

WOOD MARKETS MONTHLY

March 31, 2014

Don Deckard, Forest Economist

Email: donald.deckard@state.mn.us

Cover: Economic impact of Minn. forest products industry

General Interest – p2

- Minneapolis removing 40,000 ash trees
- Gypsy moth quarantine coming to Minn.
- Ohio Dept. of Ag. to spend \$1.8 million on gypsy moth control
- Supreme Court ruling may derail rails-to-trails
- Mich. DNR offers emergency firewood permits
- USDA steps up funding tall wood building
- House examines cost of ESA lawsuits

Economy & Housing – p4

- Real GDP grew 1.9% in 2013
- U.S. monthly avg. trade deficit \$37.7 billion
- Fed again cuts stimulus by \$10 billion/mth
- Feb. building permits up 7%, starts down 6.4%
- Feb. existing home sales down 7.1% y/y

Finance & Management – p6

- CatchMark to pay \$74 million for 36,340 acres Hancock timberland
- Verso posts 2013 loss \$111.2 million
- Chinese backed Woodland pulp adding 2 tissue PMs and 80 jobs in Maine
- Fortress Q4 DP segment EBITDA loss \$10.8 million on Chinese DP duties
- Ainsworth reports Q4 loss \$10.6 million

Production & Prices – p7

- U.S. 2013 lumber prod. totaled 30bbf, up 6.1% y/y
- Top 10 NA lumber producers shipped 22.1 bbf
- February framing lumber prices down 10% y/y
- Brazilian BEK pulp exports jump 51% /y/y
- Food service papers demand increasing 1.4%/yr
- Domtar, IP, Boise drive UFS price hikes
- Domestic UFS shipments down 8.4%, Jan. imports up 18% led by Brazil / Central America

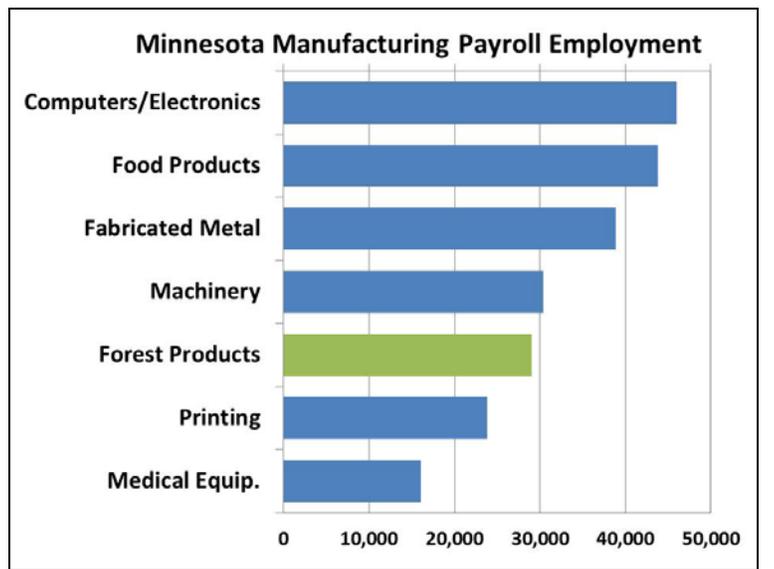
Bio-Markets – p9

- Obama's budget proposal reinstates biofuel tax credits, cuts oil subsidies
- KiOR reports 2013 net loss \$347 million, potential bankruptcy if...

Wood Statistics Monthly – p10

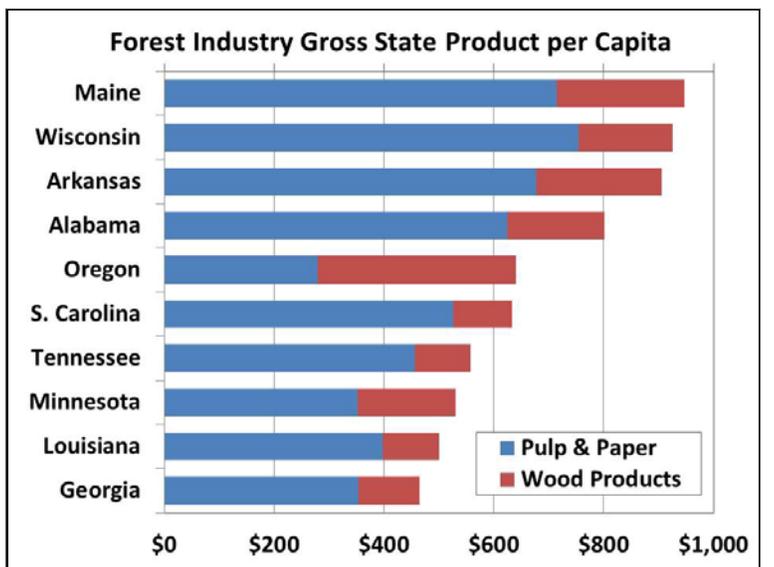
- March NBHK up 14.2% y/y
- March NC OSB 7/16 sheathing down 50% y/y

