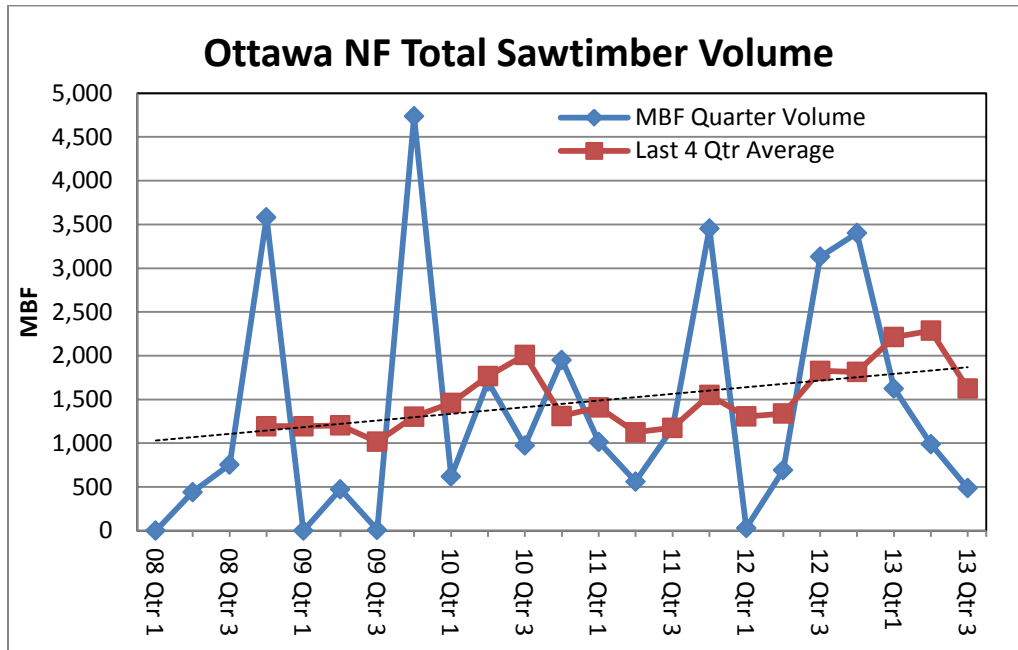
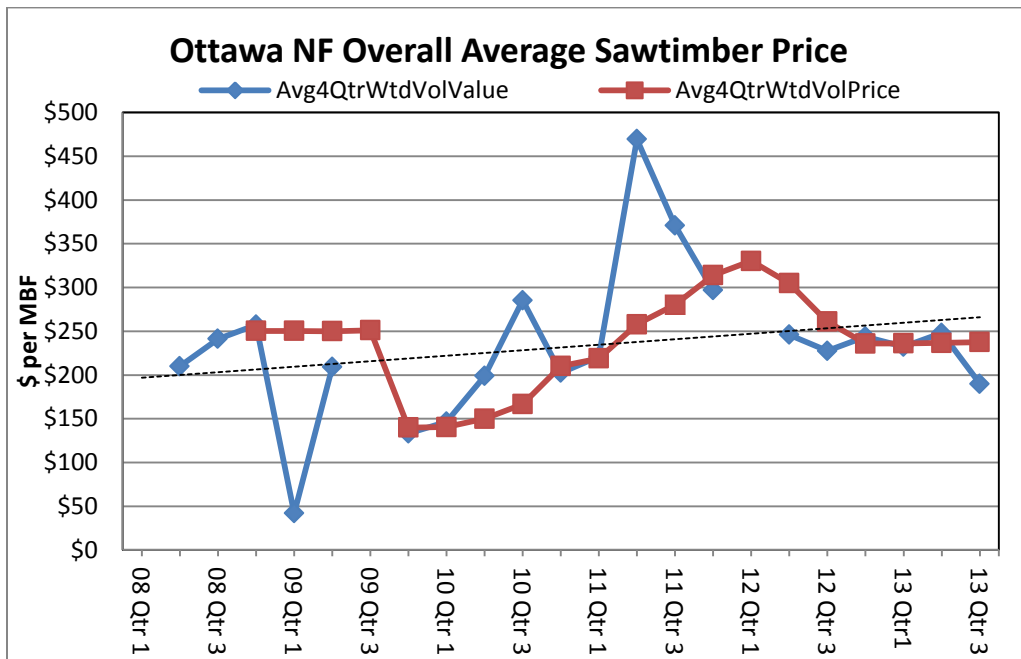


Ottawa National Forest Major Species/Product Timber Sales, FY 2008 – 3rd Qtr, 2013

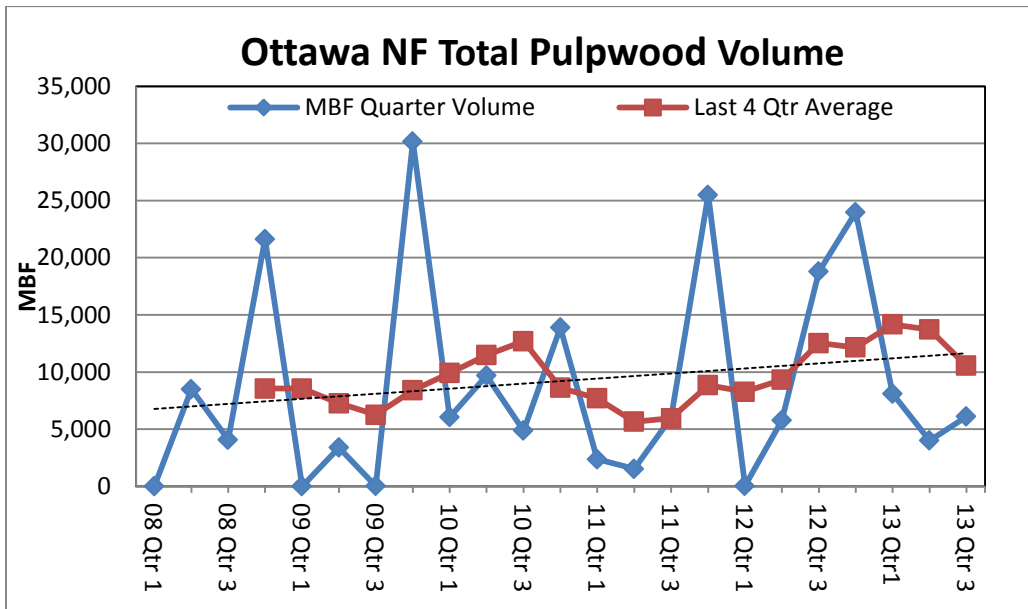
All graphs include a dotted trend line based upon the data set for the last four quarter averages. Gaps in the blue quarter line indicate no sales in the quarter where the gap occurs. The