

TENNESSEE FOREST PRODUCTS BULLETIN



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

MARKET REPORT

Caution is the word for this quarter. That is how I was going to start off this quarter's commentary, but when listening to the business news this morning the news seems to be all bad concerning the US economy. GNP numbers are down, housing is anemic and unemployment continues to be nearly 10 percent. The hardwood lumber markets picked up significantly the first months of this year, but have now slowed. Evidently all the concern about the rise in the market being caused by inventory levels and supply chain were correct. Railroad ties are an exception; they are in short supply in almost every location. The housing market continues to be poor, for a number of reasons; primarily the high rate of unemployment and concerns about the economy in general. The elections will be interesting this November and we should know the results by the time for the fourth quarter bulletin.

The international markets were strong the first of the year and there have been increases in volumes for both Red Oak and Ash, but now China has slowed. The domestic use of US hardwoods has grown in China as that economy expands for more of the population. Europe is slow as well because of a weak economy and the devalued euro.

Reporting in the August 2010 "Wood and Wood Products" magazine on page 78 stated that SFI had announced that 79 members of the US House of Representatives had signed a letter to the US Green Building Council to end the exclusive use of FSC in LEED credits. This could be very helpful to the hardwood industry.

More on the SFI website: http://www.sfiprogram.org/files/pdf/House-letter-LEED_2010jul.pdf

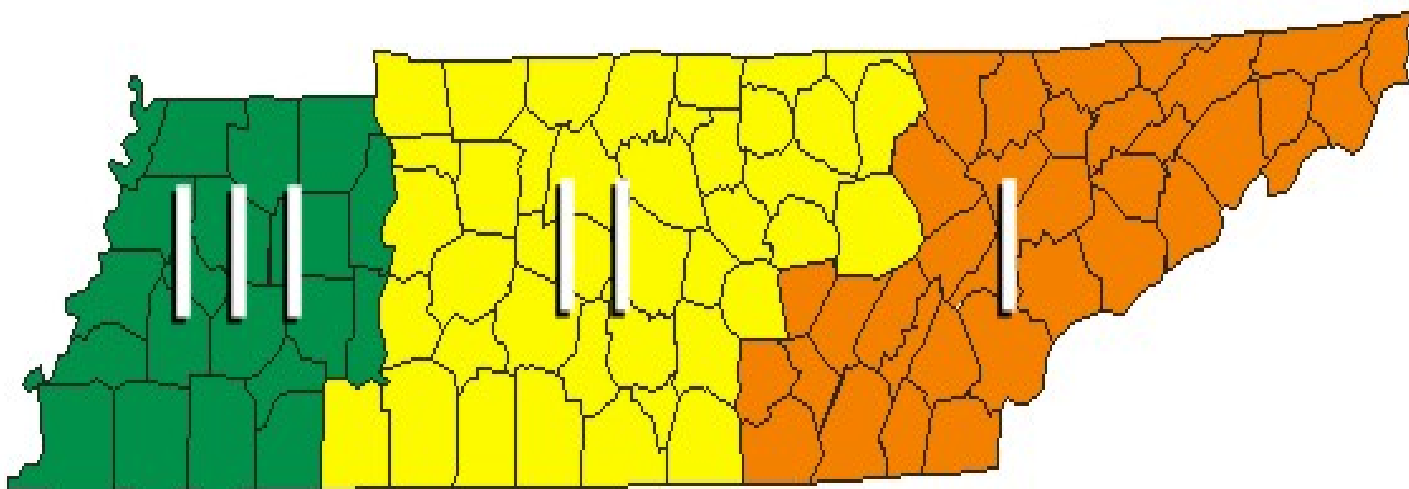
Please also take a look at the TFA website for the latest news concerning ash and walnut pests that have recently made TN their home.

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)	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: \$22+ Grade 4: \$16 Grade 3: \$13+ Need ties. <u>Mixed Hdwd</u> \$22+ \$16 \$13+	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 some 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) Summer, very little buying.	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	\$22/ton or \$58.85/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	\$29.00/ton or \$84.10/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 Summer, not buying.	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: \$370+ Grade 3: \$275+	Grade 1: \$640+ Grade 2: \$430+ Grade 3: \$285
White Oak	Grade 1: \$815 Grade 2: \$495 Grade 3: \$265	Grade 1: \$640 Grade 2: \$430+ Grade 3: \$300+	Grade 1: \$680+ Grade 2: \$415+ Grade 3: \$270
Ash	Grade 1: \$425+ Grade 2: \$300+ Grade 3: \$180+	Grade 1: \$515+ Grade 2: \$405+ Grade 3: \$250+	Grade 1: \$385+ Grade 2: \$280 Grade 3: \$210-
Yellow Poplar	Grade 1: \$390 Grade 2: \$265 Grade 3: \$175	Grade 1: \$415+ Grade 2: \$300+ Grade 3: \$215-	Grade 1: \$385+ Grade 2: \$265+ Grade 3: \$205+
Walnut	Grade 1: \$950+ Grade 2: \$575+ Grade 3: \$360+	Grade 1: \$1375+ Grade 2: \$525+ Grade 3: \$345+	Grade 1: \$850 Grade 2: \$370+ Grade 3: \$235
Cherry	Grade 1: \$585- Grade 2: \$350- Grade 3: \$190-	Grade 1: \$835+ Grade 2: \$375 Grade 3: \$270+	Grade 1: \$700+ Grade 2: \$390+ Grade 3: \$240+
Hard Maple	Grade 1: \$580 Grade 2: \$385+ Grade 3: \$215+	Grade 1: \$640- Grade 2: \$400- Grade 3: \$275	Grade 1: \$ 0* Grade 2: \$290+ Grade 3: \$225+
Hickory	Grade 1: \$320 Grade 2: \$290 Grade 3: \$175	Grade 1: \$370 Grade 2: \$300 Grade 3: \$205	Grade 1: \$ 0* Grade 2: \$300+ Grade 3: \$225+
Miscellaneous Hardwoods	Average: \$170	Average: \$180	Average: \$200+

****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.