In accordance with Title 17 U.S.C. §107, any copyrighted material herein is distributed without profit or payment for non-profit news reporting and educational purposes only. Refer to: <http://www.law.cornell.edu/uscode/17/107.shtml>



Economic impact of Minnesota's forest products industry

- ❖ \$16.1 billion dollar value of shipments effect with 8.2 percent of mfg. value added (Gross State Product)
- ❖ 5th largest manufacturing sector by employment
- ❖ 62,370 jobs total employment effect
- ❖ \$446 million total state & local tax payments effect
- ❖ 8th ranked nationally in forest industry value added (Gross State Product) per capita



GENERAL INTEREST

Minneapolis removing 40,000 ash trees to phase out EAB

March 11, 2014 (minnesota.cbslocal.com)The beetle [emerald ash borer] has killed millions of trees in the U.S., and has invaded neighborhoods across the Twin Cities. Ralph Sievert, director of forestry for the Minneapolis Park and Recreation Board, says the idea is to phase them out over a period of time. Some 40,000 ash trees are in the city's inventory. "Five-thousand [ash trees] a year seems to be a very manageable number for us," Sievert said. But instead of taking down entire blocks of ash at a time, the Minneapolis Park and Rec Board will be more selective. "What we don't want to do is wipe out a whole block at once, even though that's the most efficient way for us to do it," Sievert said. "Instead, we want to jump around so people don't have that initial shock of losing so many trees all at once."

Gypsy Moth quarantine coming to Minnesota

March 2014 ((mda.state.mn.us/gmquarantine)—To help slow the spread of one of America's most destructive tree pests, the Minnesota Department of Agriculture (MDA) is implementing quarantine of gypsy moth for Lake and Cook counties. While other types of quarantines exist in Minnesota, this is the first time the state will impose a quarantine for gypsy moth. A 45-day comment period on the proposed quarantine of Lake and Cook counties closed on March 12, 2014. The proposal may be amended to account for comments received during the comment period. The Commissioner of Agriculture will then sign and formalize the quarantine, with planned implementation in spring 2014. The transport, storage, and use of pulpwood, logs, chips, and bark will require a compliance agreement. Quarantine language is available on the MDA website at URL: <http://www.mda.state.mn.us/gmquarantine>

Ohio Dept. of Ag to spend \$1.8 million on gypsy moth control

March 12, 2014 (greatlakesecho.org)—Parts of Ohio will be treated to slow the spread of the destructive gypsy moth early this spring, the state Department of Agriculture said. Fifty-one Ohio counties are under gypsy moth quarantine due to attacks on more than 300 types of trees and shrubs, the department said in a [recent press release](#). Last year the state spent \$1.7 million for the "Slow the Spread" program to control the moths, said Brett Gates, the department's public information officer. Most of the money came from the federal government. The state share was \$149,000. Gates said that he expects the program cost this year to be anywhere between \$1.2 and \$1.8 million. Treatments will take place from Northwest Ohio to Southeast Ohio, starting in early- to mid- May and going until mid-June.

Supreme Court ruling may derail rails-to-trails with a \$100 million price tag

March 11, 2014 (spokesman.com)—A U.S. Supreme Court decision affecting the legality of a rails-to-trail route in Wyoming has left local officials wondering if the decision will affect any of the multiple recreation trails in the Inland Northwest. The court on Monday sided with a Wyoming property owner in a dispute over a bicycle trail that follows the route of an abandoned railroad. The decision could force the government to pay hundreds of millions of dollars to compensate landowners. The justices ruled 8-1 Monday that property owner Marvin Brandt remains the owner of a 200-foot-wide trail that crosses his 83-acre parcel in southern Wyoming's Medicine Bow National Forest. The trail once was the path of a railroad and is among thousands of miles of abandoned railroads that have been converted to recreational trails. Chief Justice John Roberts said the government was wrong to assert that it owns the trail. The government says it faces compensation claims involving 10,000 properties in 30 states, possibly topping \$100 million.