National Forests follow the federal fiscal year from October 1 through September 30; the third quarter covers April through June.



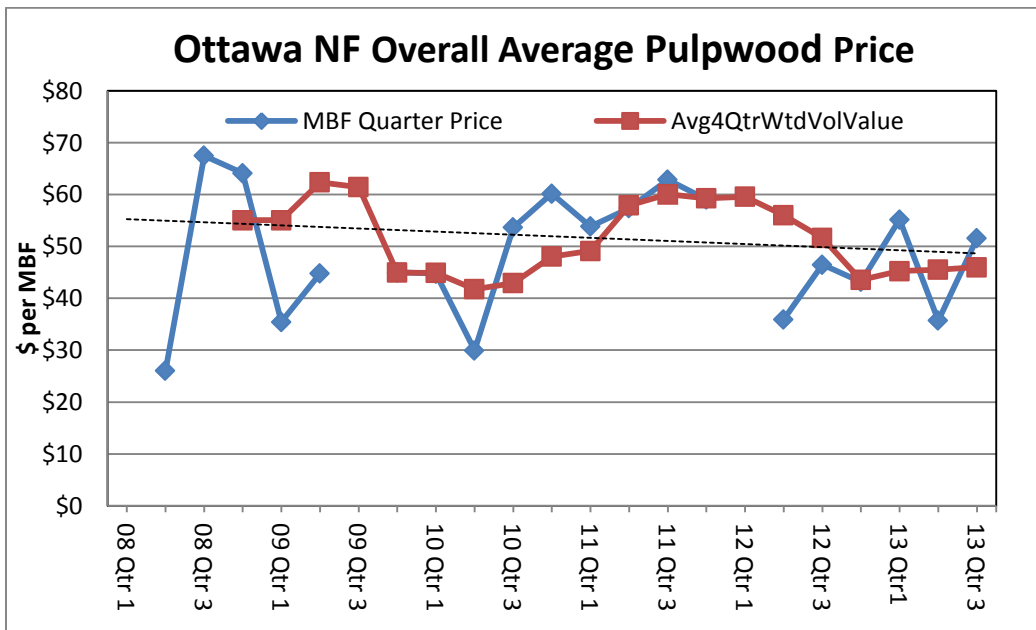
There has been an increasing sawtimber sale volume trend overall during the past five to six years, but volumes from quarter to quarter have been somewhat erratic and they have fallen quite sharply for the past three quarters.



