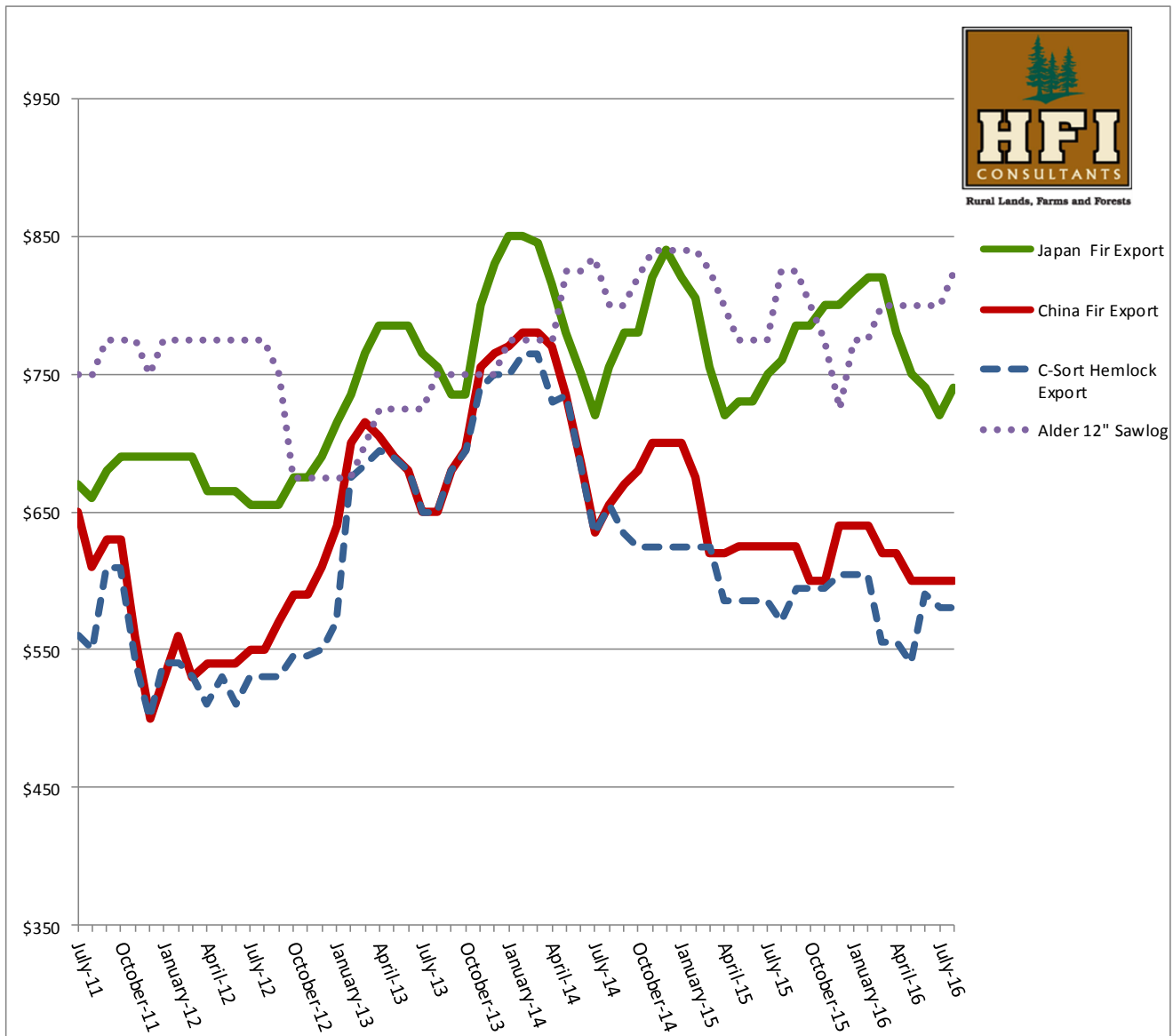


5 Year Log Price Trends



Japanese export prices are starting their seasonal climb. We expect this trend to continue to the end of the year and perhaps longer. China log prices are still pretty flat. China is getting cheap logs from Russia so we don't have much hope for a big buying surge that we had seen from China customers a few years ago. The good news is that new home sales are on the rise, creating a bit more demand for logs from our local mills, which in turn will help offset the low demand for China logs.

As mentioned in the last newsletter, the Softwood Lumber Agreement has expired with Canada and each side is far apart on renegotiating a new one. The time is up in October to strike a deal or tariffs and quotas may be implemented on Canadian lumber by the US side. Canada sells a huge amount of lumber to the US market so any limitations put on Canadian wood is likely to push log prices higher here.

Cedar, alder and maple prices are pretty much the same depending on the mill.

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

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