

WOOD MARKETS MONTHLY

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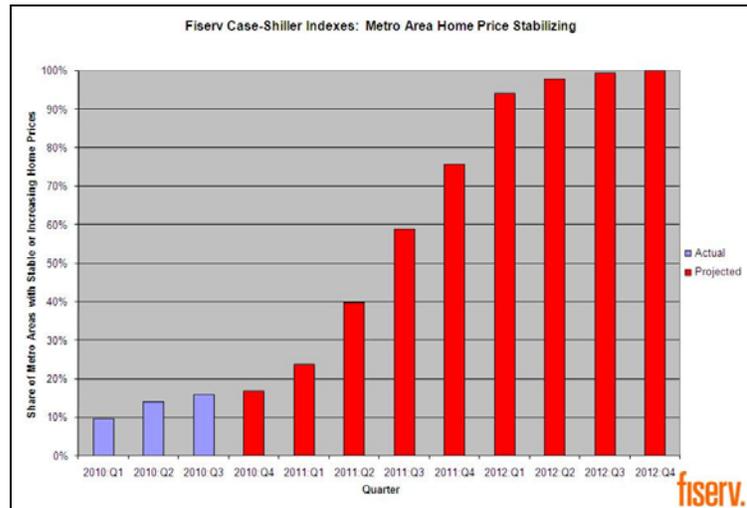
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Percentage metro areas with stable or increasing home prices.

Price Stability In 75% of U.S. Metro Areas by Year-End Feb. 1, 2011 (Forbes.com) While most home price indices point to an imminent double-dip, one of the few leading indicators forecasts that pricing stability will hit 75% of metro markets by the end of 2011 and 100% of all metro markets will be healthy by the end of 2012. The Fiserv Case-Shiller Index, which measures price changes in single-family homes in over 375 U.S. metropolitan markets, estimates that home prices have already leveled out in one out of four metro U.S. areas, despite price declines of 1.5% in the third quarter of 2010.

The Index shows that after a record five years of home price declines, some metropolitan area housing markets are beginning to find their bottom. Amongst those where prices have already stabilized are San Diego, Washington, D.C., and San Francisco, according Fiserv. As the year goes by, 75% of metro markets will have hit bottom and prices will subsequently stabilize. New York City, Minneapolis, and Portland, Oregon are amongst those that will join the ranks of stability by the end of this year.

Price recovery will be an uphill battle, though, as there are still various factors dampening demand. "Large supplies of foreclosed properties will continue to be the biggest downside risk for home prices and metro area housing markets," said David Stiff, chief economist, Fiserv.

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Despite the optimistic tone of the report, things are far from rosy in the land of housing and real estate. Housing markets were in the eye of the storm during the 2007-2008 onset of the financial crisis, where the implosion of the subprime mortgage “machine,” at the hands of [Bank of America-Countrywide](#), [Wells Fargo](#), [Citigroup](#), and the like, brought the global financial system to its knees. The widely followed S&P/Case-Shiller Home Price index, released in late January, recorded its sixth consecutive month of sequential declines, all but entering dreaded “double-dip” territory. Weary of the term, David Blitzer, the index’s chairman, said that if defined as new post-peak lows in the index, a double-dip would “unambiguously” occur before spring.

Severely beat up by the financial crisis, real estate markets have lagged most other sectors of the economy. Added to the suffering in the residential real estate market, commercial real estate has been pinpointed by distressed debt investors as the place to make money in 2011. A vast majority of these investors believe default rates won’t peak before the second half of 2011, according to a survey of 100 experienced distressed debt professionals. While the commercial real estate market suffers, experts in distressed debt will seek to enter those markets through common shares, convertible bonds, and preferred/mezzanine loans.

January housing starts surge, permits decline

February 16, 2011 (U.S. 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 January 2011:

HOUSING STARTS--Privately-owned housing starts in January were at a seasonally adjusted annual rate of 596,000. This is 14.6 percent above the revised December estimate of 520,000, but is 2.6 percent below the January 2010 rate of 612,000. Single-family housing starts in January were at a rate of 413,000; this is 1.0 percent below the revised December figure of 417,000. The January rate for units in buildings with five units or more was 171,000.