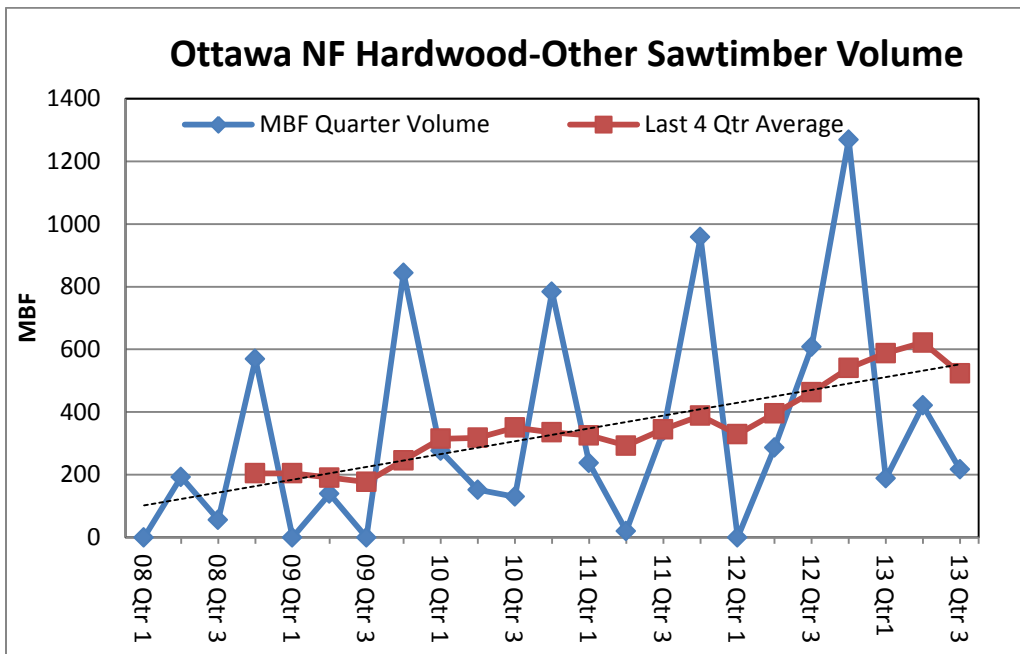
Overall average sawtimber prices also rose moderately over the period, in part due to a peak in prices in the 2nd quarter of 2011. Following that quarter, prices have remained relatively stable with a dip in the most recent quarter.



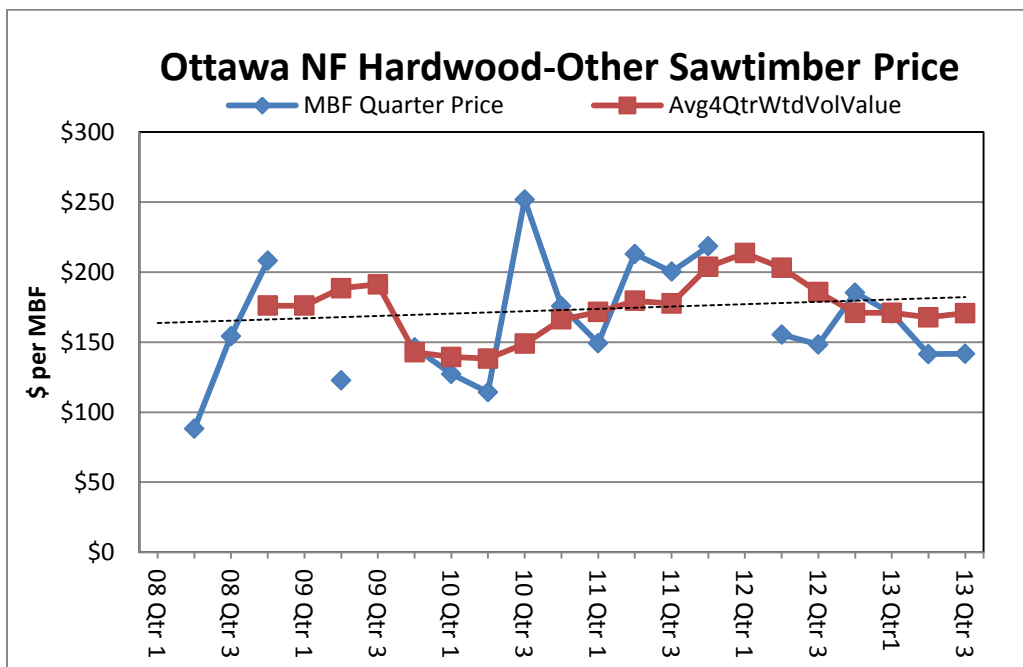
Pulpwood sale volumes have also modestly increased overall during the past five to six years, but they dropped sharply in the 1st quarter (Oct.-Dec.) of this year and then again in the 2nd quarter. A slight gain in the most recent 3rd quarter leaves sale volumes at below their five-year average; however, sale volumes are often highest in the 4th quarter.



