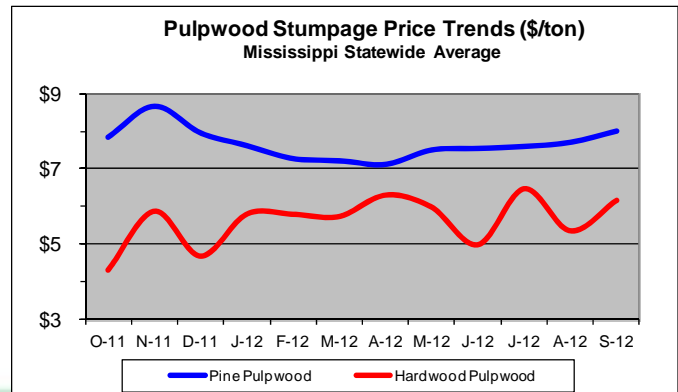
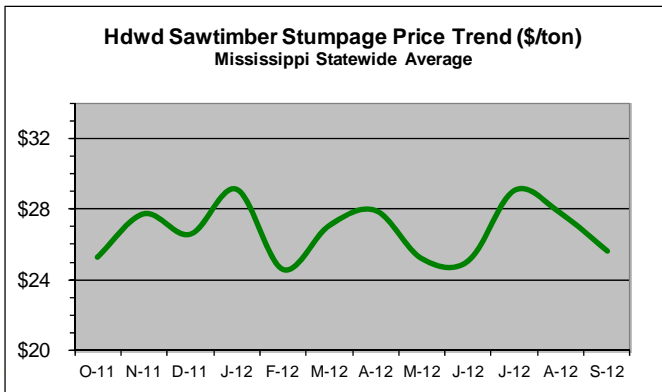
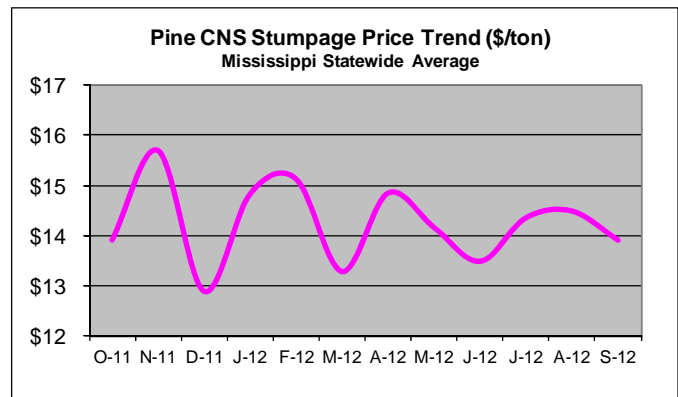
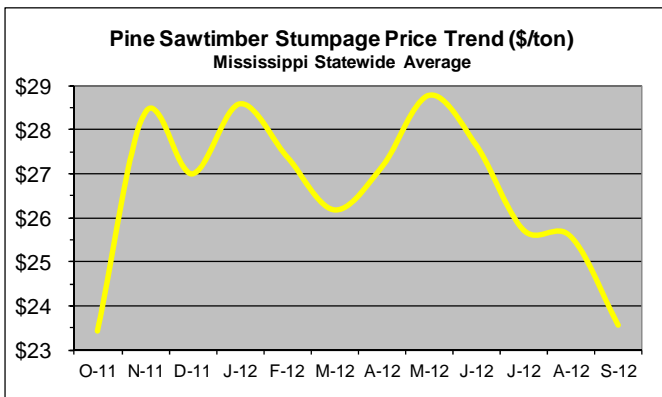




Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at www.forest2market.com for prices that are specific to your local area.

MISSISSIPPI STUMPAGE PRICE TRENDS





A Quarterly Publication of Forest2Market®
14045 Ballantyne Corporate Place, Suite 150
Charlotte, NC 28277
Edited by: Michael A. Fiery, Timber Market Analyst

MISSISSIPPI STUMPAGE PRICES



Pine

Pine pulpwood price increased this quarter, the result of a demand increase from pulp and paper producing facilities. Stumpage prices for Pine CNS and Sawtimber both decreased as summertime seasonality played a factor. This decrease is very significant for Pine Sawtimber as there is an abundance of sawlogs available on the market with limited outlets for loggers. **Pine Pulpwood** increased \$0.43/ton to end the quarter at **\$7.77/ton** – a 5.9% increase. **Pine CNS** decreased \$0.07/ton to close the quarter at **\$14.17/ton** – a 0.5% decrease. **Pine Sawtimber** showed an decrease of \$3.60/ton or 12.9% to end at **\$24.26/ton**.



Hardwood

Hardwood pulpwood price also increased slightly this quarter. **Hardwood Pulpwood** price rose by \$0.14/ton to close at **\$6.02/ton**. Sawtimber quarterly price changes were mixed depending on grade and quality. **Low Grade Hardwood** decreased \$0.68/ton to end at **\$21.28/ton**, and **High Grade Hardwood** decreased \$3.01/ton to end at **\$29.75**. **Mixed Hardwood** ended the period at **\$27.22/ton**, \$1.21/ton more than last quarter.

U.S. SOUTH TIMBER MARKET OUTLOOK

The economy continued to improve slowly but steadily in the third quarter, led primarily by a housing market that is clearly moving off the bottom. Home prices are increasing, the number of foreclosures coming on the market is shrinking and housing starts have remained strong. While manufacturing statistics were weaker for August, they recovered in September. Still, the Bureau of Economic Analysis' (BEA) estimates of growth in real gross domestic product (GDP) for 2Q2012 was lower than initially reported, falling to just 1.3 percent growth.

While there is still a chance that the US economy will fall into another, albeit shallower, recession, there is growing consensus among economists that we might dodge that bullet and experience between 1-2 percent growth throughout 2013 and 2014.

The most recent manufacturing and service sector reports issued by the Institute for Supply Management (ISM) indicate that there was little net change for the Wood Products industry in September. There was, however, an increase in employment in the industry. The Paper Products industry performance improved in September, with production, employment and new orders all higher. Real Estate and Ag & Forestry both reported no change in overall activity, while Construction expanded.

Pine sawtimber and chip-n-saw products continue to decrease in price throughout the South. Although there has been a recent uptick in housing starts, this has not trickled down to sawtimber stumpage price and we do not expect it to. Some seasonality price increases may occur over the winter for tracts that can be logging during wet weather, but no other increases are expected.