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, 2010**

[ ] 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 – 2,390,977 common shares outstanding at April 12, 2010.

Jewett-Cameron Trading Company Ltd.

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PART I – FINANCIAL INFORMATION

PART II – OTHER INFORMATION

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, 2010

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

	February 28, 2010 (Unaudited)	**August 31, 2009 (Audited)**
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,693,603	$ 6,828,571
Accounts receivable, net of allowance of $3,615 (August 31, 2009 - $3,816)	3,306,127	3,603,916
Inventory, net of allowance of $20,000 (August 31, 2009 - $313,000) (note 3)	5,381,988	6,954,811
Note receivable	41,500	41,500
Prepaid expenses	268,147	160,809
Prepaid income taxes	413,845	43,805
Total current assets	17,105,210	17,633,412
Property, plant and equipment, net (note 4)	1,955,522	1,872,191
Intangible assets, net (note 5)	623,185	662,045
Deferred income taxes (note 6)	158,300	261,780
Total assets	$ 19,842,217	$ 20,429,428

- 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)

	February 28, 2010 (Unaudited)	**August 31, 2009 (Audited)**
Continued		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	$ 140,350	$ 999,562
Accrued liabilities	811,859	816,960
Total liabilities	952,209	1,816,522
Contingent liabilities and commitments (note 11)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
20,000,000 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,390,977 common shares (August 31, 2009 - 2,390,977)	2,256,112	2,256,112
Additional paid-in capital	600,804	600,804
Retained earnings	16,033,092	15,755,990
Total stockholders' equity	18,890,008	18,612,906
Total liabilities and stockholders' equity	$ 19,842,217	$20,429,428

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 Months Periods to February 28,		Six Month Periods to February 28,	
	2010	**2009**	**2010**	**2009**
SALES	$ 7,675,454	$ 9,354,961	$15,050,380	$20,137,024
COST OF SALES	5,913,667	7,308,477	11,672,995	15,874,075
GROSS PROFIT	1,761,787	2,046,484	3,377,385	4,262,949
OPERATING EXPENSES				
Selling, general and administrative expenses	519,314	509,457	1,060,029	1,063,582
Depreciation and amortization	72,922	78,986	133,618	158,387
Wages and employee benefits	817,275	1,010,883	1,697,562	2,072,767
	1,409,511	1,599,326	2,891,209	3,294,736
Income from operations	352,276	447,158	486,176	968,213
OTHER ITEMS				
Gain (loss) on sale of property, plant and equipment	(3,492)	2,000	(3,492)	2,000
Interest and other income	2,658	7,586	4,418	18,930
Interest expense	-	(20,608)	-	(57,532)
	(834)	(11,022)	926	(36,602)
Income before income taxes	351,442	436,136	487,102	931,611
Income taxes	146,970	180,022	210,000	382,022
Net income	$ 204,472	$ 256,114	$ 277,102	$ 549,589
Basic earnings per common share	$ 0.09	$ 0.11	$ 0.12	$ 0.23
Diluted earnings per common share	$ 0.09	$ 0.11	$ 0.12	$ 0.23
Weighted average number of common shares outstanding:				
Basic	2,390,977	2,390,977	2,390,977	2,390,977
Diluted	2,390,977	2,390,977	2,390,977	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, 2009	2,390,977	$ 2,256,112	$ 600,804	$ 15,755,990	$ 18,612,906
Net Income	-	-	-	277,102	277,102
Balance, February 28, 2010	2,390,977	$ 2,256,112	$ 600,804	$ 16,033,092	$ 18,890,008

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)

	Six Month Periods Ended February 28,	
	2010	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 277,102	$ 549,589
Items not involving an outlay of cash:		
Depreciation and amortization	133,618	158,387
Gain (loss) on sale of property, plant and equipment	3,492	(2,000)
Deferred income taxes	103,480	(11,940)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	297,789	1,545,242
(Increase) in note receivable	-	(41,500)
(Increase) decrease in inventory	1,572,823	(340,677)
(Increase) decrease in prepaid expenses	(107,338)	(287,133)
Increase (decrease) in accounts payable and accrued liabilities	(864,313)	(638,979)
Increase (decrease) in accrued income taxes	(370,040)	(349,532)
Net cash provided by (used in) operating activities	1,046,613	581,457
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(181,581)	(15,310)
Proceeds from sale of property, plant and equipment	-	2,000
Net cash used in investing activities	(181,581)	(13,310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Promissory note	-	(2,018,811)
Note payable	-	(300,000)
Net cash provided by (used in) financing activities	-	(2,318,811)
Net increase (decrease) in cash and cash equivalents	865,032	(1,750,663)
Cash and cash equivalents, beginning of period	6,828,571	5,758,479
Cash and cash equivalents, end of period	$ 7,693,603	$ 4,007,815