BUILDING PERMITS--Privately-owned housing units authorized by building permits in January were at a seasonally adjusted annual rate of 562,000. This is 10.4 percent below the revised December rate of 627,000 and is 10.7 percent below the January 2010 estimate of 629,000. Single-family authorizations in January were at a rate of 421,000; this is 4.8 percent below the revised December figure of 442,000. Authorizations of units in buildings with five units or more were at a rate of 125,000 in January.

New cracks appear in U.S. housing

January 31, 2011 (Globe & Mail) - The world’s biggest economy is gathering steam, but the housing sector at the heart of the U.S. financial meltdown more than two years ago is still lagging far behind. In some cities, it’s never been worse. In nine markets, prices fell in November to new lows from their peaks in 2006 or 2007. Sixteen of 20 cities tracked by the closely watched S&P Case-Shiller index saw year-over-year declines. The weak housing sector will probably restrain the recovery rather than thwart it, however, since housing is playing a less important role in the U.S. economy during the post-recession period. Still, the report serves as a reminder that the construction industry and homeowners’ sense of financial security could take more hits in the coming months as foreclosures continue to pile up and subdue prices.

The index’s 0.5-per-cent drop on a monthly basis marked the fifth such decline in a row, and some analysts say U.S. home prices are well on their way to a so-called double-dip. That would occur when the index reaches a new post-peak record low, something that David Blitzer, chairman of the index committee at S&P, said could happen in the first half of 2011. At a minimum, the report underscores that the housing market is nowhere near the Holy Grail that economists call “self-sustaining momentum,”

having slipped back from an upsurge early last year fueled almost entirely by a generous tax break for first-time buyers. Indeed, it's still unclear when the U.S. economy will grow at a pace that would cut meaningfully into unemployment. RealtyTrac Inc., a California-based data company, predicts the number of households getting foreclosure notices could soar 20 per cent this year.

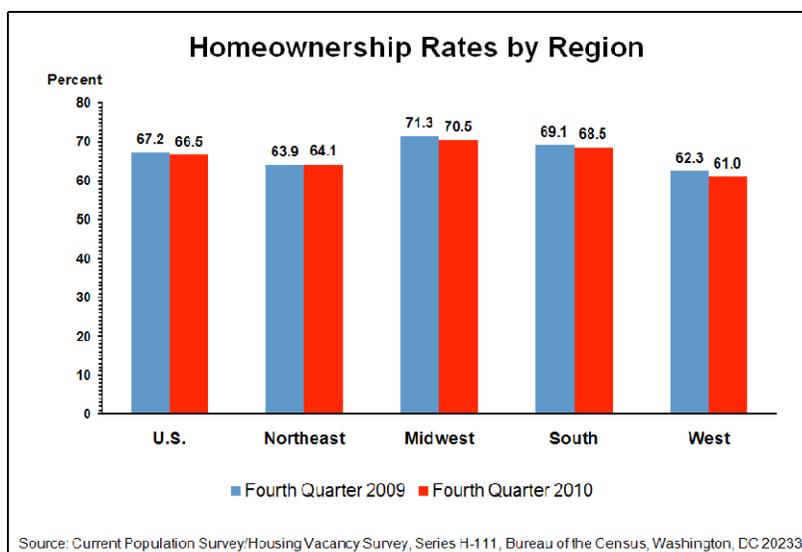
Fourth quarter vacancy rates mixed

January 31, 2011 (U.S. Census News Release) - National vacancy rates in the fourth quarter 2010 were 9.4 percent for rental housing and 2.7 percent for homeowner housing, the Department of Commerce's Census Bureau announced today. The rental vacancy rate of 9.4 percent was 1.3 percentage points lower than the rate recorded in the fourth quarter 2009 (+/-0.5 percentage points) and 0.9 percentage points lower than last quarter (+/-0.4).

Table. Rental and Homeowner Vacancy Rates for the United States: 2005 to 2010.