Michigan DNR offers emergency firewood permits

March 4, 2014 (abc10up.com)—The extreme cold has affected many residents who use firewood as a heating source. The Michigan Department of Natural Resources [DNR] normally starts selling fuelwood permits in April. Because of this year's harsh winter, it's issuing permits early. The permits cost \$20 and

allow residents to collect up to five cords of wood for personal use. The average wood-heated home can use five to ten cords during an average winter. “People’s normal supply of wood has run out early, so typically if they burn five cords in a year, this year they’re ran out of wood in the middle of February,” said DNR Gwinn Forest Management Unit manager Jim Ferris. Members of the Michigan Association of Timbermen are also helping the community by providing firewood for sale. For more information on fuelwood permits, visit the DNR’s fuelwood website.

USDA steps up financial support for tall wood building

March 18, 2014 (USDA News Release)—At a meeting hosted by the White House Rural Council today, Agriculture Secretary Tom Vilsack announced a new partnership to train architects, engineers and builders about the benefits of advanced wood building materials, and plans for a forthcoming prize competition to design and build high-rise wood demonstration projects. Innovative use of wood products is already beginning to change the face of construction across the country, and USDA is undertaking efforts to support these advancements. These efforts also support President Obama's Climate Action Plan goal of preserving the role of forests in mitigating climate change.

The new training program Secretary Vilsack announced today will include a \$1 million investment from the Forest Service and will be done in partnership with WoodWorks, a non-profit organization that provides technical support, education, and resources related to the design of modern wood buildings for architects, engineers, and developers. The Secretary also announced plans to launch a new prize competition, expected to begin later this year, for developers, institutions, organizations and design teams competing to demonstrate the architectural and commercial viability of using sustainable wood products in high-rise construction. The Department is planning to invest up to \$1 million to launch the competition. One non-profit partner, the Binational Softwood Lumber Council, has committed an additional \$1 million for the competition.

House subcommittee examines cost of ESA lawsuits filed against USFS

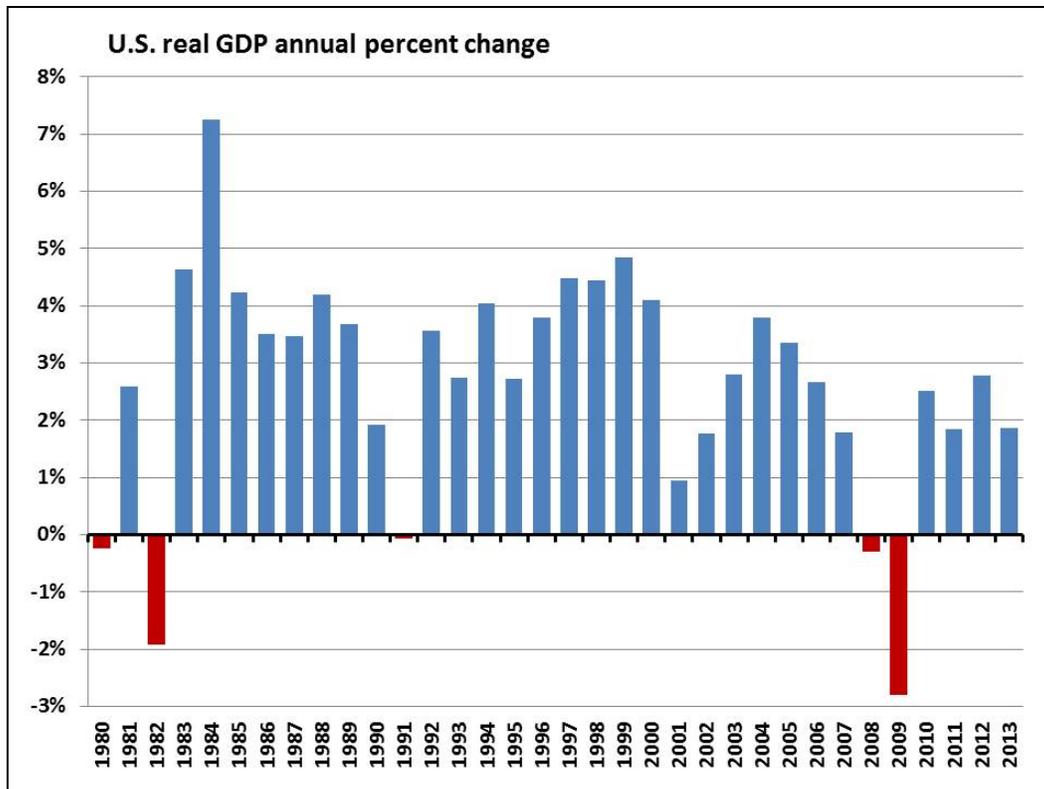
March 26, 2014 (agriculture.house.gov)—Today, Rep. Glenn 'GT' Thompson, Chairman of the House Agriculture Committee's Subcommittee on Conservation, Energy, and Forestry, held a public hearing to review the impact of the Endangered Species Act (ESA) and related legislation on the U.S. Forest Service. The ESA was signed into law in 1973 in order to preserve, protect, and recover key domestic species. Since its enactment, more than 1,500 domestic species have been classified as either threatened or endangered under the Act, with only 28 of those species having been delisted as of September 2012.