Supplemental disclosure with respect to cash flows (note 14)

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 and the vicinity of Portland, Oregon. JCLC's business consists of warehouse distribution and direct sales of wood products and specialty metal 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.

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.

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

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.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Cash and cash equivalents

The Company considers cash and cash equivalents to be highly liquid in nature. At February 28, 2010, cash and cash equivalents consisted of cash of $4,677,042 held at U.S. Bank and $3,016,561 in a money market fund that invests almost exclusively in U.S. Treasury Bills. At August 31, 2009 cash and cash equivalents consisted of cash of $3,812,010 and $3,016,561 in the money market fund. The Company has not experienced any losses in such accounts.

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

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 96 months and 108 months, respectively, and are reviewed annually for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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 per share

Basic earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings 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 per share (cont'd…)

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

	Three Month Periods Ended February 28,		Six Month Periods Ended February 28,	
	2010	2009	2010	2009
Net income	$ 204,472	$ 256,114	$ 277,102	$ 549,589
Basic weighted average number of common shares outstanding	2,390,977	2,390,977	2,390,977	2,390,977
Effect of dilutive securities Stock options	-	-	-	-
Diluted weighted average number of common shares outstanding	2,390,977	2,390,977	2,390,977	2,390,977

Comprehensive Income

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

Stock-based compensation

The Company follows SFAS No. 123(R), as codified by ASC 718 "Compensation - Stock Compensation" and related interpretations. 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 quarter ended February 28, 2010, and there were no options outstanding on February 28, 2010.

Financial instruments

The Company follows SFAS No. 159 "The Fair Value option for Financial Assets and Financial Liabilities," as codified by ASC 825 "Financial Instruments," and 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.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

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.

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

Promissory note and note payable - the fair value of the promissory note and note payable is determined by discounting the future contractual cash flows under current financing arrangements at discount rates which represent borrowing rates presently available to the Company for loans with similar terms and maturity.

The estimated fair values of the Company's financial instruments as of February 28, 2010 and August 31, 2009 are as follows:

	February 28, 2010 (Unaudited)		August 31, 2009 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 7,693,603	$ 7,693,603	$ 6,828,571	$ 6,828,571
Accounts receivable	3,306,127	3,306,127	3,603,916	3,603,916
Note receivable	41,500	41,500	41,500	41,500
Accounts payable and accrued liabilities	952,209	952,209	1,816,522	1,816,522

The following table presents information about the assets that are measured at fair value on a recurring basis as of February 28, 2010, 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, 2010	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 7,693,603	$ 7,693,603	$ —	$ —

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Income taxes

Income taxes are provided in accordance with SFAS No. 109 "Accounting for Income Taxes," as codified by ASC 740, "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.

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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 June 2009, the Financial Accounting Standards Board issued ASC 105 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles." ASC 105 establishes the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") as the single official source of authoritative, nongovernmental GAAP in the United States. The historical GAAP hierarchy was eliminated and the ASC became the only level of authoritative GAAP, other than guidance issued by the Securities and Exchange Commission. The Company adopted these provisions at the beginning of the interim period ended November 30, 2009. Our accounting policies were not affected by the conversion to ASC. However, references to specific accounting standards in the footnotes to our consolidated financial statements have been changed to refer to the appropriate section of ASC.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Recent Accounting Pronouncements (cont'd…)

In May 2009, the FASB issued authoritative guidance regarding subsequent events. The authoritative guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The authoritative guidance requires disclosure of the date through which subsequent events have been evaluated and whether that date represents the date the financial statements were issued or were available to be issued. The authoritative guidance is effective for interim and annual periods ending after June 15, 2009.