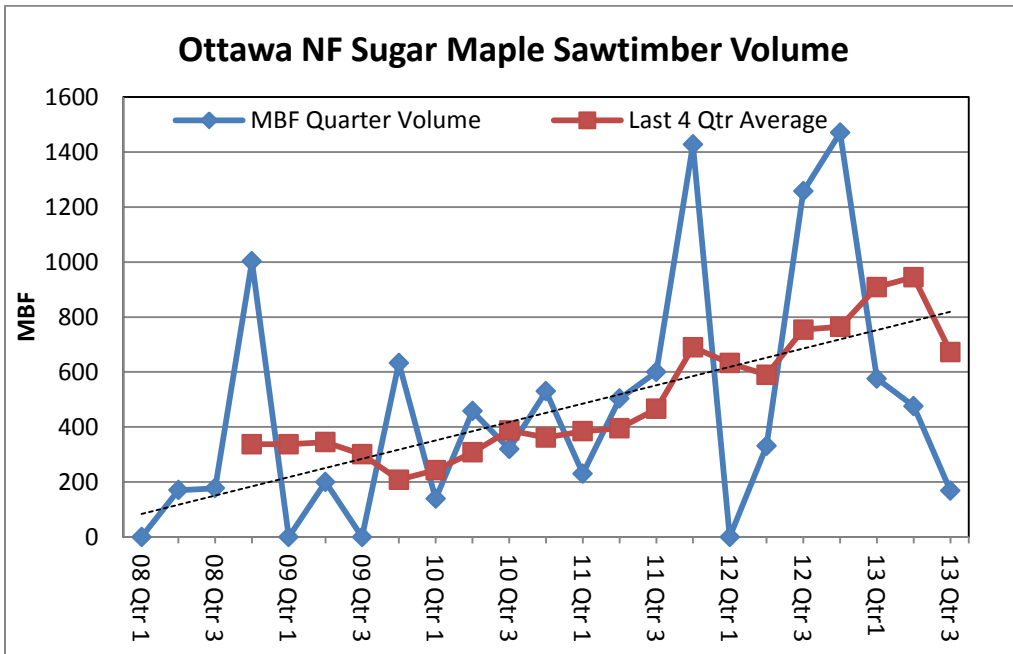
The overall average pulpwood price shows a mild decline for the past five or six years despite an increase in the most recent quarter. Peak pulpwood prices were seen in the latter half of fiscal year 2008 (April-Sep.).



