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Timber Market

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Timber Market

Economic Subject Matter

Training

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Recap of 2008 Timber Market

Walnut	Down
White oak	Down
Red oak	Down
Hard maple	Down
Ash	Down
Yellow-poplar	Stable
Hickory	Stable

Recap of 2008 Timber Market

Recommendations Last Year:

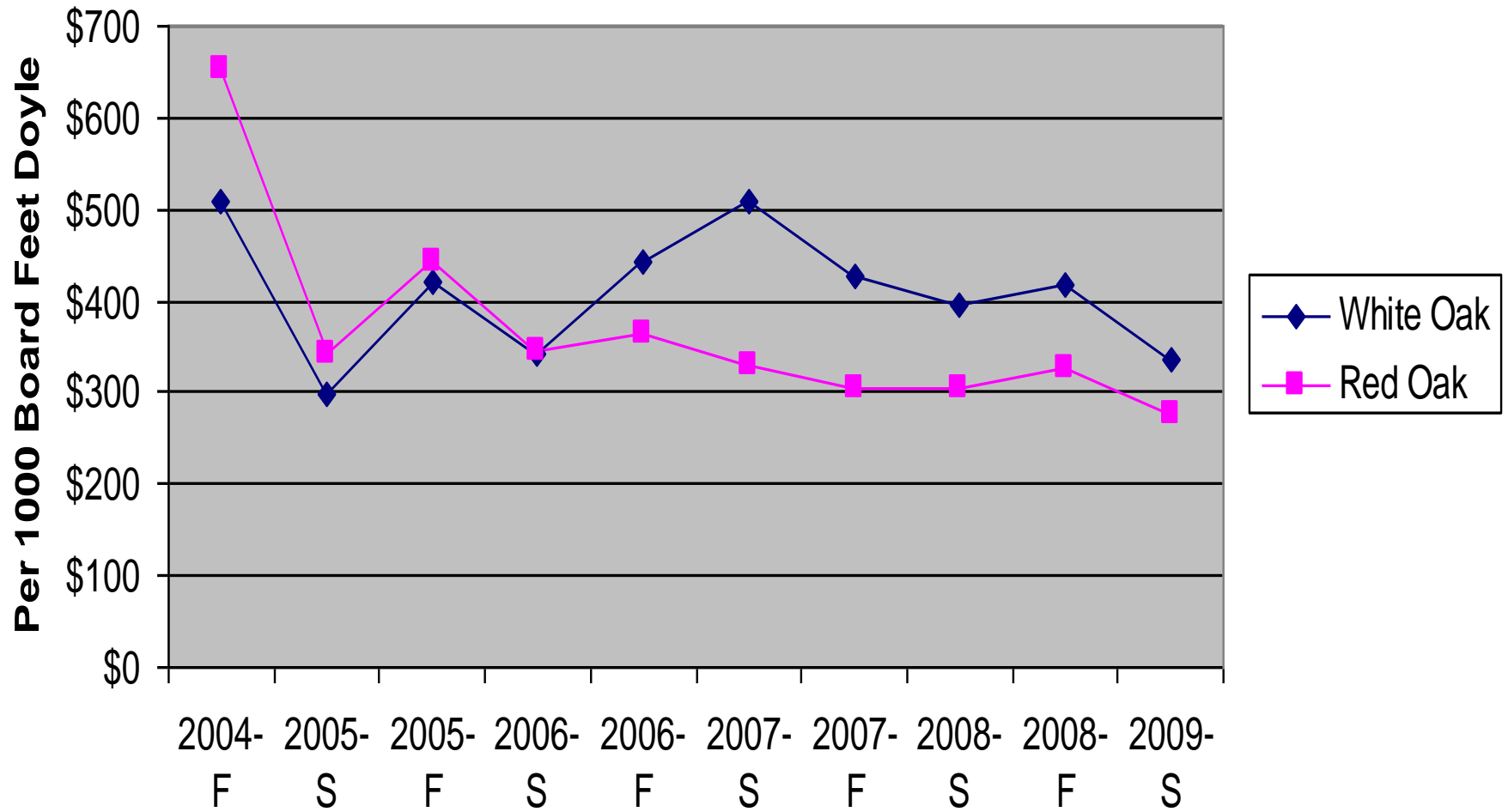
Red Oak	Wait if you can.
White Oak	Wait if you can.
Ash	Think about liquidating.
Walnut	Still good prices.
Maple/Cherry	Still good prices.

