

STUMPAGE SPEAK

<http://www.lsuagcenter.com/en/blogs/stumpagespeak/>

<http://www.freddiemac.com/finance/ehforecast.html>

<http://water.weather.gov/precip/>

<http://graphics.wsj.com/us-housing-market/>

Louisiana Timber Market Report

4th Quarter (Oct-Dec) 2015

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| Louisiana Stumpage Prices ¹ (\$/ton) 4 th Quarter 2015 | | | |
|---|---------------|---------|------------------|
| Timber Class | Price per ton | Q3 2015 | 2015 Averages |
| Pine Sawtimber | \$27.50 | \$29.00 | \$28.50 |
| Hardwood Sawtimber –Mixed grade | \$33.00 | \$34.00 | \$22.50 |
| Oak Sawtimber | \$42.00 | \$40.00 | N/A ² |
| Pine Chip-N-Saw | \$19.00 | \$18.00 | \$18.00 |
| Pine Pulpwood | \$10.00 | \$10.00 | \$10.00 |
| Hardwood Pulpwood | \$11.50 | \$12.50 | \$12.00 |

¹ The following document is intended for use by owners of forested land in Louisiana. The source of these prices is proprietary in nature and are therefore rounded per agreements to disseminate to the general public. **The prices I report are also state averages and while the LDAF numbers are by specific regions, they are limited to the amount of VOLUNTARY reporting that is done.** I recommend using both to aid in decisions about purchases, sales, and determining harvesting schedules. As always communicate with a consultant forester on prices before executing contracted agreements with wood buyers.

****Price Conversions: Pine Sawtimber/ MBF= Tons * 8; Hardwood Sawtimber/ MBF = Tons * 9.5; CNS and Pine Pulpwood Cords = Tons * 2.7; Hardwood Pulpwood = Tons * 2.85*****

² Only started reporting, this quarter (4th Quarter 2015).



News:

Molpus Woodlands Group sold 8,755 acres in northern Louisiana to the Louisiana Department of Wildlife and Fisheries to be included in the Wildlife Management System of North Louisiana. Georgia-Pacific announced plans to upgrade its Alabama River complex and Graphic Packaging plans upgrades at West Monroe, Louisiana.

Molpus Woodlands Group acquired 192,000 acres of timberland and a timber lease in southwest Louisiana, for an undisclosed client, from CalPERS through Campbell Global. Terms of the transaction were not disclosed.

Graphic Packaging plans to invest \$40 million in a machine upgrade at its paperboard mill in West Monroe, Louisiana (TMS LA1). Plans called for an increase of solid unbleached sulfate (SUS) inventories starting this quarter, followed by downtime in mid-2016 for the new construction. The upgrade will increase mill capacity by about 4%. Georgia-Pacific announced plans to upgrade its Alabama River complex and Graphic Packaging plans upgrades at West Monroe, Louisiana.

In December, Boise Cascade announced plans to expand the Chester mill with a \$23.5 million project that includes the installation of new equipment and a warehouse expansion. This expansion will increase employment by 52 new jobs. Downtime at the Oakdale, Louisiana (TMS LA1) mill lasted five days over Thanksgiving week. During the downtime, the company implemented a \$43 million upgrade to increase capacity at the Florien plant and scheduled extra maintenance at the other two mills.

Hood Industries added a pulp mill this quarter and two southern pine sawmills. Hood Container, a division of Hood Industries, purchased the KPAQ Industries pulp mill in St. Francisville, Louisiana (TMS LA2), from Amzak Capital Management.

Hood Industries purchased Joe N. Miles & Sons which operates two southern yellow pine sawmills in the South: Bogalusa, Louisiana (TMS LA2), with annual lumber capacity of 150 mmbf and Silver Creek, Mississippi (TMS MS2), with 160 mmbf per year. The addition of the two sawmills ranks Hood with about 555 mmbf of capacity at 7th in the South, after Weyerhaeuser, West Fraser, Georgia Pacific, Interfor, Canfor, and Gilman Building Products.

Recommended Reading:

Recommendations for Sustainable Management of Cypress Forests in Coastal Areas of Louisiana. August, 2015. Louisiana Society of American Foresters Forested Wetlands Management Committee (Steven K. Templin, Chairman). Pp 140. This report summarizes the current state of knowledge on cypress ecology and management, and provides, when possible, science-based recommendations for sustainable cypress management practices in coastal areas of Louisiana. <http://www.safnet.org/publications/cypress/CypressManagement.pdf>