Year	Rental Vacancy Rates (%)				Homeowner Vacancy Rates (%)			
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
2010	10.6	10.6	10.3	9.4	2.6	2.5	2.5	2.7
2009	10.1	10.6	11.1	10.7	2.7	2.5	2.6	2.7
2008	10.1	10.0	9.9	10.1	2.9	2.8	2.8	2.9
2007	10.1	9.5	9.8	9.6	2.8	2.6	2.7	2.8
2006	9.5	9.6	9.9	9.8	2.1	2.2	2.5	2.7
2005	10.1	9.8	9.9	9.6	1.8	1.8	1.9	2.0

The homeowner vacancy rate of 2.7 percent was approximately the same as the fourth quarter 2009 rate (+/-0.2)* and 0.2 percentage points higher (+/-0.2) than the rate last quarter (2.5 percent). The homeownership rate of 66.5 percent was 0.7 percentage points (+/-0.4%) lower than the fourth quarter 2009 rate (67.2 percent) and 0.4 percentage points (+/-0.4%) lower than the rate last quarter (66.9 percent).



GENERAL INTEREST

Log truck weight reform introduced in the US House

ROCKVILLE, MD, Feb. 19, 2011 (Press Release) - AgHaul, the Agriculture and Forestry Transportation Reform Coalition, has strongly endorsed the introduction of the Safe and Efficient Transportation Act of 2011 (SETA) in the US House of Representatives. The bill, introduced on February 17 as HR 763 by Rep. Jean Schmidt (R-Ohio) and Rep. Mike Michaud (D-Maine), would give any state the option to allow semi-trucks weighing up to 97,000 pounds access to its Interstate highways, provided owners equip trucks with a sixth axle, to preserve braking distances and pavement wear patterns, and agree to pay a supplemental user fee. Similar legislation gained 54 co-sponsors in the last congress. The 6-axle / 97,000-pound configuration is well tested on state highways in several states and even on some states' Interstate highways, through "grandfather" provisions. Countries with competing industries, such as Canada and most European Union countries, operate with similar configurations. The Wisconsin and Minnesota Departments of Transportation have published studies pointing to safety, congestion, and road-wear benefits, as well as fuel and other cost savings for shippers.

U.S. truckers like Can-Am border pact

February 10, 2011 (Today's Trucking) - Stephen Harper and Barack Obama's planned efforts to streamline the flow of goods at the Canada-U.S. border and cut red tape is being lauded by the American Trucking Associations. "The trucking industry appreciates the efforts of President Obama and Prime Minister Harper to advance the cause of trade between the United States and Canada," said ATA President Bill Graves. "This agreement is a positive first step to increasing the competitiveness of businesses on both sides of the border."

Canada heeds softwood lumber ruling

February 14, 2011 (National Post) - Canada will increase export charges on softwood lumber to the United States, the government said Friday after an arbitration court ruled it had wrongly subsidized lumber exports. The London Court of International Arbitration last month supported U.S. claims that Canada broke the terms of a five-year-old agreement on bilateral lumber trade. After reviewing the decision, Trade Minister Peter Van Loan said the tribunal ruled that "loan guarantee programs that specifically benefit the softwood lumber industry contravene the Softwood Lumber Agreement." To bring Canada into compliance with the pact, he said Ottawa will implement additional export charges of 0.1% and 2.6% for Ontario and Quebec, respectively.

Prospects improving for the world pulp and paper industry

BEDFORD, MA, Feb. 10, 2011 (RISI Viewpoint by Rod Young, Chief Economic Advisor, RISI) - The RISI outlook for the world pulp and paper industry in 2011 has brightened over the past three months. Recent data on both the US and Chinese economies show accelerating growth, particularly in the industrial sectors. Within the pulp and paper industry, itself, perhaps the most encouraging sign of improving prospects is the upturn in softwood pulp prices, focused on the Chinese market, indicating that fiber demand is still expanding rapidly enough to keep these sensitive prices at elevated levels.

Better news on the US economy is probably the most important factor leading to an improved outlook for the world economy as a whole. Recently-released GDP data for the fourth quarter of 2010 show a further acceleration of growth from the low point reached in the second quarter. The data also show that the consumer, responsible for 70% of GDP, continues to emerge from the shell shock of falling asset values. The January purchasing managers index (PMI) registered the best overall figure since 2004, with the new orders segment registering a large increase. Housing remains mired at severely depressed levels but is apparently being offset by strength in other sectors. We are moving our forecast for US GDP growth toward 3% this year, up a full percentage point from several months ago.