Timber Market for 2009

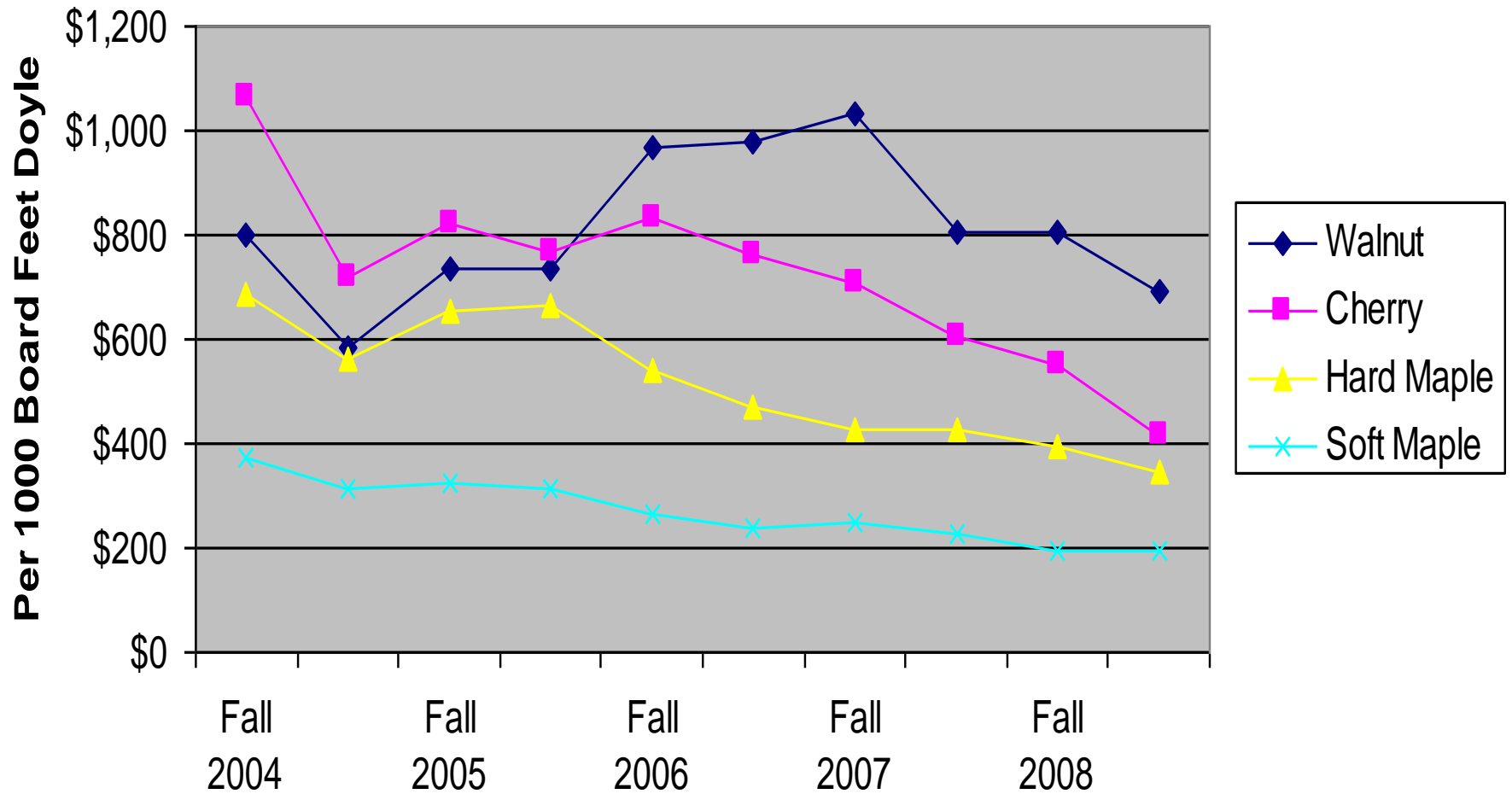
Summary:

- Overall market is down.
- Almost no good news.
- Wait if you can.

