

TENNESSEE FOREST PRODUCTS BULLETIN



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

MARKET REPORT

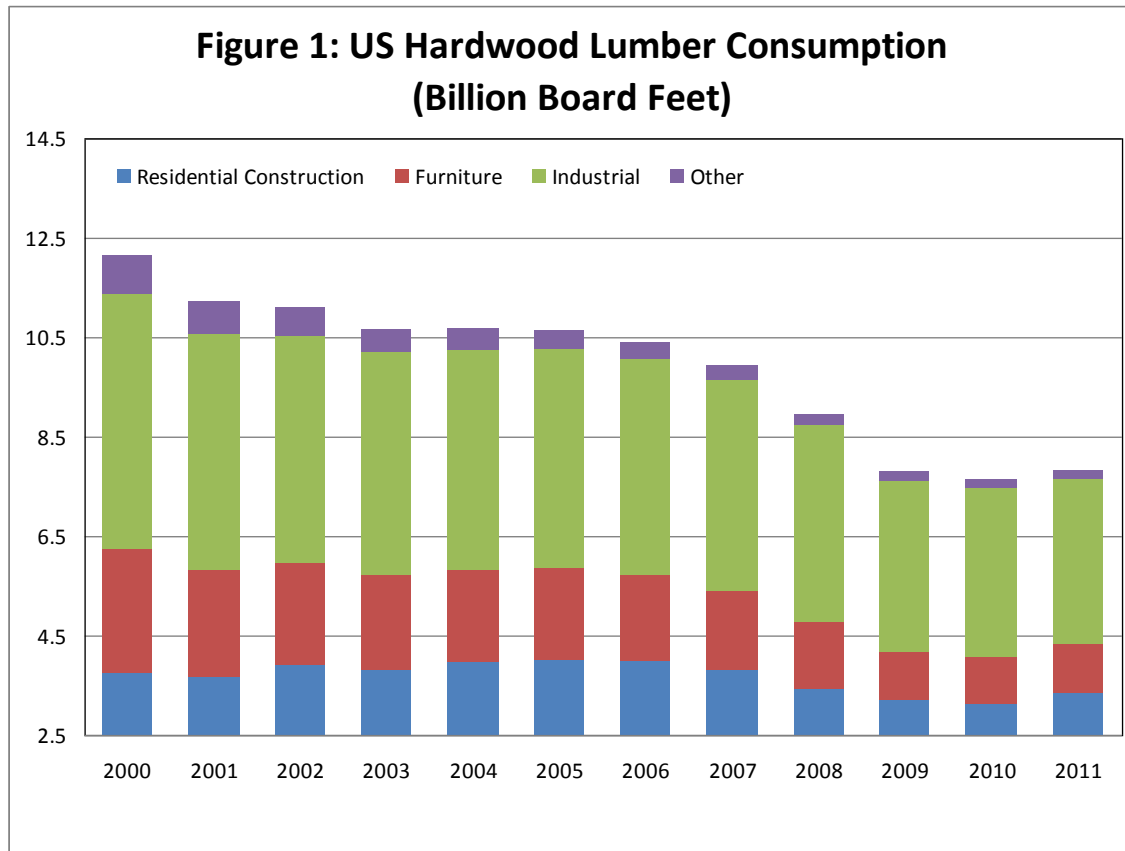
Finally some better market news. Pulpwood prices are up because of the poor weather this winter. The pulp mills have been low on log inventory as we had feared since last fall. There are reports of some mills paying as much as \$50 per ton for hardwood pulpwood at some distance from the mill. This has had an adverse affect on the supply of hardwood sawlogs and tie logs as it has become more economical to throw the marginal logs into the pulpwood pile at the logging site. Sawmills are looking for logs especially since the winter has been tough for log supply. Tie buyers are looking for ties and the prices are steady.

Hardwood lumber prices are up in the last few months, but the increase seems to be supply driven. When more mills startup as the weather improves, the prices may fall again in the classic supply and demand relationship; hopefully not. Sales of new and existing homes are down from December, certainly early in the year the very poor weather across the whole country has had some affect. More information and an excellent housing market forecast is available on the National Association of Home Builders (NAHB) website shown here: http://www.nahb.org/reference_list.aspx?sectionID=138

An article in the March 2010 NHLA, "Hardwood Matters" publication has the title "A happier new year for the economy and housing, but...", suggesting that we have reached the bottom and are on the way back up but that it could be a bumpy and very slow year. They predict a 700,000 housing start year in 2010, about half of a normal year. There continue to be a number of factors that are holding back any real recovery for housing; tight loan money, foreclosures and the poor job market are a few. There can not be any real improvement in the hardwood lumber markets until housing improves.

To make that point I have included a hardwood lumber consumption forecast by the folks at Penn State. The graph below is from *Penn State Executive Briefings* March 2010, “Outlook for US Hardwood Lumber Demand in 2010-2011”, by Robert Berg and Bruce Lord. The complete article can be read soon at: <http://woodpro.cas.psu.edu/Briefings.htm>

We can hope they are conservative.



