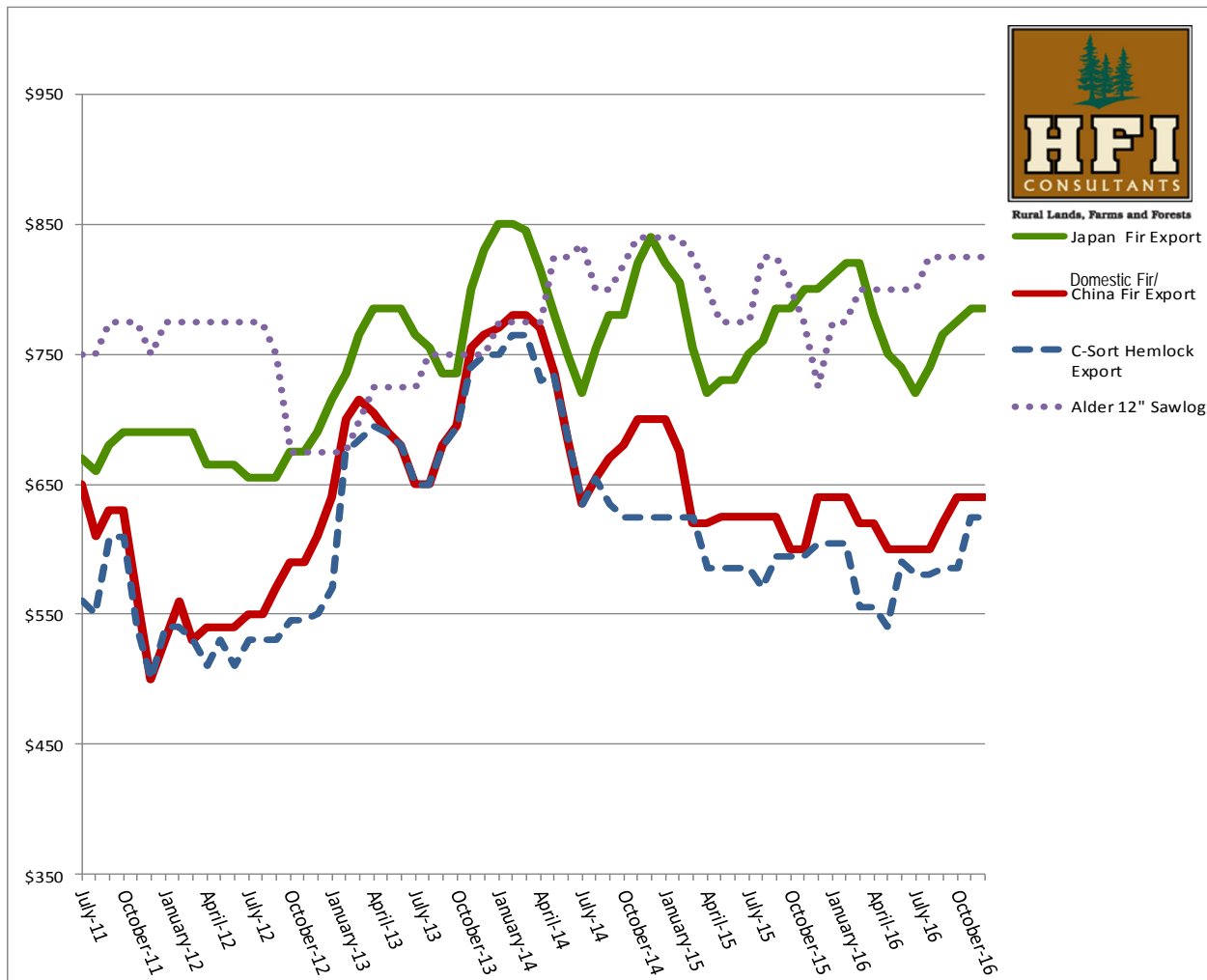


6 Year Log Price Trends



Log prices continue their seasonal climb upward. This has been a typical pattern for the past few years. Prices climb in the 4th Quarter, continue into the 1st Quarter and begin to decline in the 2nd Quarter. This is mostly due to supply shortages of all logs in the winter months. However, in 2017, we may see a change to this pattern.

With the expiration of the Softwood Lumber Agreement with Canada expecting to result in tariffs and/or quotas on Canadian lumber (and reduced supply from Canada), coupled with the expectation that the incoming administration will be more US business friendly, forecasters are calling for lumber prices to increase through the next year (and log prices with it). This will be great news for domestic log sales if it happens.

As expected, there has been a surge of Canadian lumber shipped to the US in 2016. This trend will probably continue into 2017 until tariffs and/or quotas take effect in the spring. After that, we hope to see prices take off on the domestic side.

Right now, China fir export log prices are lagging way behind the domestic fir sawlog prices. Most of our China log sorts end up going to domestic mills, so from now on, our price trend chart will say "Domestic Fir" / "China Fir export".

Merry Christmas and a Happy New Year.

*This graph is intended to show market trends. Actual prices may be different at time of harvest.

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