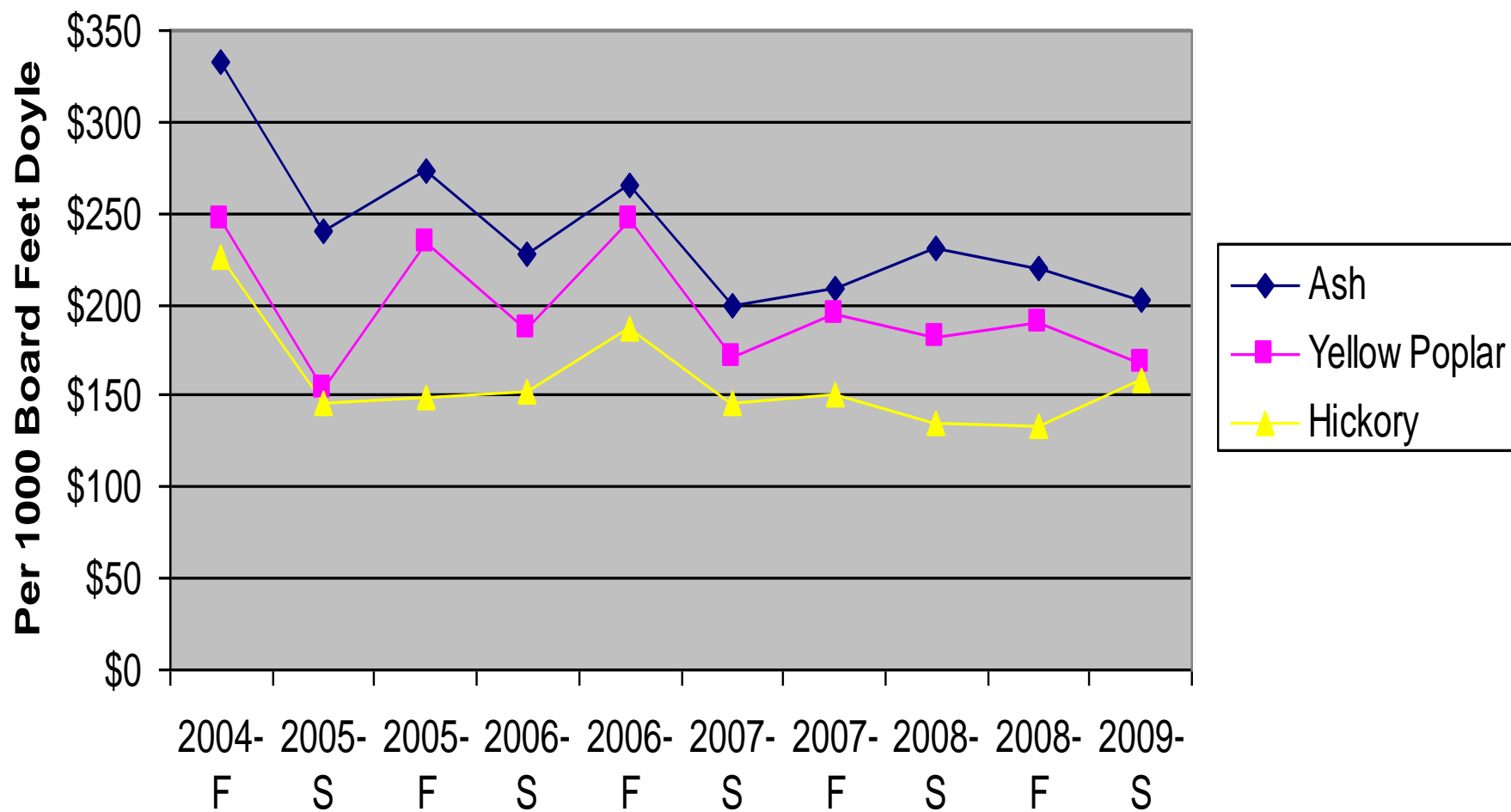
Ohio Stumpage (2009 Dollars)



Ohio Stumpage (2009 Dollars)



Ohio Stumpage (2009 Dollars)



2009 Stumpage Price Summary

Walnut	Down
White oak	Down
Red oak	Down
Hard maple	Down
Ash	???
Yellow-poplar	Down Slightly
Hickory	Stable

Guidance and Recommendations

Red Oak:

- Prices declined over 50% in recent years.
- Possibility getting worse in short-term.
- Much potential for upward movement in the long-term (5-15 years).
- *I would not sell quality red oak timber with current market if you can wait.*

Guidance and Recommendations

White Oak:

- Stumpage prices for higher-grade timber have declined.
- *I would only sell stumpage on poorer quality white oak stands and stands that need timber stand improvement.*

Guidance and Recommendations

Walnut:

- Moderate stumpage dec. again this year.
- *May still be good time to sell if you need to cut in the next few years.*

Guidance and Recommendations

Hard Maple and Black Cherry:

- Hard maple and cherry both way down.
- *Would not want to sell stumpage right now unless absolutely had to.*

Guidance and Recommendations

Ash:

- Confirmed cases of Emerald Ash borer.
- *Prices low but may not get any better.*
- Possible quarantine areas.

Guidance and Recommendations

General Comments:

- Stumpage prices will not improve until housing market recovers.
- Stumpage prices could still get worse.

Guidance and Recommendations

Landowners:

- Pent-up supply of timber from landowners that have held back timber.
- This supply will keep prices low even after housing market improves.

Guidance and Recommendations

Loggers:

- Hit the hardest by this downturn.
- Loggers chasing declining supply of timber.
- Have cut profits to the bone.

Formal Presentation Finished

What are you hearing?

- Forestland owners.
- Loggers.
- Sawmills.