The ESA contains a citizen suit provision, which allows private citizens to sue federal agencies and private landowners for allegedly failing to fully comply with the Act. A recent study in the Journal of Forestry examined 1,125 management cases filed against the Forest Service in federal court 1989-2008. Though the costs borne by taxpayers responding to these lawsuits is likely significant, federal agencies do not track these costs, nor are any of these costs recouped particularly in cases where the federal agency prevails. Today, the subcommittee members examined the direct and indirect costs associated with the lawsuits, particularly those against the Forest Service, and how those lawsuits have diverted budgetary resources away from healthy forest management and interfered with the underlying mission of preserving, protecting, and recovering threatened and endangered species.

ECONOMY & HOUSING

Real GDP grew 1.9% in 2013

February 28, 2014 (BEA News Release)—Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at a seasonally adjusted annual rate (saar) of 2.4% in the fourth quarter of 2013 (that is, from the third quarter to the fourth quarter), according to the "second" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.1%. Based on the Q4 second estimate, real GDP increased 1.9% in 2013 (that is, from the 2012 annual level to the 2013 annual level), compared with an increase of 2.8% in 2012.



Data: BEA

Chart: MnDNR

U.S. monthly average trade deficit \$37.7 billion

WASHINGTON, DC, March 7, 2014 (Press Release)—The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that total January exports of \$192.5 billion and imports of \$231.6 billion resulted in a goods and services deficit of \$39.1 billion, up from \$39.0 billion in December, revised. January exports were \$1.2 billion more than December exports of \$191.3 billion. January imports were \$1.3 billion more than December imports of \$230.3 billion. For the three months ending in January, exports of goods and services averaged \$192.8 billion, while imports of goods and services averaged \$230.6 billion, resulting in an average trade deficit of \$37.7 billion. The January figures show surpluses, in billions of dollars, with Hong Kong \$3.9, Singapore \$1.6, Australia \$1.4, and Brazil \$1.2. Deficits were recorded, in billions of dollars, with China \$27.8, European Union \$8.8, OPEC \$7.0, Japan \$5.3, Germany \$5.2, Canada \$4.1, Saudi Arabia \$3.9, Mexico \$2.8, Venezuela \$2.3, India \$2.1, South Korea \$1.9, and Ireland \$1.7.

Fed again cuts stimulus by \$10 billion per month, interest rates unchanged

March 19, 2014 (latimes.com)—Federal Reserve policymakers voted Wednesday to continue reducing their bond-buying stimulus program and said they no longer would consider raising its near-zero interest rate once the unemployment rate fell below 6.5%. The Federal Open Market Committee voted 8-1 to cut its monthly bond purchases to \$55 billion, staying on pace to end the controversial program by the end of this year. Still, Fed officials downgraded their economic growth projections. They estimated the economy would expand at a rate of 3% this year, down from the December projection of 3.2%. Fed officials said in December they would taper the central bank's \$85 billion in monthly bond purchases by \$10 billion and continue reducing the program "in measured steps" at future meetings if the outlook for the labor market continued to improve and inflation remained in check. The Fed reduced the purchases by \$10 billion again in January, and the policy committee did not meet in February.

February building permits up 7% y/y, starts down 6.4% y/y

March 18, 2014 (Census/HUD News Release)—The U.S. Census Bureau and the Department of Housing and Urban Development jointly announced the following new residential construction statistics for February 2014:

BUILDING PERMITS—Privately-owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1,018,000. This is 6.9 percent above the February 2013 estimate of 952,000. Single-family authorizations in February were at a rate of 588,000. Authorizations of units in buildings with five units or more were at a rate of 407,000.

HOUSING STARTS—Privately-owned housing starts in February were at a seasonally adjusted annual rate of 907,000. This is 6.4 percent below the February 2013 rate of 969,000. Single-family housing starts in February were at a rate of 583,000 and buildings with five units or more was 312,000.