Fourth-quarter 2010 data for the Chinese economy also showed an acceleration in growth despite continuing efforts on the part of the government to limit investment in the booming property sector. Industrial production posted a better performance in the latter part of 2010, based partially on record levels of exports. We are still looking for the Chinese economy to slow over the course of 2011 but only relative to the exceptional numbers registered in recent years. The modest slowdown will be generated by government actions to limit general inflation and a potential property asset bubble. Our forecast shows Chinese GDP expanding by 9% this year, or slightly slower than the 10.3% rate posted in 2010.

USDA Forest Service Unveils Proposed National Planning Rule

WASHINGTON, Feb. 10, 2011 – (USDA News Release) - The USDA Forest Service unveiled its proposed Forest Planning Rule today which would establish a new national framework to develop land management plans that protect water and wildlife and promote vibrant communities. Forest Service land management plans guide management activities on the 155 National Forests and 20 Grasslands in the National Forest System. The proposed rule includes new provisions to guide forest and watershed restoration and resilience, habitat protection, sustainable recreation, and management for multiple uses of the National Forest System, including timber.

Publication of the proposed planning rule in the Federal Register will kick off a 90-day public comment period, ending May 16. The Forest Service will use comments to develop a final rule. The proposed rule, meeting information, and additional information can be found at www.fs.usda.gov/planningrule.

Highlights of the proposed planning rule include:

- A more effective and efficient framework that would allow adaptive land management planning in the face of climate change and other stressors.
- Increased requirements for public involvement and collaboration throughout all stages of land management planning.
- Improved ability to respond to climate change and other stressors through provisions to restore and maintain healthy and resilient ecosystems.
- Provisions to guide the contributions of a National Forest or National Grassland to social and economic sustainability.
- Updated provisions for sustainable land, water and air-based recreation.
- New requirements to provide for integrated resource management of a range of multiple uses and values including outdoor recreation, range, timber, water, wildlife, wilderness, energy, mining, and ecosystem services.

The USDA Forest Service manages 193 million acres of forests and grasslands across the country.

Drinking water for approximately one in five Americans comes from the National Forest System. American forests, including those in the National Forest System, also capture and store enough carbon every year to offset 11 percent of the nation's industrial greenhouse gas emissions. At the same time, hundreds of millions of Americans visit National Forests and Grasslands annually, with 98 percent of these lands offering free access.

FINANCE & MANAGEMENT

LP cuts loss to \$32 million

NASHVILLE, Tenn., Feb 10, 2011 (BUSINESS WIRE) - Louisiana-Pacific Corporation (NYSE: LPX) reported today results for the fourth quarter and year ended December 2010. Total sales for the fourth quarter of \$316 million were up 14 percent versus a year ago and up 30 percent for the full year at \$1.4 billion. Losses from continuing operations were \$2 million, or \$0.02 per diluted share for the fourth quarter and \$32 million or \$0.25 per diluted share for the year.

ORIENTED STRAND BOARD (OSB) SEGMENT—LP's OSB segment manufactures and distributes OSB structural panel products. LP is currently operating eight facilities and has indefinitely curtailed two other facilities due to market conditions. The OSB segment reported net sales for the fourth quarter of 2010 of \$127 million, up 11 percent compared with \$114 million of net sales in the fourth quarter of 2009. For the fourth quarter of 2010, the OSB segment reported an operating loss of \$13 million compared with an operating loss of \$17 million in the fourth quarter of 2009. For the fourth quarter, adjusted EBITDA from continuing operations for this segment was a loss of \$3 million compared to the fourth quarter of 2009 loss of \$8 million. For the fourth quarter of 2010 as compared to the fourth quarter of 2009, sales volumes were up 6 percent and sales price increased by 4 percent. The increase in sales price accounted for approximately a \$4 million increase in both operating results and adjusted EBITDA from continuing operations. For the full year, OSB reported sales of \$603 million, up 47 percent from the prior year and had operating income of \$26 million compared to an operating loss of \$65 million in 2009. Adjusted EBITDA for 2010 was \$64 million compared to a loss of \$29 million in 2009.

SIDING SEGMENT—LP's Siding segment consists of LP SmartSide(R) siding as well as LP's prefinished CanExel(R) siding line. These products are used in new construction as well as in the repair and remodeling markets. The Siding segment reported net sales of \$103 million in the fourth quarter of 2010, an increase of 18 percent from \$87 million in the year-ago fourth quarter. For the fourth quarter of 2010, the Siding segment reported operating income of \$12 million compared to \$5 million in the year-ago quarter. For the fourth quarter, LP reported \$16 million in adjusted EBITDA from continuing operations, an increase of \$7 million as compared to the fourth quarter of 2009. For the full year, Siding reported sales of \$428 million, up 13 percent from the prior year and had operating income of \$51 million compared to \$29 million in 2009. Adjusted EBITDA for 2010 was \$70 million compared to \$48 million in 2009.