The TFA has an excellent article in its latest *TreeLine*, “Status of the Forest Industry in Tennessee”. It is on the website at: [http://www.tnforestry.com/files/1131/File/TREELINE_FEB2010_EMAIL_VER1\(1\).pdf](http://www.tnforestry.com/files/1131/File/TREELINE_FEB2010_EMAIL_VER1(1).pdf). The data is based upon estimates for 2009, but the actual data will be available soon from the TN Division of Forestry/US Forest Service Industry Survey. Speaking of the industry survey, I want to thank all of you that have participated in the survey; the TDF area field forestry folks that have done the survey field work, all the forest products facilities in TN who have supplied the information and Debra who has checked and entered all the data in the Nashville office.

Thank you all.

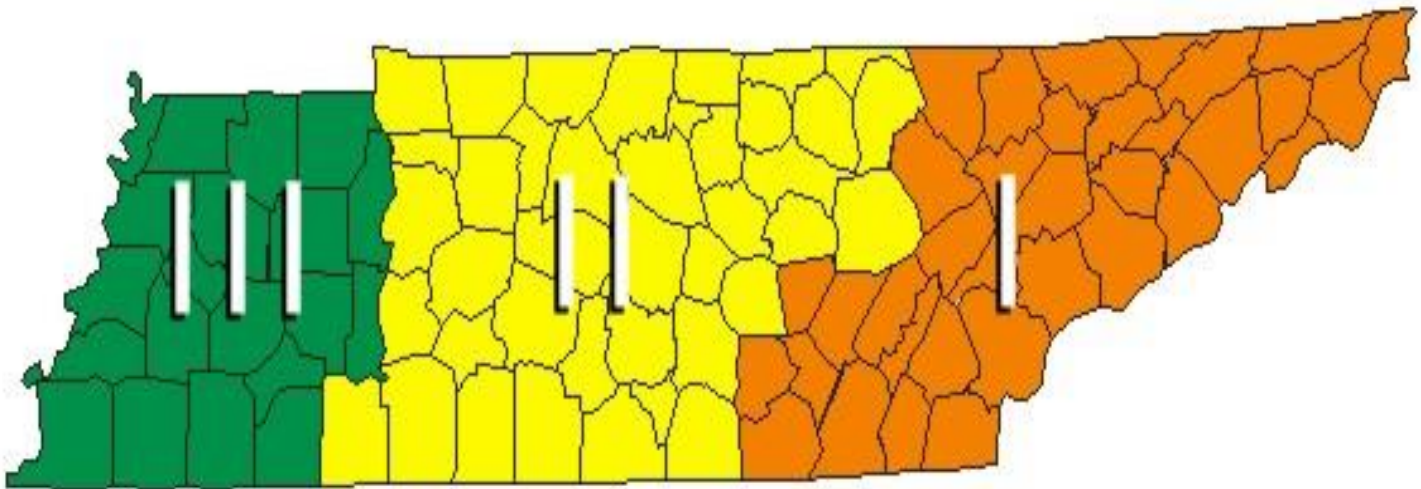
DELIVERED FOREST PRODUCT PRICES

<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 Need ties. <u>Mixed Hdw</u> \$20.75 \$15 \$10	Region I, II, & III
Hickory Handle Logs	Each mill will have their own requirements Better/different than Hickory sawlogs on page 4 Added mills 2010.1	Grade 1: \$475/MBF Doyle Grade 2: \$400-/MBF Doyle Grade 3: \$300-/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	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)

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Delivered Forest Products Prices (cont)

Pine Pulpwood	Pine: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$22+/ton or \$58.85/cord \$29+/ton or \$77.58/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	\$30.00+/ton or \$87.00/cord \$31.00+/ton or \$89.90/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	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: \$665+ Grade 2: \$435+ Grade 3: \$260+	Grade 1: \$555+ Grade 2: \$355 Grade 3: \$265	Grade 1: \$540+ Grade 2: \$375+ Grade 3: \$275+
White Oak	Grade 1: \$780+ Grade 2: \$475+ Grade 3: \$245+	Grade 1: \$615 Grade 2: \$425 Grade 3: \$290	Grade 1: \$600+ Grade 2: \$355+ Grade 3: \$260+
Ash	Grade 1: \$400 Grade 2: \$275- Grade 3: \$155-	Grade 1: \$475 Grade 2: \$380 Grade 3: \$245	Grade 1: \$335+ Grade 2: \$280+ Grade 3: \$225+
Yellow Poplar	Grade 1: \$385+ Grade 2: \$265+ Grade 3: \$175+	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: \$760+ Grade 2: \$375+ Grade 3: \$265+	Grade 1: \$675 Grade 2: \$365 Grade 3: \$215
Hard Maple	Grade 1: \$580- Grade 2: \$360- Grade 3: \$190-	Grade 1: \$620+ Grade 2: \$475+ Grade 3: \$270+	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: \$170+	Average: \$170	Average: \$190

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

*Not enough data.

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Wanted to Buy:

Loblolly or shortleaf pine for utility poles. 36 foot to 76 foot in length (length is determined by diameter). Roadside pricing.

Call Doug Curry, Bell Timber for specifications and details. 715-418-9333.