February existing home sales remain subdued, down 7.1% y/y

March 20, 2014 (NAR News Release)—Home prices continued to show solid growth in most of the country due to limited inventory conditions, but rising prices and severe winter weather caused existing-home sales to slip in February, according to the [National Association of Realtors®](#). Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, declined 0.4 percent to a seasonally adjusted annual rate of 4.60 million in February from 4.62 million in January, and 7.1 percent below the 4.95 million-unit level in February 2013. February's pace of sales was the lowest since July 2012, when it stood at 4.59 million. Lawrence Yun, NAR chief economist, said conditions in February were largely unchanged from January. "We had ongoing unusual weather disruptions across much of the country last month, with the continuing frictions of constrained inventory, restrictive mortgage lending standards and housing affordability less favorable than a year ago," he said.

FINANCE & MANAGEMENT

CatchMark to pay \$74 million for 36,340 acres Hancock timberland

March 13, 2014 (prnewswire.com)—CatchMark Timber Trust, Inc. (NYSE: CTT) announced today an agreement to purchase 36,340 acres of timberland (known as the Waycross-Panola properties) located in Southeast Georgia and East Texas from Hancock Timber Resource Group for approximately \$74 million. The transaction, CatchMark's first acquisition since its successful initial underwritten public offering last December, is expected to close during the second quarter and is anticipated to be accretive to cash flow for calendar year 2014.

Verso posts 2013 net loss of \$111.2 million

MEMPHIS, TN, March 6, 2014 (Marketwired)—Verso Paper Corp. (NYSE:VRS) today reported financial results for the fourth quarter and year ended December 31, 2013. The company reported a net loss of \$20 million in the fourth quarter of 2013 compared to net loss \$25.5 million in the fourth quarter of 2012. For the full year 2013, Verso reported a net loss of \$111.2 million compared to a net loss of \$173.8 million in 2012. Net sales for 2013 decreased 5.8% to \$1,388.9 million from \$1,474.6 million in 2012, due to a 6.1% decline in total sales volume, and the average sales price for all of our products remained flat in 2013 compared to 2012.

Chinese-backed Woodland Pulp adding 2 tissue PMs and 80 jobs in Maine

March 12, 2014 (sunjournal.com)—Woodland Pulp is going to expand its pulp mill in Baileyville that will add 80 new jobs in one of Maine's poorest counties, Gov. Paul LePage announced Wednesday. The company plans to install two new tissue machines at the pulp mill site, a capital investment of about \$120 million, the governor announced at a morning news conference. The mill was acquired from Domtar by International Grand Investment Corp. [IGC] for \$64 million in 2010. IGC, a Delaware-registered corporation, is part of a Chinese-based holding company that represents international investors in pulp trade and imports. The mill is 100 percent energy self-sufficient and has its own hydroelectric facility. It has an annual production capacity of 395,000 metric tons of pulp. Declining paper markets forced the closure of the mill's only paper machine in 2007, but pulp production continued at the facility.

Fortress Paper 13Q4 DP segment EBITDA loss of \$10.8 million on Chinese DP duties

March 10, 2014 (Marketwired) - Fortress Paper Ltd. reported 2013 fourth quarter EBITDA loss of \$9.4 million. The Dissolving Pulp [DP] segment generated EBITDA loss of \$10.8 million and the Security Paper Products segment generated EBITDA of \$2.7 million. Corporate costs contributed \$1.3 million to EBITDA loss. DP segment revenues were negatively impacted by the 13% interim duty imposed by China's Ministry of Commerce ("MOFCOM") on the import of dissolving pulp into China from the Fortress Specialty Cellulose mill (Thurso) and possibly a 50.9% interim duty on the import of dissolving pulp into China from future output from the Fortress Global Cellulose mill (Lebel-sur-Quevillon) if it were to be converted to be able to produce dissolving pulp. As a result of the 50.9% MOFCOM interim duty imposed on the import of future dissolving pulp into China, a \$32.9 million impairment was taken against the Fortress Global Cellulose mill assets. Fortress reported a \$54.7 million loss for 2013.

Ainsworth posts Q4 loss \$10.6 million, full year net income up \$11 million

March 25, 2014 (News Release)—Ainsworth Lumber Co. Ltd. (TSX: ANS) today announced its financial results for the fourth quarter and year ended December 31, 2013. Net loss from continuing operations in the fourth quarter of 2013 was \$10.6 million compared to net income of \$6.7 million in the fourth quarter of 2012. The \$17.3 million decrease was due to the reduction in gross profit and increased selling and administration expense. Net income from continuing operations was \$39.4 million in 2013 compared to \$28.4 million in 2012, representing an increase of \$11.0 million. Pending acquisition by LP is targeted to close during the second quarter of 2014.