In June 2009, the FASB issued Statement No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162 ("the Codification"). The Codification, which was launched on July 1, 2009, became the single source of authoritative non-governmental U.S. generally accepted accounting principles ("GAAP"), superseding various existing authoritative accounting pronouncements. The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company adopted the Codification for its reporting period ending on November 30, 2009. The adoption of the Codification had no significant impact on the Company's consolidated financial statements.

In August 2009, the FASB issued Accounting Standards Update 2009-05, Fair Value Measurements and Disclosures (Topic 820) Measuring Liabilities at Fair Value, ("Update 2009-05"). Update 2009-05 clarifies that in circumstances in which a quoted price in an active market for an identical liability is not available, a reporting entity is required to measure fair value of such liability using one or more of the techniques prescribed by the update. On November 1, 2009 the Company adopted Update 2009-05. There was no significant impact on the Company's consolidated financial statements.

3. INVENTORY

A summary of inventory is as follows:

	February 28, 2010 (Unaudited)	**August 31, 2009** (Audited)
Wood products and metal products	$ 4,769,759	$ 5,356,199
Industrial tools	469,758	557,722
Agricultural seed products	142,471	1,040,890
	$ 5,381,988	$ 6,954,811

(Expressed in U.S. Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

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

	February 28, 2010 (Unaudited)	**August 31, 2009** (Audited)
Office equipment	$ 797,619	$ 677,791
Warehouse equipment	1,104,213	1,297,383
Buildings	2,181,990	2,089,544
Land	635,381	576,881
	4,719,203	4,641,599
Accumulated depreciation	(2,763,681)	(2,769,408)
Net book value	$ 1,955,522	$ 1,872,191

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.

5. INTANGIBLE ASSETS

A summary of intangible assets is as follows:

	February 28, 2010 (Unaudited)	**August 31, 2009** (Audited)
Patent	$ 850,000	$ 850,000
Other	30,605	30,605
	880,605	880,605
Accumulated amortization	(257,420)	(218,560)
Net book value	$ 623,185	$ 662,045

6. DEFERRED INCOME TAXES

Deferred income taxes as of February 28, 2010 of $158,300 (August 31, 2009 - $261,780) 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, 2010 or August 31, 2009.

Bank indebtedness, when it exists, is secured by an assignment of accounts receivable and inventory. Prior to January 31, 2008 interest was calculated at either prime or the one month LIBOR rate plus 190 basis points. However, starting on January 31, 2008 the borrowing mechanism was simplified, and the interest rate is calculated solely on the one month LIBOR rate plus 190 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. 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 the quarter ended February 28, 2010 and the year ended August 31, 2009.

(Expressed in U.S. Dollars)

10. 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 accounts for its ESOP in accordance with Statement of Position 93-6 "*Employers' Accounting for Employee Stock Ownership Plans*" as codified by ASC 718. 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 $164,118 and $158,700 for the fiscal years ended August 31, 2009 and 2008, respectively, and is included in wages and employee benefits. The ESOP shares are as follows:

	February 28, 2010	**August 31, 2009**
	(Unaudited)	(Audited)
Shares owned by ESOP	377,783	414,598

11. CONTINGENT LIABILITIES AND COMMITMENTS

a) 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. Management is of the opinion that the counterclaim is of no merit and believes that the Company will be successful in its claim. However, in the event that resolution of the dispute results in a change to the promissory notes, any gain or loss will be recognized in the period that the final determination of the amount is made. Any potential charge is not determinable at this time.

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 has accrued reserves to cover the money judgment related to this dispute.

Both parties have filed appeals for review of the court's opinion.

(Expressed in U.S. Dollars)

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

b) Greenwood formerly leased office premises pursuant to operating leases. One of these leases expired on January 31, 2008, and the Company moved to a new location. The new lease was scheduled to expire on July 31, 2009, but was extended to September 30, 2009, at which point it was terminated and Greenwood co-located its operations in the building utilized by JCLC and MSI. For the six months ended February 28, 2010 and 2009 rental expense was $7,500 and $67,500, 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 has formerly been leasing. For the six months ended February 28, 2010 and 2009 rental expense was $2,968 and $4,375 respectively.

c) At February 28, 2010 and August 31, 2009, the Company had an un-utilized line-of-credit of $5,000,000 and $5,000,000, respectively (note 7). The line-of-credit has certain financial covenants. The Company is in compliance with these covenants.

12. 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.