Potlatch reports \$40.3 million earnings for 2010

SPOKANE, WA, Feb. 8, 2011 (Business Wire) - Potlatch Corporation today reported financial results for the fourth quarter and full year ended December 31, 2010. Earnings from continuing operations for Q4 2010 were \$8.9 million, or \$0.22 per diluted common share, compared to \$2.9 million, or \$0.07 per diluted common share for Q4 2009. Earnings from continuing operations for the full year 2010 were \$40.3 million, or \$1.00 per diluted common share, compared to \$81.4 million, or \$2.04 per diluted common share for the full year 2009.

Operating income for the Resource segment was \$62.1 million in 2010 compared to \$81.8 million in 2009. Total harvest volumes increased 8 percent in 2010 over 2009. The timber deed sale in September 2009 provided \$41.5 million of operating income. Operating income for the Real Estate segment totaled \$30.4 million in 2010 compared to \$48.9 million in 2009. The decreased operating income was due to selling higher basis non-strategic timberlands in 2010 compared to the non-strategic timberlands sold in 2009. EBITDA for the Real Estate segment was \$79.1 million in 2010 compared to \$59.6 million in 2009. The Wood Products segment had operating income of \$7.1 million in 2010 compared to an operating loss of \$20.5 million in 2009. The 2009 operating loss included a \$3.0 million asset impairment charge.

NewPage 2010 net loss jumps to \$656M on net sales of \$3.6B

MIAMISBURG, OH, Feb. 17, 2011 (Press Release) - NewPage Corporation today announced its results of operations for the fourth quarter and full year 2010. Net sales were \$946 million in the fourth quarter of 2010 compared to \$857 million in the fourth quarter of 2009, an increase of \$89 million, or 10 percent. For the full year 2010, net sales were \$3,596 million compared to \$3,106 million for 2009, an increase of \$490 million, or 16 percent. Net income (loss) attributable to NewPage was \$(240) million in the fourth quarter of 2010 compared to \$(55) million in the fourth quarter of 2009. During the fourth quarter, NewPage announced plans to permanently close the Whiting, Wisconsin mill by the end of February 2011 and recognized asset impairment charges of \$196 million in other (income) expense. For the full year 2010, net loss attributable to NewPage was \$(656) million compared to \$(308) million in 2009.

Norbord back in the black

TORONTO, Jan. 28, 2011 (CNW) - Norbord Inc. (TSX: NBD, NBD.WT) today reported positive EBITDA of \$105 million versus break-even EBITDA in 2009. The year-over-year improvement is due largely to higher North American OSB and European panel prices and higher shipment volumes. North American OSB generated a year-over-year EBITDA improvement of \$90 million driven by strong second quarter results, while Norbord's European panel operations generated a \$19 million year-over-year EBITDA improvement. In the fourth quarter, Norbord recorded positive EBITDA of \$13 million versus \$12 million in the previous quarter and \$6 million in the fourth quarter of 2009. Norbord recorded earnings of \$17 million or \$0.39 per share (basic) for the full year versus a loss of \$58 million or \$1.35 per share in 2009. The Company recorded a loss of \$2 million or \$0.05 per share in the fourth quarter, excluding the impact of a \$6 million after-tax or \$0.14 per share non-cash write-down of its investment in a non-core business. In the fourth quarter of 2009, the Company incurred a loss of \$11 million or \$0.25 per share.

Market Conditions – US housing starts were 0.59 million in 2010, up modestly from 0.55 million in 2009, but significantly below the long-term annual average of 1.5 million. For the full year, the North Central benchmark OSB price averaged \$219 per Msf (7/16-inch basis) compared to \$163 per Msf in 2009. In the South East region, where approximately 55% of Norbord's North American OSB capacity is located, prices were somewhat lower than in the North Central region, averaging \$198 per Msf, compared to \$148 per Msf last year. In the fourth quarter, North Central benchmark OSB prices averaged \$191, up \$11 from the third quarter and up \$19 from the fourth quarter of 2009. South East prices averaged \$165 in the quarter, up \$9 from the third quarter and up \$11 from the fourth quarter of 2009.