PRODUCTION & PRICES

U.S. 2013 lumber production totaled 30bbf, up 6.1% y/y

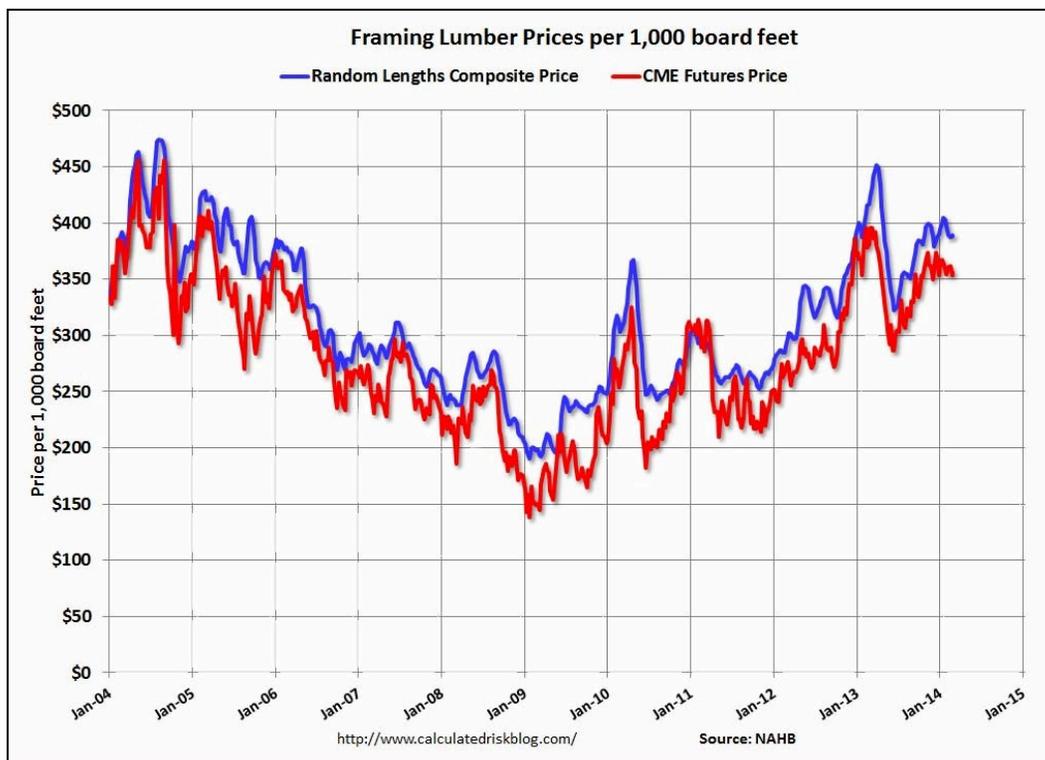
March 10, 2014 (WWPA News)—U.S. lumber production totaled 29.982 billion board feet [bbf] in 2013, up 6.1% from the 2012 total, according to the Western Wood Products Association's (WWPA) "Lumber Track" publication. Western production in 2013 totaled 13.505 bbf, up 7.2% from 2012. Output in the South totaled 15.026 bbf, up 5.1% from 2012. Production in other regions totaled 1.452 billion feet, up 6.1% in 2013.

Top ten NA lumber producers shipped 22.1 bbf in 2013

March 24, 2014 (woodmarkets.com)—The latest Wood Markets annual survey of the top 20 Canadian and U.S. softwood lumber producers shows modest gains in both countries in 2013. The top five Canadian producers were Canfor, West Fraser, Tolko, Resolute Forest Products, and Interfor. Together, these firms produced 12.1 billion board feet, or 51% of total Canadian lumber shipments -- similar to 2012. The five largest U.S. producers were Weyerhaeuser, Sierra Pacific, Georgia-Pacific, West Fraser (U.S. operations), and Hampton Affiliates. Those firms produced almost 10.0 billion board feet, or 33% of total U.S. production.

February framing lumber prices down 10% y/y

March 10, 2014 (calculatedriskblog.com)—Early last year lumber prices came close to the housing bubble highs. By June, prices had declined by over 25% from the spring highs. The price increases early last year were due to stronger demand (more housing starts) and supply constraints (framing lumber suppliers were working to bring more capacity online). As of March 1, prices were down about 10% y/y, due to more supply coming on the market. The graph shows two measures of lumber prices: i) Framing Lumber from Random Lengths through February and ii) CME framing futures. Prices are probably close to the peak for this year as demand usually peaks seasonally in March and April.