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

	2010	**2009**
Sales to unaffiliated customers:		
Industrial wood products	$ 4,565,359	$ 6,137,398
Lawn, garden, pet and other	7,413,406	10,787,250
Seed processing and sales	2,220,267	2,714,442
Industrial tools and clamps	851,348	497,934
	$ 15,050,380	$ 20,137,024
Income (loss) before income taxes:		
Industrial wood products	$ (95,197)	$ (265,338)
Lawn, garden, pet and other	1,051,915	1,141,559
Seed processing and sales	(419,188)	108,802
Industrial tools and clamps	(428)	10,045
Unallocated overhead	(50,000)	(63,457)
	$ 487,102	$ 931,611

(Expressed in U.S. Dollars)

12. SEGMENT INFORMATION (cont'd…)

Identifiable assets:		
Industrial wood products	$ 2,213,207	$ 3,561,936
Lawn, garden, pet and other	15,419,642	13,934,979
Seed processing and sales	1,089,132	990,746
Industrial tools and clamps	624,246	879,870
Unallocated overhead	82,146	41,221
	$ 19,428,373	$ 19,408,752
Depreciation and amortization:		
Industrial wood products	$ 1,608	$ 2,145
Lawn, garden, pet and other	121,983	146,595
Seed processing and sales	6,985	6,327
Industrial tools and clamps	3,042	3,320
	$ 133,618	$ 158,387
Capital expenditures:		
Industrial wood products	$ -	$ 1,500
Lawn, garden, pet and other	175,167	12,791
Seed processing and sales	6,415	1,019
Industrial tools and clamps	-	-
	$ 181,582	$ 15,310
Interest expense:		
Lawn, garden, pet and other	$ -	$ 57,532

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,

	Six Months Ended February 28, 2010	**Six Months Ended February 28, 2009**
Sales	$ 2,052,800	$ 7,503,889

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:

	Six Months Ended February 28, 2010	**Six Months Ended February 28, 2009**
United States	$ 12,360,584	$ 17,714,281
Canada	1,549,819	2,317,780
Mexico	522,516	66,181
Europe	380,331	38,782
Asia/Pacific	237,130	-

All of the Company's identifiable assets were located in the United States as of February 28, 2010 and February 28, 2009.

(Expressed in U.S. Dollars)

13. 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, 2010 two customers accounted for accounts receivable greater than 10% of total accounts receivable at 27%. At February 28, 2009 two customers accounted for over 10% of total accounts receivable at a combined total of 28%. 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, 2010 there were two suppliers that each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $3,192,279. For the six months ended February 28, 2009 there were two suppliers that each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $6,345,816.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Certain cash payments for the six months ended February 28, 2010 and February 28, 2009 are summarized as follows:

	Three Month Periods Ended February 28		**Six Month Periods Ended February 28**	
	2010	2009	2010	2009
Cash paid during the periods for:				
Interest	$ -	$ 20,609	$ -	$ 57,533
Income taxes	$ 488,119	$ 180,022	$ 488,119	$ 382,022

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

15. SUBSEQUENT EVENTS

We have evaluated all events subsequent to the end of the Company’s fiscal quarter and determined there are no subsequent events that require disclosure under SFAS 165, as codified by ASC 855 “Subsequent Events”.

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, 2010 and August 31, 2009 and its results of operations and cash flows for the six month periods ended February 28, 2010 and February 28, 2009 in accordance with U.S. GAAP. Operating results for the three and six month periods ended February 28, 2010 are not necessarily indicative of the results that may be experienced for the full fiscal year ending August 31, 2010.

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 wholesaler of wood products and a manufacturer and distributor of specialty metal 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, 2010 and February 28, 2009

For the three months ended February 28, 2010, sales decreased $1,679,507 to $7,675,454 from $9,354,961 from the three months ended February 28, 2009. The decrease is due to a decline in all of the Company's business segments.

Sales at Greenwood were $2,145,594 for the three months ended February 28, 2010, which was a decrease of $710,246 or 25% compared to sales of $2,855,840 for the three months ended February 28, 2009. Continued weakness in the boat manufacturing industry has resulted in lower demand for Greenwood's industrial wood products, although the Company is developing new industry relationships in other industries. Operating income before taxes at Greenwood was ($84,385) for the three months ended February 28, 2010, which was an increase of $60,604 from the ($144,989) recorded in the same period a year ago.

