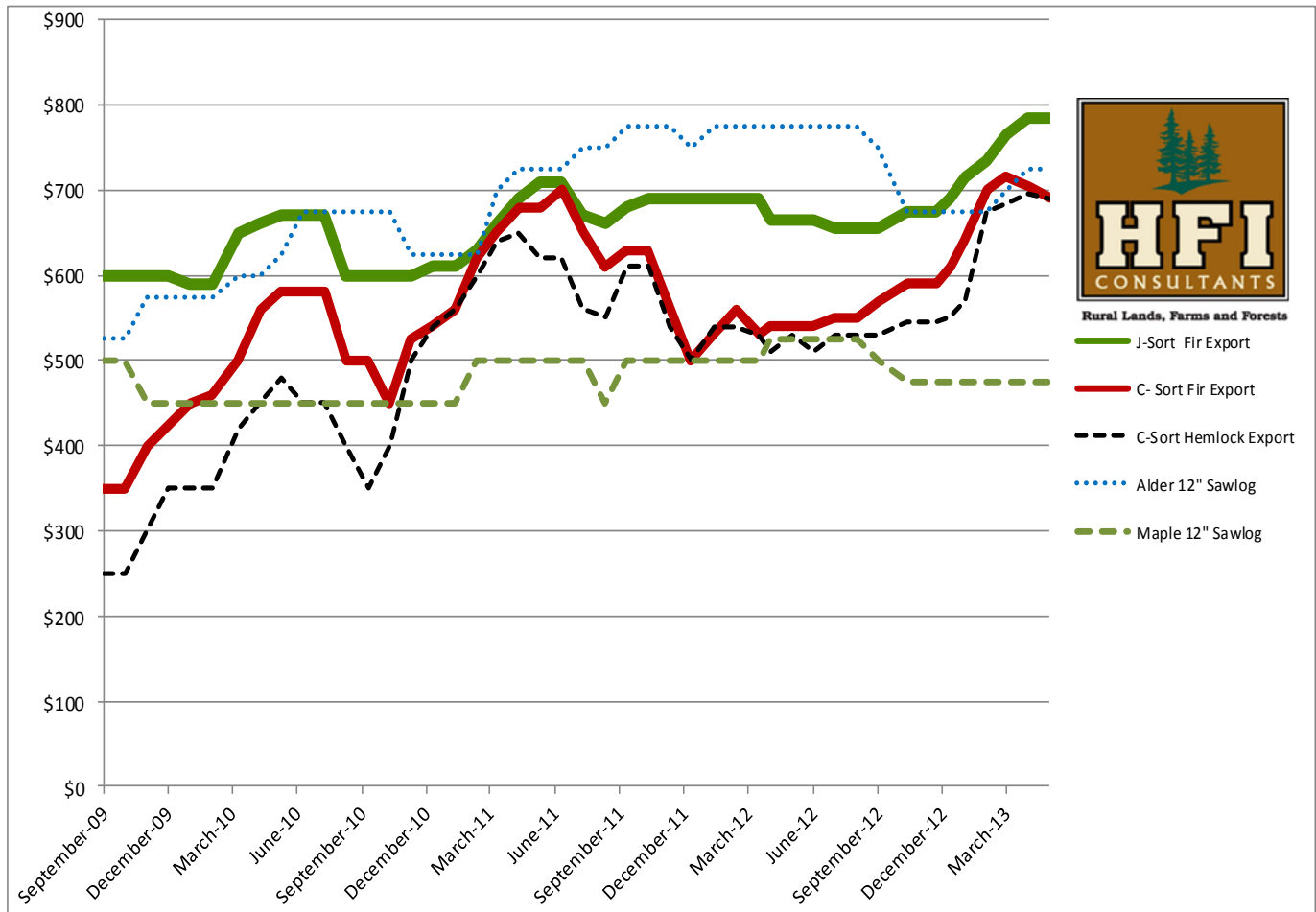


May 2013 Log Price Trends



Most prices have plateaued for May with China Sort logs dropping about 3% from the high in March. Demand is still very good and with the domestic mills matching the China sort logs so I don't expect any further decrease in prices in the short term. It still looks like a very good summer to log.

Alder is still in demand and moving slowly upward. Cedar is at a high of \$1500 per thousand board feet at some mills.

Home sales are surging much faster than expected. In our area, there are stories of homes on the market for just a few days and some offering above the listed price. If this continues, the supply of existing homes will be gone soon and new home construction will really take off. Expect land prices to climb with it.

There is a sudden die back in some Douglas-fir trees in our area.... Not sure at this point what is the cause. The pattern is unusual....it seems to be occurring individually, rather than in clumps. It could be related to the very warm weather we have had recently, or as some think, it could be Swiss Needle Cast, a fungus that is prevalent in wetter areas such as the Washington and Oregon coastal strip. We have not heard of an outbreak of insects that would cause this. If anyone has observations, let me know.

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

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