Plum Creek beats expectations

January 31, 2011 (News Release) - Real estate sales more than doubled at Plum Creek Timber Co. (NYSE: [PCL.N](#)) in the fourth quarter, helping the company post better better-than-expected profit and revenue. PCL today announced fourth quarter earnings of \$59 million, or \$0.37 per diluted share, on revenues of \$356 million. Earnings for the fourth quarter of 2009 were \$28 million, or \$0.17 per diluted share, on revenues of \$258 million. Earnings for the fourth quarter of 2010 include a \$13 million, or \$0.08 per diluted share, loss on the early extinguishment of debt. Earnings for the fourth quarter of 2009 include a \$3 million, or \$0.02 per diluted share, loss on the early extinguishment of debt. Earnings for the full year of 2010 were \$213 million, or \$1.31 per diluted share, on revenues of \$1.2 billion. Results for the full year of 2010 include an \$11 million, or \$0.07 per diluted share, after-tax gain on the first-quarter sale of certain natural gas assets. As a result, income from continuing operations for 2010 was \$202 million, or \$1.24 per diluted share. Results for 2010 include the loss from the early retirement of debt mentioned above. Earnings for the full year of 2009 were \$236 million, or \$1.44 per diluted share, on revenues of \$1.3 billion.

Operating profit in the company's timber resource segments increased a combined \$42 million, or 54 percent from 2009 despite a slightly lower harvest in 2010. Modestly improved residential construction

and industrial markets increased sawlog demand in most regions. As a result, sawlog prices improved by 2 to 15 percent year-over-year depending on the region. Demand for pulpwood remained attractive throughout 2010. Northern pulpwood prices held steady at 2009 levels. Southern pulpwood prices were 16 percent higher than 2009 as weather-related log shortages drove very strong pricing in the first half of 2010. The company's harvest level of 15.4 million tons was 2.5 percent lower than the 2009 harvest of 15.8 million tons. In the North, the company maintained a low sawlog harvest level and reduced its pulpwood harvest approximately 400,000 tons. In the South, the company's 11.5-million-ton harvest was similar to 2009, however the mix of the harvest shifted toward small-diameter sawlogs as the company's 2010 harvest focused more on second thinnings that produce a mix of pulpwood and small-diameter sawlogs.

Weyerhaeuser nets \$1 billion on REIT conversion income tax savings

FEDERAL WAY, WA, Feb. 4, 2011 (Business Wire) - Weyerhaeuser Company today reported net earnings of \$171 million for the fourth quarter, or 32 cents per diluted share, on net sales of \$1.7 billion. This compares with a net loss of \$175 million on net sales of \$1.5 billion for the same period last year. Earnings for the fourth quarter of 2010 include after-tax gains of \$119 million from special items. Excluding those items, the company reported net earnings of \$52 million, or 10 cents per diluted share, in the fourth quarter of 2010. This compares to a net loss before special items of \$109 million in the fourth quarter of 2009. For the full year 2010, Weyerhaeuser reported net earnings of \$1.281 billion, or \$3.99 per diluted share, on net sales of \$6.6 billion. This compares with a net loss of \$545 million on net sales of \$5.5 billion for the full year 2009. Earnings for the full year 2010 include \$1.064 billion from income tax adjustments related to Weyerhaeuser's conversion to a Real Estate Investment Trust (REIT).

Domtar net earnings up 95% from year ago to \$605 million

MONTREAL, Feb. 4, 2011 (CNW) - Domtar Corporation today reported net earnings of \$325 million (\$7.59 per share) for the fourth quarter of 2010 compared to net earnings of \$191 million (\$4.44 per share) for the third quarter of 2010 and net earnings of \$124 million (\$2.86 per share) for the fourth quarter of 2009. Sales for the fourth quarter of 2010 amounted to \$1.4 billion. For fiscal year 2010, net earnings amounted to \$605 million (\$14.00 per share) compared to net earnings of \$310 million (\$7.18 per share) for fiscal year 2009.

