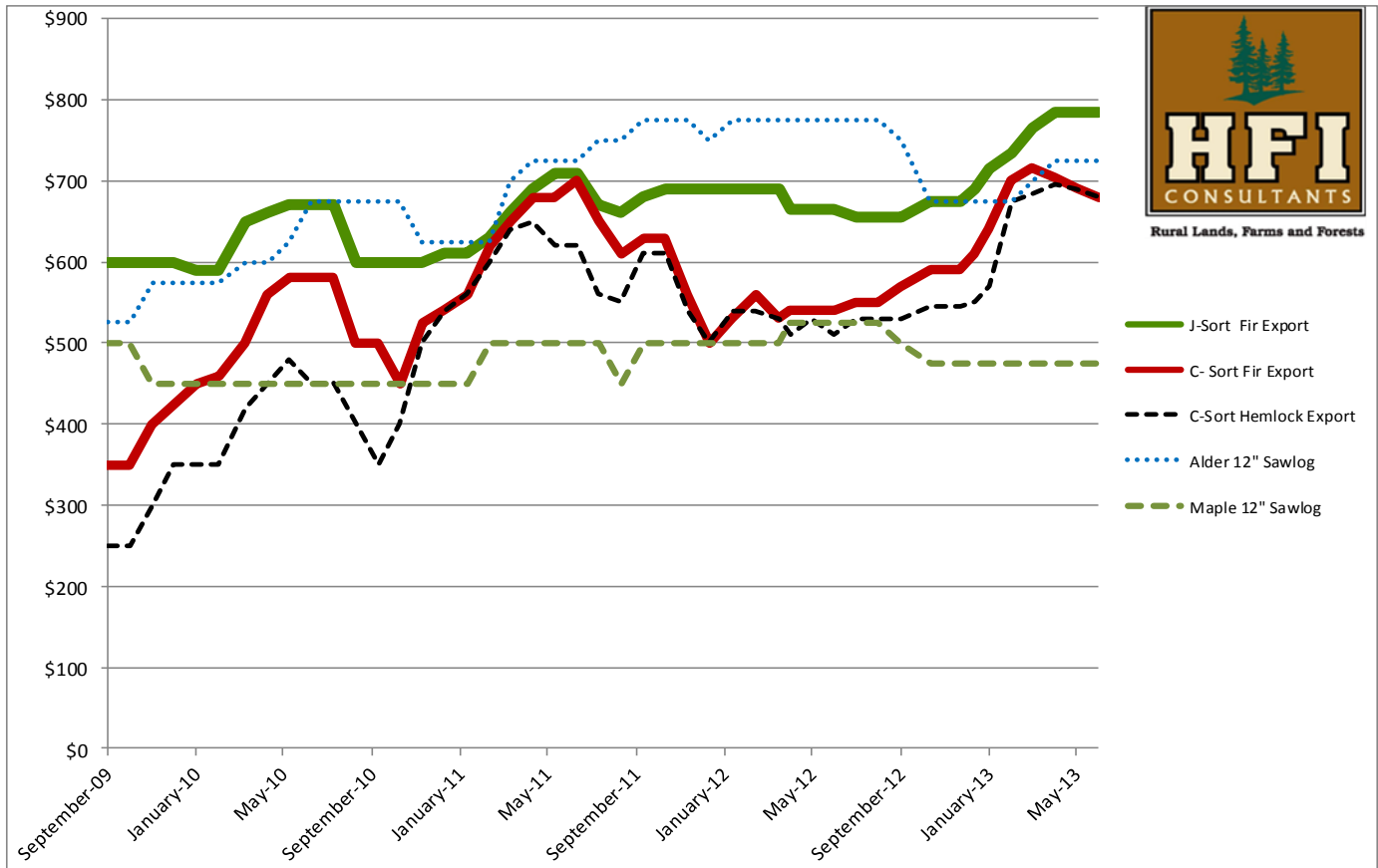


June 2013 Log Price Trends



Domestic lumber prices have plunged due to an oversupply (most think temporarily) and are putting pressure on export log prices. Although the demand for export is still strong and the prices have stayed flat on J-logs and slightly down on China logs, we can expect a downward trend until domestic lumber prices recover. The last look says that lumber hit the bottom of the bounce and is trending upward. Market dynamics are still positive for a strong lumber market according to some reports.

A summer drop in price is pretty typical though as farmer wood hits the market. Be sure and secure purchase orders before cutting. Also, look for quotas to start if demand falters even more. Good Japanese logs will sell well but the China logs may be harder to move at the prices we have seen this spring.

The sudden die back in some Douglas-fir trees in our area as was talked about in the last newsletter has been attributed to the drought we had last year according to the DNR Forest Health Program. The dry summer along with a drier than normal spring has caused some trees, especially in the 5-15 year old age class, to turn red. Beetles and insects are not thought to be the cause of the die-back, although they may target the tree after it is under stress.

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