

TENNESSEE FOREST PRODUCTS BULLETIN



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***A CONDENSED REPORT ON FOREST PRODUCTS, PRICES, SPECIFICATIONS,
EQUIPMENT, UTILIZATION NEWS, ETC.***

MARKET REPORT

There are finally some good signs in the marketplace. The HMR has oak lumber prices up again this week, a couple weeks in a row. The increase seems to be supply driven rather than a real increase in demand, but at least it has stopped dropping !! I sure don't see any building taking place anywhere that I have been in Tennessee. According to the S&P housing index the existing home sale prices have risen for the third month in a row and the new house sales are down 3.6 % to nearly 400,000 homes. Even with the rise in house value, this gets us back to the 2003 price level, which is off the 2006 high by about 30 percent. But at least home values have stopped going down !!

Log prices have reflected the increase in the price of lumber in some cases and the need to build log inventory in others. The rainy weather has been the key factor all across the state in the past few months and it is now, at the end of October, difficult to find a mill that has a sufficient log inventory. This is not a good sign for mill operations going into the winter months. It looks as if it will be a struggle for sawmills and pulp mills to get enough logs to run on a consistent basis as we head into winter. We need the sun to come out and warm this part of the globe !! Where is global warming when you need it !!

Tie prices are down slightly because of the oversupply of ties and limited crosstie need for the rest of the year. Pulpwood prices have moved up some because of the difficulty in finding and keeping loggers. Difficulty in finding timber to purchase, increased fuel costs and adverse weather are just a few of the factors that have limited those working in the woods. Tough, tough business logging is.

The VietnamWood 2009 show in September was slower than we would have liked because of the economy but successful for the Tennessee companies that participated. The far eastern export markets continue to be an excellent opportunity for Tennessee hardwood lumber producers.

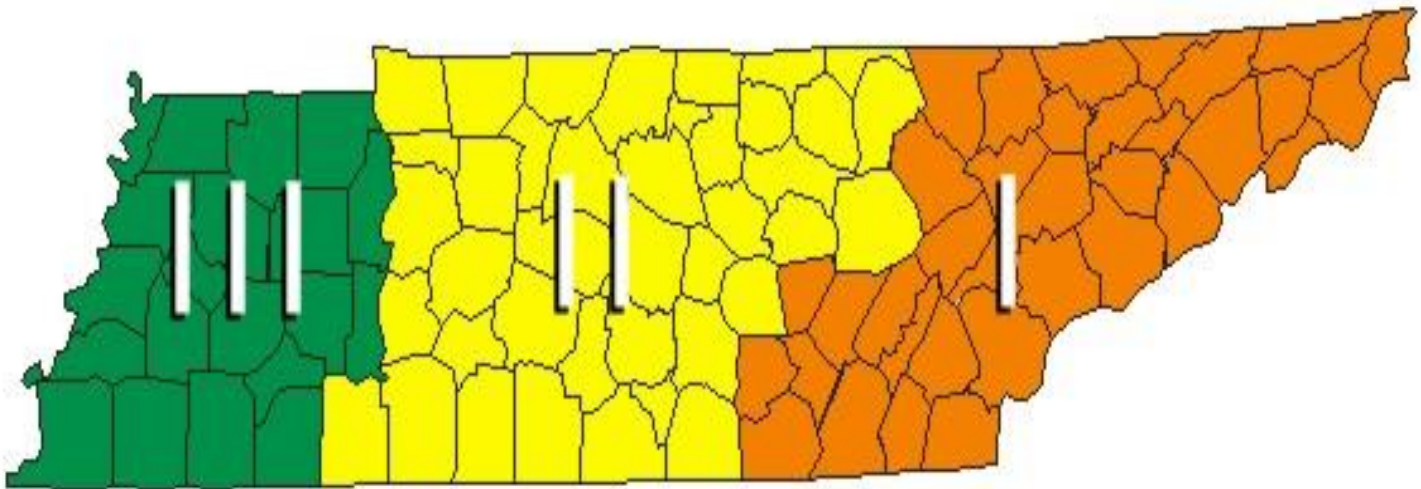
Have a happy and peaceful Thanksgiving and Christmas holiday and we can all look forward to a great 2010 !!

DELIVERED FOREST PRODUCT PRICES

<u>PRODUCT</u>	<u>SPECIFICATIONS</u>	<u>PRICES</u>	<u>REGION</u>
Cedar Logs	Length-6' to 12' and min DIB 4" at small end	\$71.00/ton (also \$370/MBF Cedar 2/3 Rule) Market poor.	Region II
Crossties	7" X 9" X 8' 6" 7" X 8" X 8' 6" 6" X 8" X 8' 6"	<u>Oak</u> Grade 5: \$20.75- Grade 4: \$15 Grade 3: \$10 Market full. Quotas. <u>Mixed Hdw</u> \$20.75- \$15 \$10	Region I, II, & III
Hickory Handle Logs	Min length 10' and min DIB 9" at small end	Grade 1: \$475/MBF Doyle Grade 2: \$425/MBF Doyle Grade 3: \$350/MBF Doyle Need logs.	Region I, II, & III
White Oak Stave Logs	White Oak-Length: 8 ½ ' min and add on 2' increments (allow 1 knot per 3' of length", and min. DIB 12" at small end	Grade 1: \$750/MBF Doyle Grade 2: \$600/MBF Doyle Grade 3: \$500/MBF Doyle Need logs.	Region I, II, & III
Paulownia Logs	Min. length 8' and Min. DIB 8" at small end (Must be slow grown – prefer 8-10 growth rings per inch) season Oct to April	\$1,000.00 to \$3,000.00/MBF Doyle (Depending on grade) Buying and looking for logs.	Region I, II, & III
NOTE: Information is taken from a survey of randomly selected wood-using industries in Tennessee.	Specifications vary with industries	All prices are regional averages and are delivered prices per MBF Doyle unless otherwise indicated. They are subject to change and will vary locally. ("+" indicates an increase since our last bulletin; "-" indicates a decrease).	Region I-East Tennessee; Region II-Middle Tennessee; Region III-West Tennessee (See map on page 4)

