

The header graphic features a large green silhouette of a logging machine on the left. In the center, the title 'TENNESSEE FOREST PRODUCTS BULLETIN' is displayed in bold, black, sans-serif capital letters. To the right of the title is the Tennessee Forestry logo, which is an oval containing a tree and the text 'TENNESSEE FORESTRY' and 'DEPARTMENT OF AGRICULTURE'. Below the logo is a small green silhouette of a logging truck.

TENNESSEE FOREST PRODUCTS BULLETIN

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<http://tn.gov/agriculture/forestry>

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

2012 Housing Market Update

So far in 2012, housing has been one of the brighter areas for construction. Multifamily housing is strengthening, and single family housing is finally registering steady growth, although in a very gradual manner. In other words, the housing market is healing and has yet to fully recover. In many categories, it is 50% or more below where housing would be in a moderate to robust economy.

According to numbers released by the U.S. Department of Housing and Urban Development, existing home sales jumped to their highest level in more than two years. Home sales rose 7.8% month over month to 4.82 million in August – a 9.3% increase from one year ago. Nationally, sales were at their highest level since May 2010, so home sales are now 61% back to normal from their worst point during the bust. In the West region, however, sharp inventory declines prevented home sales from rising at all year over year.

The delinquency + foreclosure rate has hit a post-recession low. In August, 10.91% of mortgages were delinquent or in foreclosure, down from 11.11% in July. The combined delinquency + foreclosure rate is at its lowest level since March 2009 and is 38% back to normal.

At a seasonally adjusted annual rate of \$433.9 billion, new construction starts in August climbed 8% relative to July. After declines in the previous three months, the August pickup was the result of greater activity for each of construction's three main groups – nonresidential building, residential building, and non-building construction.

During the first 8 months of 2012, total construction starts on an unadjusted basis came in at \$304.5 billion, up 3% from the same period a year ago.

Lastly, existing house sales spiked sharply upward and new house sales declined. The number of available existing houses for sale increased, while new houses for sale were unchanged from July. Private investors remained key purchasers of existing, foreclosed, and bank-owned homes.

New housing starts and sales, existing and new house sales, remain at mediocre levels contrasted to their respective historic levels. Economists believe that this will remain the norm for several more years even with record low interest rates and housing affordability, citing consumer confidence, a lack of well-paying jobs, declining real median annual household incomes, and strict home loan lending standards barriers to sustained growth.

2012 Directory of Tennessee's Forest Industries Now Available

The Tennessee Department of Agriculture, Division of Forestry, has just published their **2012 Directory of Tennessee's Forest Industries**. This is a biannual directory of over 400 primary and secondary wood using industries that are located in the state of Tennessee. The purpose of the directory is to help bring together potential customers, suppliers and manufacturers seeking to buy or sell specific forest products.

This Directory is published as a cooperative project between the USDA Forest Service's Southern Research Station and the Tennessee Department of Agriculture, Division of Forestry.

The information in the directory is provided through the cooperation of Tennessee's forest industry, which provides survey data to Division of Forestry foresters and technicians from facilities across the state.

This directory can be downloaded from the Tennessee Department of Agriculture's website at <http://www.tn.gov/agriculture/publications/forestry/woodusingindustries.pdf>

Delivered Forest Product Prices in Tennessee

October – December, 2012

Product	Specifications**	Prices	Region
Cedar Logs	Length-6' to 12' and min DIB 4" at small end	\$55.00 to \$75.00/ton (also \$370.00 to \$300.00 MBF Cedar 2/3 Rule)	II
Crosstie Logs	Length-8' 8" min DIB 11" and up Must be sound on both ends	<u>Oak</u> Grade 1: \$360/MBF Doyle Grade 2: \$275/MBF Doyle <u>Mixed Hardwoods</u> Grade 1: \$300/MBF Doyle Grade 2: \$250/MBF Doyle	I, II & III
Hickory Handle Logs	Each mill will have their own requirements. Better/different than Hickory sawlogs on page 4.	Grade 1: \$450/MBF Doyle Grade 2: \$265/MBF Doyle Grade 3: \$150/MBF Doyle	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: \$700/MBF Doyle Grade 2: \$600/MBF Doyle Grade 3: \$400/MBF Doyle	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- April	\$1,000.00 to \$3,000.00/MBF Doyle (Depending on grade)	I, II III
Pine Pulpwood	Pine: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$25/ton or \$58.85/cord \$26/ton or \$69.55/cord (5350 lbs./ cord) (Gatewood Price)	II & III