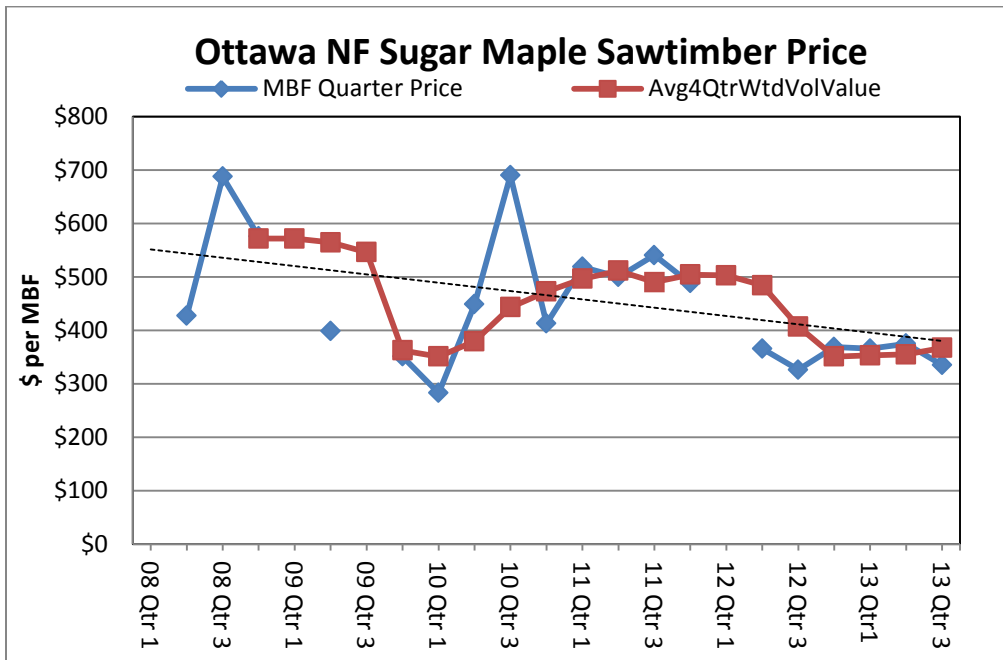
Sales volume for "Hardwood-Other" has had a fairly consistent seasonal pattern with distinctive, higher-volume peaks in the 4th quarter (July-Sep.) of each year. There is an overall increasing volume trend over the past five to six years, despite a small drop in sales volume during the most recent quarter. This will be a sales volume to watch next quarter, along with total pulpwood volumes.



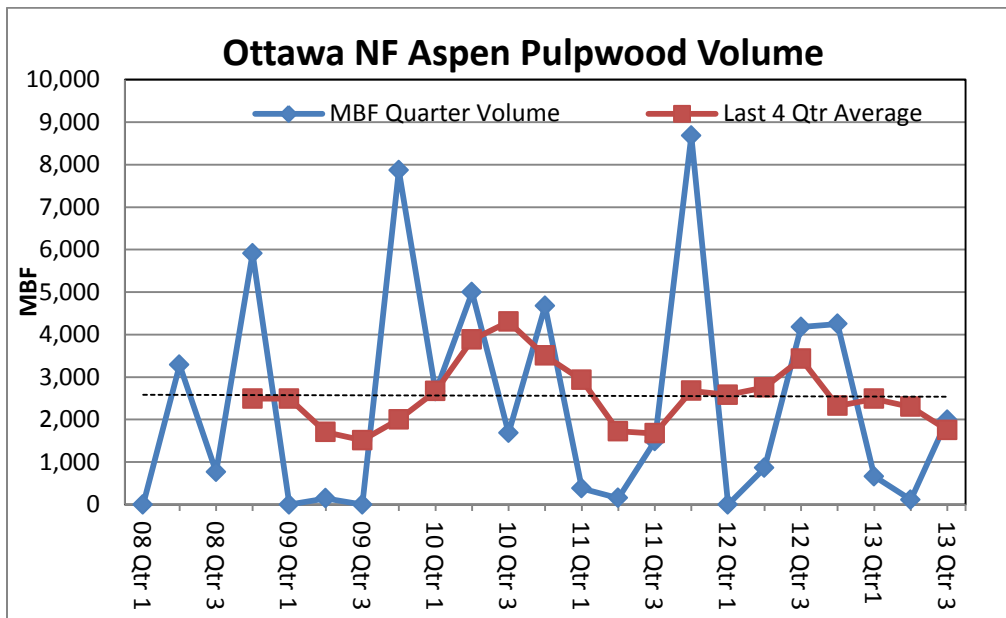
Prices have remained relatively stable for the past six quarters; prices dipped slightly starting three quarters ago. Overall, there has been a slight increasing trend for the past five to six years, but that is due to low prices in the second quarters of 2008 and 2009 combined with higher prices between the 3rd quarter of 2010 and the 4th quarter of 2011.