Delivered Forest Products Prices (cont)

Pine Pulpwood	Pine: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$21/ton or \$56.18/cord \$26+/ton or \$69.55/cord (5350 lbs./ cord) (Gatewood Price)	Region I Region II & III
Hardwood Pulpwood	Hardwood: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$25.50+/ton or \$73.95/cord \$26.50+/ton or \$76.85/cord (5800 lbs. cord) (Gatewood Price)	Region I Region II & III
Softwood Logs	Length: 8'-16' and min DIB 6" at small end	SY Pine: \$175/MBF Doyle White Pine: \$225/MBF Doyle Hemlock: \$200/MBF Doyle SYPine CNS: \$25/ton SYPine Sawlog: \$35/ton Market poor.	Region I & II Region II & III (TN locations)
Veneer Logs	Prime logs only (specifications vary with buyer). Season: Oct to April	Red Oak: \$700-\$1,000/MBF Doyle White Oak: \$800-\$1,500/MBF Doyle Walnut and Cherry: \$700-\$2,000/MBF Doyle Some renewed interest.	Region I, II, & III



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Product: Hardwood Sawlogs

Specifications: (Length: 8'-16'; and Min. DIB 8 " at small end) Delivered Prices

SPECIES	REGION I	REGION II	REGION III
Red Oak	Grade 1: \$635+ Grade 2: \$380+ Grade 3: \$230+	Grade 1: \$505+ Grade 2: \$355- Grade 3: \$265-	Grade 1: \$460+ Grade 2: \$345- Grade 3: \$260-
White Oak	Grade 1: \$765+ Grade 2: \$415+ Grade 3: \$235+	Grade 1: \$615 Grade 2: \$425 Grade 3: \$290+	Grade 1: \$550- Grade 2: \$335- Grade 3: \$240-
Ash	Grade 1: \$400 Grade 2: \$280+ Grade 3: \$160	Grade 1: \$475+ Grade 2: \$380 Grade 3: \$245+	Grade 1: \$315 Grade 2: \$260- Grade 3: \$210-
Yellow Poplar	Grade 1: \$380+ Grade 2: \$260+ Grade 3: \$165+	Grade 1: \$400+ Grade 2: \$285- Grade 3: \$215+	Grade 1: \$340 Grade 2: \$230- Grade 3: \$185-
Walnut	Grade 1: \$930+ Grade 2: \$505+ Grade 3: \$260+	Grade 1: \$1000 Grade 2: \$500 Grade 3: \$315	Grade 1: \$850 Grade 2: \$350 Grade 3: \$235
Cherry	Grade 1: \$680+ Grade 2: \$400 Grade 3: \$195+	Grade 1: \$510- Grade 2: \$275- Grade 3: \$205-	Grade 1: \$675 Grade 2: \$365- Grade 3: \$215-
Hard Maple	Grade 1: \$625+ Grade 2: \$380+ Grade 3: \$195+	Grade 1: \$565- Grade 2: \$400- Grade 3: \$220-	Grade 1: \$ 0* Grade 2: \$265- Grade 3: \$220-
Hickory	Grade 1: \$325+ Grade 2: \$275 Grade 3: \$165	Grade 1: \$370+ Grade 2: \$300+ Grade 3: \$205+	Grade 1: \$ 0* Grade 2: \$270- Grade 3: \$210-
Miscellaneous Hardwoods	Average: \$150-	Average: \$170+	Average: \$190

****Note:** Prices quoted are per thousand board feet (MBF) Doyle Rule delivered to mill.

*Not enough data.

Oct-Dec 2009

TFA Regional Meeting Dates

December 1 Dover/Cindy's Catfish Restaurant

6:00 p.m. (CST)

Registration: \$15.00 pay at door

Program: "Changes in North American

Hardwood Marketplace"

David Caldwell, Hardwood Market Report, Memphis

December 3 Knoxville/Ye Old Steak House

Social Hour: 5:00 p.m. Dinner, 6:00 p.m. (EST)

Registration: \$30.00 pay at door

Program: "Hardwood Market Certification

Attitudes & Impacts"

Dan Meyer, Hardwood Review, Charlotte, NC

(invited)

December 16 Crossville/Cumberland Mtn. State Park

Social Hour: 5:00 p.m. Dinner, 6:00 p.m. (CST)

Registration: \$15.00 pay at door

Program: "Why Landowners Need Liability

Coverage"

Tom Skaggs, Outdoor Underwriters

Update from TWRA on Landowners Assistance