Forest Products, Inc. During the year ended August 31, 2003, the Company completed the final phase of the inventory acquisition. As partial consideration for the purchase of the inventory the Company issued two promissory notes, based on its understanding of the value of the inventory purchased. The Company believes it overpaid the obligation by approximately $820,000. The holder counterclaimed for approximately $2,400,000.

Litigation was completed on March 5, 2007 with the court's general judgment and money award. The net effect was money judgment in favor of Greenwood Forest Products, Inc. for $242,604 and an award of contested intellectual property rights to the Company. At that time, the Company accrued reserves to cover the monetary difference in the judgment. Both parties filed appeals for review of the court's opinion.

During the first quarter of Fiscal 2011, the Oregon Court of Appeals ruled that the judgment in favor of Jewett Cameron as plaintiffs should be reversed and the judgment in favor of defendants should stand. The judgment was for $819,000 plus attorneys fees. The judgment against plaintiffs is for $1,187,137. The Company is appealing the decision to the Oregon Supreme Court. The Company has recorded as a liability $1,595,151 as a Litigation Reserve which covers the full amount of the Court of Appeals ruling.

The Company does not know of any other material, active or pending legal proceedings against them; nor is the Company involved as a plaintiff in any other material proceeding or pending litigation. The Company knows of no other active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

Item 2. Changes in Securities and Use of Proceeds
---No Disclosure Required---

Item 3. Defaults Upon Senior Securities
---No Disclosure Required---

Item 4. Submission of Matters to a Vote of Securities Holders
---No Disclosure Required---

Item 5. Other Information
---No Disclosure Required---

Item 6. Exhibits

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act, Donald M. Boone
31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act, Murray G. Smith.
32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C., 1350 (Section 906 of the Sarbanes-Oxley Act), Donald M. Boone
32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C., 1350 (Section 906 of the Sarbanes-Oxley Act), Murray G. Smith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Jewett-Cameron Trading Company Ltd.
(Registrant)

April 13, 2011 — */s/ "Donald M. Boone*
Donald M. Boone, President/CEO/Director

April 13, 2011 — */s/ "Murray G. Smith"*
Murray G. Smith, Chief Financial Officer