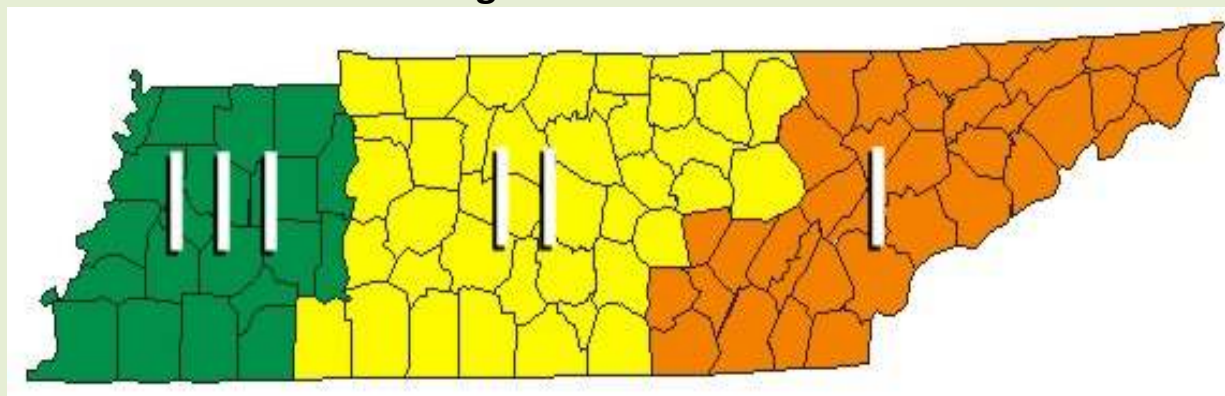
Hardwood Pulpwood	Hardwood: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	\$26/ton or \$84.10/cord	I
		\$26.50/ton or \$76.85/cord (5800 lbs. cord Gatewood Price)	II & III
Softwood Logs	Length: 8'-16' and min DIB 6" at small end	SY Pine: \$125/MBF Doyle White Pine: \$225/MBF Doyle Hemlock: \$180/MBF Doyle SY Pine CNS: \$25/ton SY Pine Sawlog: \$35/ton Market very poor.	I & II
Veneer Logs	Prime logs only (specifications vary with buyer). Season: Oct to April	Red Oak: \$525-\$850/MBF Doyle White Oak: \$600-\$1,200/MBF Doyle Walnut and Cherry: \$1,000-\$3,000-/MBF Doyle	I, II & III

*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)

Regions of Tennessee



Hardwood Sawlogs*

Species	Region I	Region II	Region III
Red Oak	Grade 1: \$453- Grade 2: \$360- Grade 3: \$199-	Grade 1: \$554 Grade 2: \$381 Grade 3: \$275	Grade 1: \$455- Grade 2: \$380- Grade 3: \$288+
White Oak	Grade 1: \$425- Grade 2: \$307- Grade 3: \$199-	Grade 1: \$638 Grade 2: \$444 Grade 3: \$195	Grade 1: \$497- Grade 2: \$397- Grade 3: \$297+
Ash	Grade 1: \$350- Grade 2: \$241- Grade 3: \$152-	Grade 1: \$473+ Grade 2: \$313+ Grade 3: \$213	Grade 1: \$463+ Grade 2: \$383- Grade 3: \$250-
Yellow Poplar	Grade 1: \$260- Grade 2: \$192- Grade 3: \$104-	Grade 1: \$320 Grade 2: \$238 Grade 3: \$200	Grade 1: \$273- Grade 2: \$217- Grade 3: \$177-
Walnut	Grade 1: \$558- Grade 2: \$375- Grade 3: \$200-	Grade 1: \$1050 Grade 2: \$475 Grade 3: \$213	Grade 1: \$1200+ Grade 2: \$567 Grade 3: \$367+
Cherry	Grade 1: \$500 Grade 2: \$288 Grade 3: \$146	Grade 1: \$293- Grade 2: \$225 Grade 3: \$178	Grade 1: \$725+ Grade 2: \$367- Grade 3: \$283+
Hard Maple	Grade 1: \$445- Grade 2: \$301- Grade 3: \$152-	Grade 1: \$450+ Grade 2: \$300 Grade 3: \$213	Grade 1: \$ 0 Grade 2: \$250+ Grade 3: \$200+
Hickory	Grade 1: \$306 Grade 2: \$250 Grade 3: \$167	Grade 1: \$353 Grade 2: \$225 Grade 3: \$188	Grade 1: \$ 0 Grade 2: \$233 Grade 3: \$150+
Miscellaneous Hardwoods	Average: \$65	Average: \$88	Average: \$67

**Specifications: (Length: 8'-16'; and Min. DIB 8 " at small end) Delivered Price
Prices quoted are per thousand board feet (MBF) Doyle Rule delivered to mill
Increase from last quarter (+); Decrease from last quarter (-)*



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.
- ❖ **Logs for Export:** An exporting company based out of Southern Illinois is interested in buying veneer logs for export. Any information or bid proposals can be e-mailed to swsveneer@gmail.com or call Derek Wilson at 618-559-7568.

For Sale:

- ❖ **SCHAEFER ENTERPRISES OF WOLF LAKE, INC** –Rely on our experience, established in 1967. Used Parts Shipped Daily for Log Skidders, Crawlers, Loader Backhoes, Excavators, Wheel Loaders and Skid Steers. We have many reconditioned engines and transmissions that are Dyno-Tested. Rebuilt winches, final drives and used tires. If we do not have a part – we can locate it for you on one of our three nationwide parts locators. Contact a parts professional at: (618) 833-5498 or (800) 626-6046. We are located at 4535 State Route 3 North, Wolf Lake, IL 62998. Check out our inventory at – www.sewlparts.com or you may send email requests to parts@sewlparts.com.

Other:

- ❖ “Starting export lumber company in Nashville, need business partner.” Contact stjoeslbr@aol.com.

The Tennessee Forest Products Bulletin welcomes those items that you are looking to buy or sell in The Trading Post. Contact Debra Dawson: Debra.Dawson@tn.gov; 615-837-5540; 615-837-5003 (Fax) with your submissions.