Brazilian BEK pulp exports jump by 51% to 958,000 tonnes in January

March 10, 2014 (RISI)—Brazilian bleached eucalyptus kraft (BEK) pulp exports soared by 50.9% to 958,000 tonnes in January over the same month of 2013, according to the latest data released by the Brazilian pulp and paper association (Bracelpa). Revenues from BEK pulp exports to all of the main destinations increased in the starting month of the year, with China registering a 13.8% growth to \$173 million, while shipments to Europe improved by 47.9% to \$207 million, and exports to North America soared by 137.5% to \$95 million. Total revenues amounted up to \$514 million (FOB), a 40.8% increase over the same month of 2013.

Food service papers demand increasing 1.4%/year, 1.5 million tonnes by 2016

March 10, 2014 (RISI Press Release)—Expansion of the quick service restaurant industry has fueled increasing demands for specialty papers in the food service sector. As this trend continues, it is expected that global growth for food service papers will increase at an approximate rate of 1.4% per year through 2016. Many applications used for "take-out" packaging are disposable products such as bags, wraps, bakery sheets, cups, etc, making paper a more sustainable option compared to other competitive materials," said William Studstill, Director of Graphic Paper at RISI. "Because this is a growing market, opportunities may exist for commodity graphic paper and packaging producers to convert their equipment to make these specialty food service grades," continued Studstill.

Domtar, IP, Boise drive UFS price hikes

Feb. 7, 2014 (PPI Pulp & Paper Week)—Sensing potentially their strongest market position in four years, eight more uncoated freesheet (UFS) paper producers, including the No. 1 Domtar and No. 3 Boise, by capacity, set mostly \$70/ton (\$3.50/cwt) increases for their grades in North America. For the March increase, the combined UFS capacity of Domtar, IP, and Boise is almost 65% of the 10.2-million-tons/yr North American market, according to PPI Pulp & Paper Week research. Almost all the producers start their price increase with shipments on Mar. 3. It would be a second round of increases in six months in the USA. The increases total mostly \$70 on offset and printing and converting grades, and mostly \$50 on outsize office papers.

Domestic UFS ytd shipments down 8.4% y/y, Jan. imports up 18%

March 14, 2014 (PPI Pulp & Paper Week)—Year-to-date, UFS shipments were down 8.4% this year through February, vs January-February 2013 volume. UFS producers are implementing price increases of up to \$70/ton beginning Mar. 3. The last price increase began last October and was largely completed by the end of January, with levels moving up \$20/ton on office paper and \$40-50 on offset and other printing and converting grades, according to PPI Pulp & Paper Week. January UFS imports totaled 106,902 tons in January, more than exports of 90,577, according to figures from the US Dept. of Commerce, Bureau of Census. Imports were up 18.2% and exports down 15.2% (compared with January 2013). The main countries moving imports to the USA in January were **South and Central America** (29,746 tons, up 35.7%), **Far East/Oceania** (21,716 tons, up 70%), **Western Europe** (15,448 tons, up 17.8%), and **China** (9,863 tons, up 32.5%).

BIO-MARKETS

Obama's budget proposal reinstates biofuel tax credit, cuts oil subsidies

March 5, 2014 (biomassmagazine.com)—President Obama's Fiscal Year 2015 budget proposal released March 4, calls for extending a tax credit for cellulosic biofuels and puts forward the idea of cutting billions in fossil fuel subsidies. The tax credit for cellulosic biofuels expired in 2013, just as the industry was reaching for commercialization. The proposed budget calls for \$4 billion in annual cuts to fossil fuel subsidies to oil, gas and other fossil fuel producers. In addition, the budget calls for establishing an Energy Security Trust of \$2 billion invested over 10 years. The money would be drawn from revenues generated from Federal oil and gas development and would help support research and development in technologies such as advanced vehicles that run on homegrown biofuels, electricity, renewable hydrogen and domestically produced natural gas. Finally, the U.S. DOE portion of the President's budget provides \$253 million for development and demonstration of advanced biofuels, specifically mentioning "drop in" replacements for gasoline, diesel and jet fuel.

KiOR reports 2013 net loss \$347 million, potential bankruptcy if...

March 18, 2014 (biomassmagazine)—On March 17, KiOR Inc. filed its 2013 annual report with the U.S. Securities and Exchange Commission, reporting operating revenue of approximately \$1.83 million and a net loss of \$347.45 million. The company recently canceled its fourth quarter earnings conference call, which was scheduled for March 13. Within its annual report, KiOR expressed doubts about its ability to continue operations. "To continue as a going concern, we must secure additional capital to provide us with additional liquidity," the company said in the report. On March 16, the company received an investment commitment letter from Vinod Khosla, under which he committed to invest in KiOR a cash amount of up to an aggregate of \$25 million in available funds. This commitment is anticipated to be funded in monthly borrowings of no more than \$5 million per month, and is subject to the achievement of certain milestones and the negotiation and execution of definitive financing. According to KiOR, it has no other near-term sources of financing. The company also indicated that if it is unsuccessful in finalizing the definitive documentation with Khosla on or before April 1, it will not have adequate liquidity to fund its operations and meet its obligations. The likely result would be a default under existing debt. KiOR said it could be forced to seek relief by filing for bankruptcy.