UPM 2010 posts operating profit EUR 731 million, up 170% from 2009

HELSINKI, Feb. 2, 2011 (Press Release) – For 2010, operating profit excluding special items was EUR 731 million, 8.2% of sales. This includes a EUR 33 million capital gain from selling a conservation easement on 76,000 hectares of UPM-owned forest land in northern Minnesota.

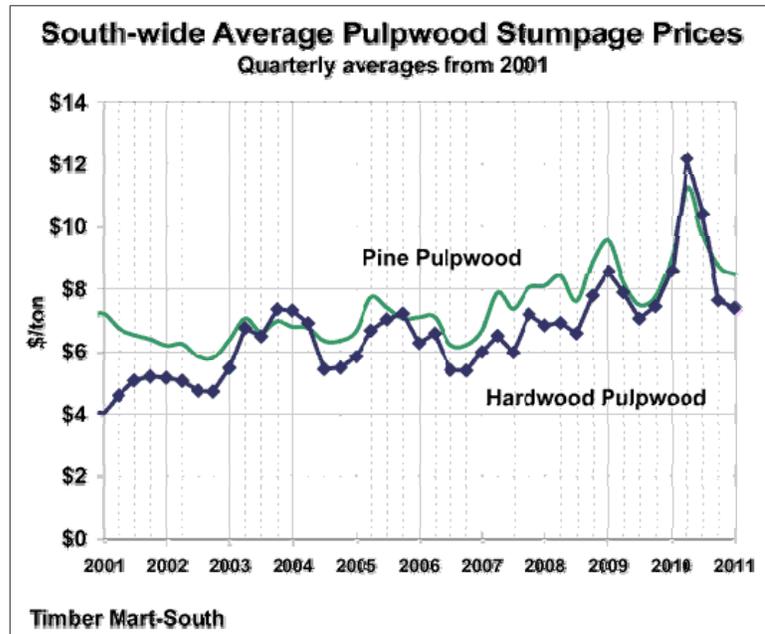
US timberland outlook mixed in 2011

RICHMOND, VA, Feb. 8, 2011 (RISI) - With a new year ahead, several timberland players shared mildly mixed opinions in late January. The scattered recent sales "show renewed activity," according to one upbeat consultant, "a positive sign" to the start the new year. Might they "break open the log-jam" of sales the last two years, another wondered. Most agree that timberland packages making their way to market this year will involve "all the no-sales from the last 18 months," typically properties acquired at reasonable prices early in the previous decade, prior to the peak in 2008. "They can come back this year and next, it will be gradual," a source explained. However, those acquired at the "bubble-top prices" in 2007-08 will remain "underwater indefinitely."

PRODUCTION & PRICES

US South pulpwood stumpage prices drop fourth consecutive quarter

Feb. 2011(TMS) - According to Timber Mart South (TMS), pulpwood stumpage prices across the US South fell for the fourth straight quarter from a recent peak during the first quarter of 2010. Pine stumpage prices were 25% lower than last year's, while hardwood stumpage was down 43%. Pine stumpage is currently averaging \$8.68/ton and hardwood stumpage averages \$7.85/ton.



Sappi announces 8% price increases on coated fine papers in Europe

BRUSSELS, Feb. 3, 2011 (Press Release) - In order to cope with the continuously rising input costs, which have once again reached record high levels, Sappi Fine Paper Europe has decided to take corrective pricing measures in the European markets. New price hikes in energy, wood, and starch have occurred over the past months and consequently Sappi Fine Paper Europe has been confronted with a situation of declining profit margins, threatening the fine paper business. We are therefore announcing a price increase in coated fine paper of minimum 8% for deliveries as of the 1st of March 2011 (for non-contractual business) and as of the 1st of April 2011 for contractual business. For uncoated fine papers we will increase our prices by 5 - 8% for deliveries in March 2011 for the entire business.

Domtar slates 3/1 NBSK \$30/tonne price increase

SAN FRANCISCO, Feb. 15, 2011 (RISI) - Domtar informed customers in China that it will increase prices on northern bleached softwood kraft (NBSK) pulp by \$30/tonne, effective March 1 until further notice. The list NBSK price will be \$890/tonne in China. Last week, Domtar slated a \$30/tonne domestic hike on NBSK and southern bleached softwood kraft (SBSK), which marked the first pricing move for March business in any market worldwide. Major producers of BSK pulp have implemented price increases in China for three consecutive months on strong demand and low supplies.