Sales at JCLC were $3,762,306 for the three months ended February 28, 2010, which was a decrease of $1,497,988, or 28%, compared to sales of $5,260,294 for the three months ended February 28, 2009. Operating income was $411,324, which was an decrease of $190,552 compared to the income of $601,876 from the year-ago quarter. The percentage decline in JCLC's adjusted operating income was similar to the percentage decline in sales for the quarter, as gross margins remained relatively steady. Overall the operating results of JCLC are seasonal with the first two quarters of the fiscal year being much slower than the final two quarters of the fiscal year.

Sales at JCSC were $1,356,106 for the three months ended February 28, 2010, which was an increase of $352,312 or 35% compared to $1,003,794 for the three months ended February 28, 2009. Operating profit for the current quarter was $62,318, an increase of $51,027 from the operating income of $11,291 recorded by JCSC in the prior year's quarter.

Sales at MSI were $411,448 for the three months ended February 28, 2010, which was an increase of $176,415 or 75% compared to $235,033 for the three months ended February 28, 2009. Operating loss for the quarter was ($18,751), a decrease of $22,573 compared to the operating income of $3,822 recorded in the comparative quarter in the prior fiscal year.

Gross margin for the three month period ended February 28, 2010 was 23.0% compared with 21.9% for the three months ended February 28, 2009. This improvement primarily reflects the fact that metal products sold by JCLC, which have a higher margin than the Company's other products, were a larger part of the sales mix in the current year vs. the prior year.

Operating expenses decreased by $189,815 from $1,599,326 for the three month period ended February 28, 2009 to $1,409,511 for the three month period ended February 28, 2010. Selling, General and Administrative Expenses increased by $9,857 from $509,457 to $519,314. Wages and Employee Benefits declined by $193,608 to $817,275 from $1,010,883, as the Company has reduced total employment by approximately 10%. Depreciation and Amortization decreased by $6,064, from $78,986 to $72,922.

Income tax expense for the three month period ended February 28, 2010 was $146,970 compared to $180,022 for the three month period ended February 28, 2009. 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, 2010 was $204,472 or $.09 per basic and diluted share compared to $256,114 or $.11 per basic and diluted share for the three month period ended February 28, 2009.

Six Months Ended February 28, 2010 and February 28, 2009

For the six months ended February 28, 2010, sales decreased $5,086,644 to $15,050,380 from $20,137,024 from the six month period ended February 28, 2009. The decrease is due to a decline in several of the Company's business segments, but primarily at Greenwood and JCLC.

Sales at Greenwood were $4,565,359 for the six months ended February 28, 2010, which was a decrease of $1,572,039 or 26% compared to sales of $6,137,398 for the six months ended February 28, 2009. Sales to boat manufacturers represented approximately 24% of Greenwood's total sales for the year ended August 31, 2009, 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 past two 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 ($95,197) for the six months ended February 28, 2010, which was an increase of $170,141 from the ($265,338) recorded in the same period a year ago.

Sales at JCLC were $7,413,406 for the six months ended February 28, 2010, which was a decrease of $3,373,844, or 31%, compared to sales of $10,787,250 for the six month period ended February 28, 2009. Operating income before income taxes was $1,051,915, which was an decrease of $89,644 compared to the income of $1,141,559 from the year-ago six month period. Gross margins improved during the period which contributed to the lower percentage decline in net income compared to the overall decline in sales. The Company has expanded its efforts to sell its higher margin metal products into new markets, including internationally. Overall 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 $2,220,267 for the six months ended February 28, 2010, which was a decrease of $494,175 or 18% compared to sales $2,714,442 for the six months ended February 28, 2009. Grass seed demand has fallen due to the overall economy and substantially lower new home construction rates in North America. Operating loss was ($419,188) in the six months ended February 28, 2010, compared to an operating profit of $108,802 in the six months ended February 28, 2009. The current 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 $851,348 for the six months ended February 28, 2010, which was an increase of $353,414 or 71% compared to sales of $497,934 for the six months ended February 28, 2010. Operating loss for the current six month period was ($428), an decrease of $10,473 compared to the operating income of $10,045 recorded in the six months ended February 28, 2009.

