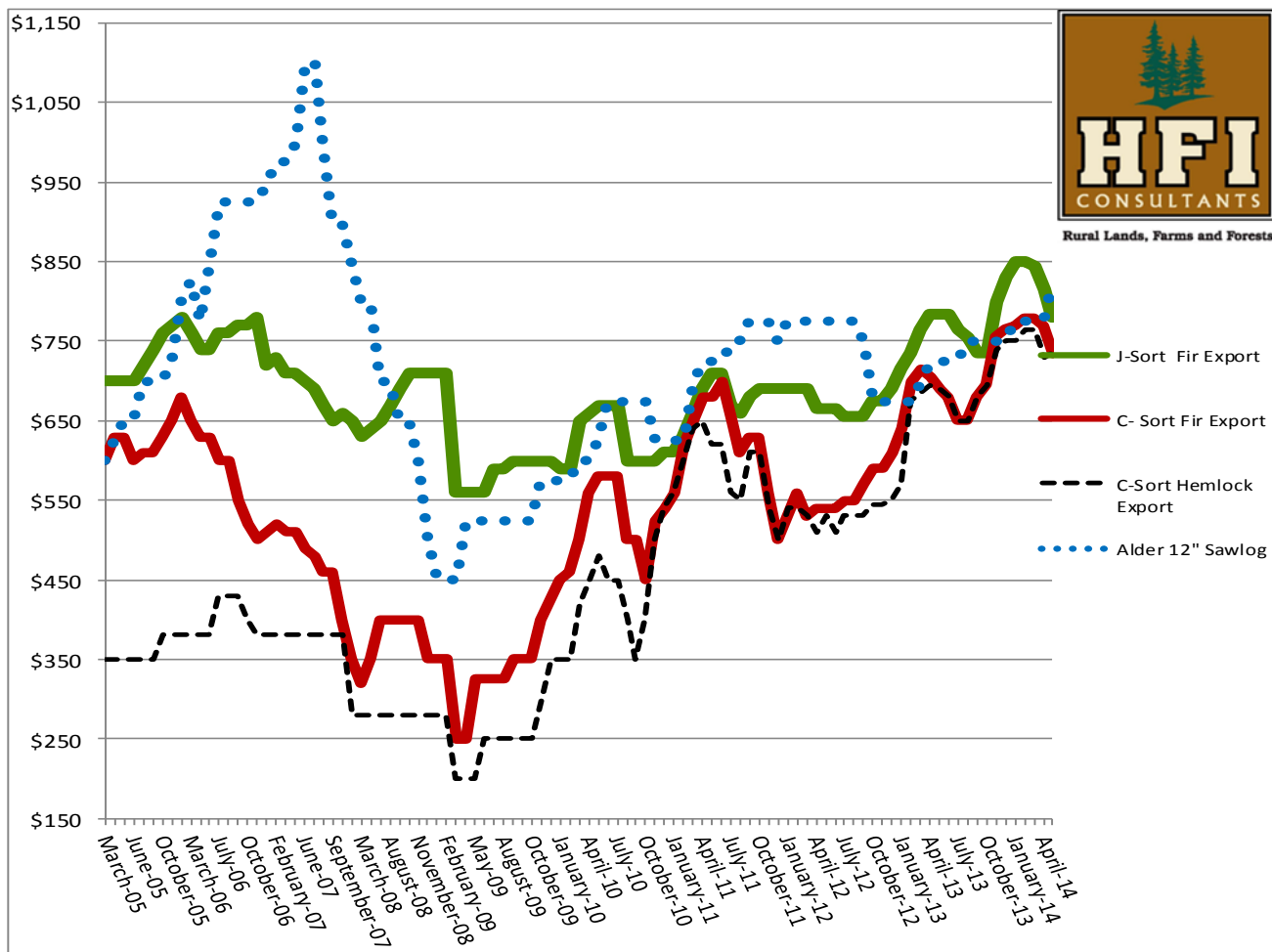


Monthly Price Trends March 2005 to Present



Over supply of export logs has put the damper on export prices. Weyerhaeuser, the biggest export buyer, has dropped prices and has put quotas limiting the number of loads delivered to their docks to try and slow down the amount of incoming volume. New purchase orders are not being written in another effort to limit production. All this resulted from a combination of several things, including a delay in ship schedules, a large amount of Weyerhaeuser's own wood hitting the market along with a softening demand for our logs in China and Japan. Prices have dropped 10% or more since March. How long before prices recover to March levels is anyone's guess...some say in the fall at the soonest.

Domestic softwood prices have also dropped in concert with the export prices. Housing starts have not materialized as expected keeping the lumber prices down a bit although long term demand still looks positive according to log buyers.

The bright spot is alder and maple. Prices on alder have jumped to over the \$800 level for 12" logs the first time since June of 2008. Maple is in strong demand at the \$600 level for 12" logs.

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