NewPage slates \$40/ton April 7 coated papers price hikes

SAN FRANCISCO, Feb. 22, 2011 (RISI) - NewPage told customers Monday it will increase the price of coated freesheet and coated mechanical web products in the USA and Canada by \$40/ton. The increases will be effective on all new and existing orders with confirmed delivery dates of April 7 or later.

Verso announces \$40/ton April 1 hike on coated and uncoated papers

SAN FRANCISCO, Feb. 17, 2011 (RISI) - Verso told North American customers today that it will increase the price of all coated freesheet, coated mechanical and supercalendered (SC) papers by \$40/ton in April. The increase will be effective April 1 on all basis weights, bulks and finishes.

RENEWABLE ENERGY

Range Fuels \$320 million Georgia bio-fiasco

February 10 and 15, 2011 (excerpts from WSJ.com and The Atlanta Journal-Constitution) – The premise, and the promise, were brilliant in their simplicity: turn tree waste into fuel, help break the Middle Eastern choke hold on America's economy and bring hundreds of jobs to rural Georgia. What wasn't there to like? Plenty, starting with the closing last month of the Range Fuels cellulosic ethanol factory that promised to help make Georgia a national leader in alternative energy production. Then there's the money — more than \$162 million in local, state and federal grants, loans and other subsidies committed to the venture. Much of that has been spent; recovery would be difficult. Officials at Colorado-based Range Fuels, who didn't return calls for this story, have said they plan to eventually re-open the Soperton plant. But critics — ranging from budget hawks to renewable energy experts to dispirited locals — say the shutdown is a case of good money thrown at unproven science and lofty promises.

State and national officials were giddy when ground was broken in 2007 for the \$225 million ethanol distillery outside Soperton, Georgia, 155 miles southeast of Atlanta. U.S. Energy Secretary Samuel Bodman, who steered a \$76 million federal grant to Range, said that “by relying on American ingenuity and on American farmers for fuel, we will enhance our nation's energy and economic security.” The U.S. Department of Agriculture followed up with an \$80 million loan guarantee. Georgia officials pledged \$6.2 million. Treutlen County, one of the state's poorest, offered 20 years worth of tax abatements and 97 acres in its industrial park. Private investors reportedly put up \$158 million. In all, the project raised more than \$320 million. It hasn't been enough.

Initially, Range had told EPA they would produce 20 million gallons of cellulosic ethanol per year at this plant. In mid-2010, Range went back to EPA with “changes” to the scope of the project with a capacity reduction to 4 million gallons per year of non-qualifying methanol instead. There would be no qualifying cellulosic ethanol produced in 2010. After running the plant for just one day, Range shut down in early January. As for current Range CEO Mr. Aldous, he's blaming this failure on Washington's failure to impose a tax on carbon via cap and trade. “The critical issue is really that there's no mechanism to price carbon today,” he told a Colorado newspaper. He also blamed “public apathy toward green fuels.”

Oglethorpe suspends 300-megawatt Georgia biomass projects due to regulatory uncertainty

Feb. 9, 2011 (Biomass Magazine) - Oglethorpe Power recently announced that it is putting its plans to construct three 100-megawatt biomass power plants on hold indefinitely due to regulatory uncertainty. In 2008, Oglethorpe Power announced plans to build up to three biomass plants in Georgia, and was studying the best potential sites. Aside from the production of renewable energy, perhaps the most significant benefit of these plants would have been the 400 to 500 jobs generated per plant, mostly employment within the depressed forest industry to gather and transport fuel.

Construction was scheduled to begin this year on the first plant in Warren County, but that's no longer in the power utility's plans, the company announced, due to a string of government regulatory issues that have surfaced over the past year and a half. Even though one of the most onerous regulations impacting biomass plants—the Tailoring Rule—has been deferred for three years and the beneficial 1603 Program was renewed, the company says it's just not quite enough for it to move forward with its plans. “We feel there is still considerable uncertainty over whether biomass generation will be treated as a renewable resource and will be considered carbon neutral,” said Greg Jones of Oglethorpe Power. “In light of that, our member systems have determined that we will defer construction of our Warren County, Ga., project as we continue to monitor regulatory and legislative developments related to biomass electricity generation.”