Gross margin for the six month period ended February 28, 2010 was 22.4% compared with 21.2% for the six months ended February 28, 2009. This improvement primarily reflects the fact that metal products sold by JCLC, which have a higher margin than the Company's other products, were a larger part of the sales mix in the current year's six month period compared to the prior year's period.

Operating expenses decreased by $403,527, or 12%, from $3,294,736 from the six month period ended February 28, 2009 to $2,891,208 for the current six month period ended February 28, 2010. Selling, General and Administrative Expenses decreased by $3,553 from $1,063,582 to $1,060,029. Wages and Employee Benefits fell by $375,205 to $1,697,562 from $2,072,767, as the Company has reduced total employment by approximately 10%. Depreciation and Amortization decreased by $24,769, to $133,618 from $158,387.

Income tax expense for the current six month period ended February 28, 2010 was $210,000 compared to $382,022 for the six month period ended February 28, 2009. 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 six month period ended February 28, 2010 was $277,102 or $.12 per basic and diluted share compared to $549,589 or $.23 per basic and diluted share for the six month period ended February 28, 2009.

LIQUIDITY AND CAPITAL RESOURCES

As of February 28, 2010 the Company had working capital of $16,153,001, which represented an increase of $336,111 compared to working capital of $15,816,890 as of August 31, 2009. The largest differences regarding this change in working capital were a $865,032 increase in cash and cash equivalents, a $297,789 decrease in accounts receivable, a $1,572,823 decrease in inventory, a $107,338 increase in prepaid expenses, a $370,040 increase in prepaid income taxes, a $859,212 decrease in accounts payable, and a $5,101 decrease in accrued liabilities.

As of February 28, 2010, accounts receivable and inventory represented 50.7% of current assets and 43.8% of total assets. For the three months ended February 28, 2010, the accounts receivable collection period or DSO was 38.8 compared with 34.4 for the three months ended February 28, 2009. For the six months ended February 28, 2010, the DSO was 39.8 compared with 41.6 for the six months ended February 28, 2009. Inventory turnover for the three months ended February 28, 2010 was 92.7 days compared with 103.1 days for the three months ended February 28, 2009. For the six month period February 28, 2010, inventory turnover was 95.6 compared with 93.9 days for the month period ended February 28, 2009.

External sources of liquidity include a line of credit from the United States National Bank of Oregon of $5,000,000. At February 28, 2010, none of the line was outstanding and the entire amount of $5,000,000 was available. Borrowing under the line of credit is secured by an assignment of accounts receivable and inventory. Prior to January 31, 2008 interest was calculated at either prime or the one month LIBOR rate plus 190 basis points. However, starting on January 31, 2008 the borrowing mechanism was simplified, and the interest rate is calculated solely on the one month LIBOR rate plus 190 basis points.

The Company is currently exploring possible uses for its cash position to increase shareholder value. This may include a common share repurchase program for some of its currently outstanding common shares.

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.

<u>Risks Related to Our Common Stock</u>

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 Toronto Stock Exchange in Canada. On NASDAQ the average daily trading volume for the six month period ended February 28, 2010 was approximately 637 shares. Trading volume on the Toronto Stock 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.

<u>Risks Related to Our Business</u>

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, at times we have 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, 2010, our top ten customers represented 49% 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 the entire amount is available. 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.

Furthermore, for the year ending August 31, 2010 our external auditors need to attest to the state of our Section 404 compliance. If our independent registered public accounting firm cannot timely attest to our evaluation, we could be subject to regulatory scrutiny and a loss of public confidence in our internal controls. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

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, 2010. 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, 2010 the CEO and CFO have concluded that our disclosure controls and procedures were effective. For the quarter ended February 28, 2010 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, 2010 covered by this report, there were no material weaknesses in our Internal Controls.

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. Management is of the opinion that the counterclaim is of no merit and believes that the Company will be successful in its claim. However, in the event that resolution of the dispute results in a change to the promissory notes, any gain or loss will be recognized in the period that the final determination of the amount is made. Any potential charge is not determinable at this time.

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. The Company has accrued reserves to cover the money judgment related to this dispute.

Both parties have filed appeals for review of the court's opinion.

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 12, 2010	*/s/ "Donald M. Boone"* Donald M. Boone, President/CEO/Director
April 12, 2010	*/s/ "Murray G. Smith"* Murray G. Smith, Chief Financial Officer