

TENNESSEE FOREST PRODUCTS BULLETIN



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

MARKET REPORT

The hardwood lumber market has all the indications of turning around even though the housing market numbers do not really support a tremendous improvement. The housing starts are projected to be about 700,000 for 2010, up from 500,000 at the start of the year. Prices have risen steadily in the past few months, mostly because of low inventories in the supply line. All of the mills I have talked to have increased their production and hours to a more normal schedule of at least 40 hours per week. Log inventories have increased even with poor weather and the increase in running at most facilities. After many months of struggle they are hoping they can break even. Saw log prices have increased for many mills in the upper grades.

Export lumber sales continue to be a bright spot in the marketplace. Exports to China are up significantly as that market has become a net consumer of US hardwoods. Vietnam continues to make furniture for much of the rest of the world and is increasing its imports with poplar as its largest volume species. The European markets have historically been very good for the US but are slowing down because of the devaluation of the euro due to debt and other financial issues.

The tie market is excellent, most yards currently need ties. The same is true for hickory handle logs and white oak stave logs. Business is good for those specialty markets. Pulpwood markets are getting filled now that the weather has improved. Many mills were very low on log inventory this winter and prices went up dramatically in some cases as they scrambled for pulpwood to keep running. Prices are down to more normal conditions and many mills now have loggers on production quotas.

Everyone wants to know when the market will improve. Of course now one knows; certainly not me, but we do know that it will take the housing market to get back to a more normal level and that probably won't happen until the unemployment rate comes down and we all stop spending more than we earn. A fairly basic principle, but sometime the most basic are the most difficult.

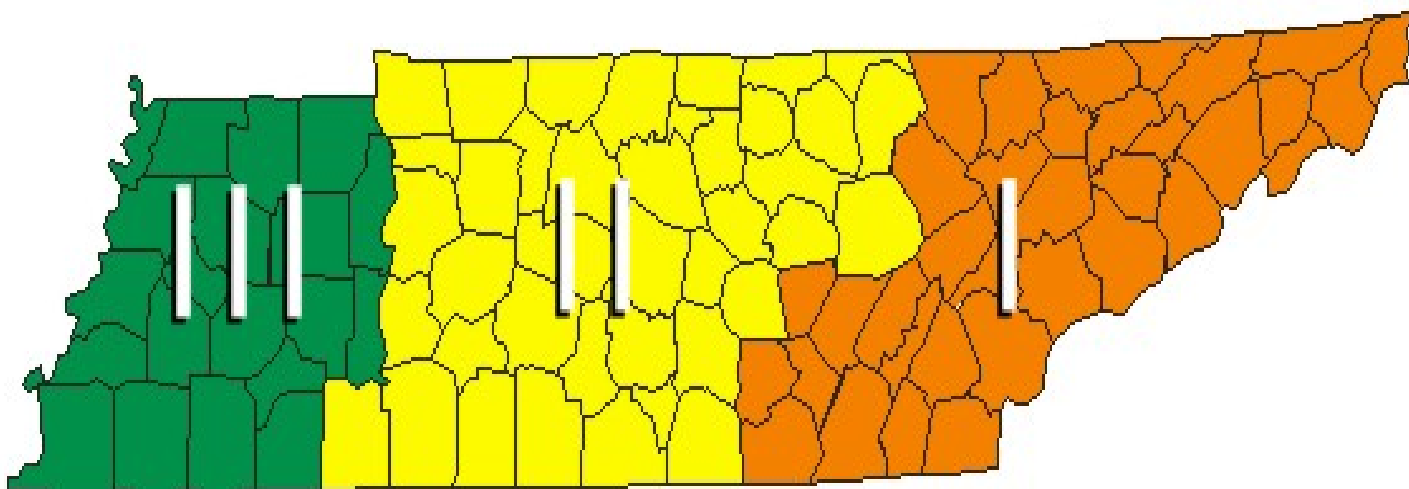
DELIVERED FOREST PRODUCT PRICES

<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) Need logs.	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: \$21.50+ Grade 4: \$16+ Grade 3: \$12+ Need ties. <u>Mixed Hdwd</u> \$21.50+ \$16+ \$12+	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 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) Slow: Summer	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 \$28-/ton or \$74.90/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	\$29.00-/ton or \$84.10/cord \$29.00-/ton or \$84.10/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 Slow: Summer	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: \$680+ Grade 2: \$455+ Grade 3: \$275+	Grade 1: \$580+ Grade 2: \$355 Grade 3: \$270+	Grade 1: \$590+ Grade 2: \$405+ Grade 3: \$285+
White Oak	Grade 1: \$815+ Grade 2: \$495+ Grade 3: \$265+	Grade 1: \$640+ Grade 2: \$425 Grade 3: \$290	Grade 1: \$640+ Grade 2: \$385+ Grade 3: \$270+
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: \$390+ Grade 2: \$265 Grade 3: \$175	Grade 1: \$410+ Grade 2: \$285 Grade 3: \$220+	Grade 1: \$350+ Grade 2: \$230 Grade 3: \$185
Walnut	Grade 1: \$850- Grade 2: \$510+ Grade 3: \$285+	Grade 1: \$1000 Grade 2: \$500 Grade 3: \$315	Grade 1: \$850 Grade 2: \$350 Grade 3: \$235
Cherry	Grade 1: \$600- 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: \$690+ Grade 2: \$450- Grade 3: \$275+	Grade 1: \$ 0* Grade 2: \$265 Grade 3: \$220
Hickory	Grade 1: \$320- Grade 2: \$290+ Grade 3: \$175+	Grade 1: \$370 Grade 2: \$300 Grade 3: \$205	Grade 1: \$ 0* Grade 2: \$270 Grade 3: \$210
Miscellaneous Hardwoods	Average: \$170	Average: \$180+	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.

Business partner needed in start-up lumber exporting business in Nashville. Contact stjoeslbr@aol.com or call 615 269 5514.