Wood Statistics Monthly

Category & Sub-Category	Latest Month	Month Ago	M/M Change	Year Ago	Y/Y Change
Value of Shipments (US\$ Millions NSA)					
Mfg - Lumber & Wood Products	Jan(p) \$6,484	\$6,396	1.4%	\$6,093	6.4%
Mfg - Pulp, Paper, & Paperboard Mills	Jan(p) \$6,632	\$6,607	0.4%	\$6,745	-1.7%
Mfg - All NAICS	Jan(p) \$458,973	\$480,051	-4.4%	\$450,912	1.8%
Exports F.A.S. Basis (US\$ Millions NSA)					
Logs, Chips, & Misc	Jan \$250.7	\$232.6	7.8%	\$185.4	35.2%
Lumber & Wood Products	Jan \$567.2	\$525.9	7.9%	\$502.5	12.9%
Paper Products	Jan \$2,050.4	\$1,983.2	3.4%	\$2,126.3	-3.6%
Capacity Utilization (% SA)					
Mfg - Wood Products	Feb(p) 69.1%	70.1%	-1.4%	70.3%	-1.7%
Mfg - Paper Products	Feb(p) 82.9%	81.9%	1.2%	82.8%	0.1%
Mfg - All NAICS	Feb(p) 76.7%	76.2%	0.7%	77.3%	-0.8%
Housing Market (000s Units NSA)					
Private Housing Starts	Feb(p) 62.4	61.1	2.1%	66.1	-5.6%
Private Building Permits	Feb(p) 70.8	65.0	8.9%	66.0	7.3%
New Residential Sales	Feb(p) 35.0	33.0	6.1%	36.0	-2.8%
New Home Inventory for Sale	Feb(p) 187.0	188.0	-0.5%	150.0	24.7%
Payroll Employment (000s NSA)					
Total Nonfarm Payroll	Feb(p) 136,183	135,433	0.6%	134,112	1.5%
Manufacturing	Feb(p) 11,964	11,948	0.1%	11,901	0.5%
State & Local Govt.	Feb(p) 19,457	19,462	0.0%	19,425	0.2%
Forest Industry Jobs (000s NSA)					
Logging	Jan(p) 53.8	54.8	-1.8%	48.9	10.0%
Lumber & Wood Products	Jan(p) 354.5	356.9	-0.7%	340.7	4.1%
Pulp, Paper, & Paperboard Mills	Jan(p) 105.7	106.1	-0.4%	107.5	-1.7%
Converted Paper Products	Jan(p) 271.1	272.0	-0.3%	271.3	-0.1%
Market Pulp SPOT Prices (US\$/ton)					
BEK (Eucalyptus) (delivered US East)	Mar(p) \$631	\$631	0.0%	\$631	0.0%
NBHK (delivered US East)	Mar(p) \$626	\$615	1.8%	\$548	14.2%
NBSK (delivered US East)	Mar(p) \$717	\$710	1.0%	\$601	19.3%
Recycled Deinked Pulp (US East)	Mar(p) \$726	\$708	2.5%	\$680	6.8%
Lumber Prices (US\$/Mbf)					
RL Eastern SPF Composite	Mar-7 \$413	\$434	-4.8%	\$444	-7.0%
KD West-SPF 2x4, #2&Btr. del Chicago	Mar-7 \$443	\$443	0.0%	\$467	-5.1%
Northern Red Oak Grn 4/4 #2A (fob)	Mar-7 \$765	\$735	4.1%	\$480	59.4%
Pallet Lbr Mixed Grn 4/4 RW (fob)	Mar-7 \$275	\$275	0.0%	\$235	17.0%
Structural Panel Prices (US\$/Msf)					
RL Structural Panel Composite	Mar-7 \$367	\$357	2.8%	\$511	-28.2%
OSB NC 7/16 Sheathing (fob)	Mar-7 \$215	\$215	0.0%	\$430	-50.0%
OSB SE 7/16 Sheathing (fob)	Mar-7 \$203	\$183	10.9%	\$415	-51.1%

(p) = preliminary