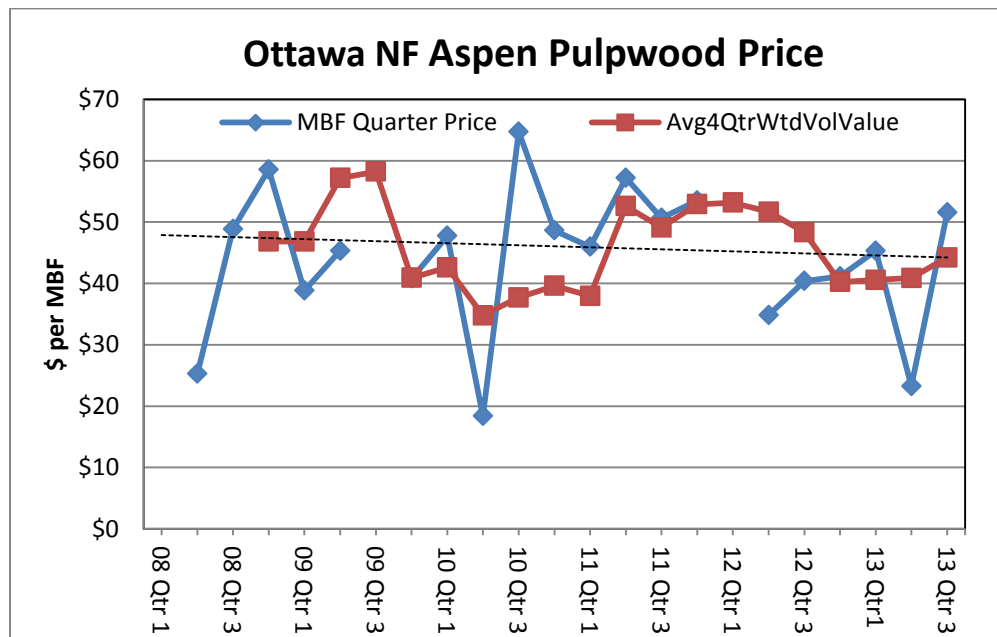
Sugar maple sawtimber sale volumes have increased over the past five to six years; however they dropped sharply during the most recent three quarters from high levels achieved during the last two quarters of 2012. This will be another item to check during the 4th quarter of 2013.



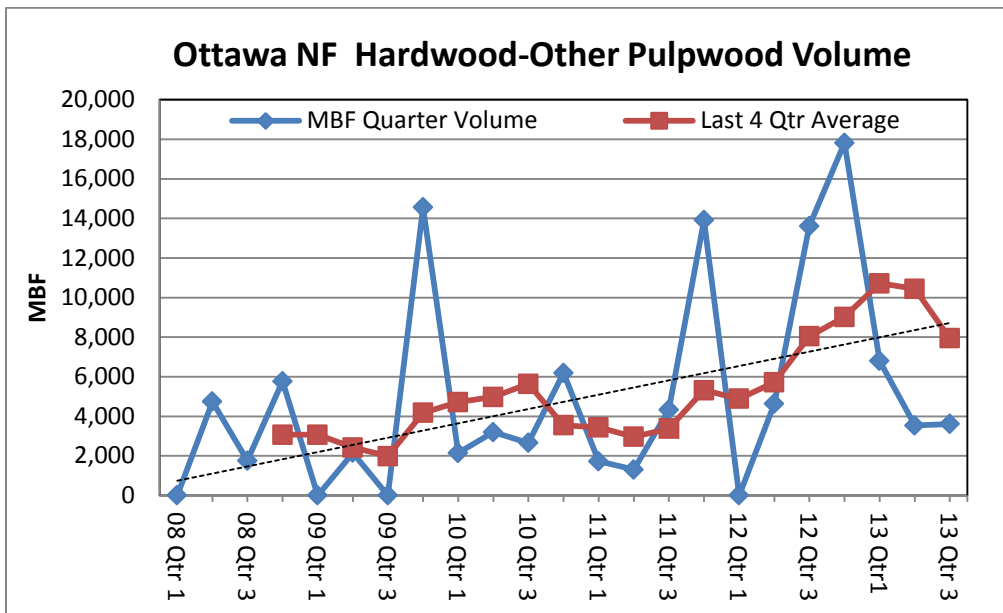
While sale volumes climbed to new levels last year, sugar maple prices remained steady; by the same token, despite much lower 2013 sale volumes, prices have not risen. Over the five to six year period, they have fallen. Peak prices were seen in the 3rd quarters of 2008 and 2010.



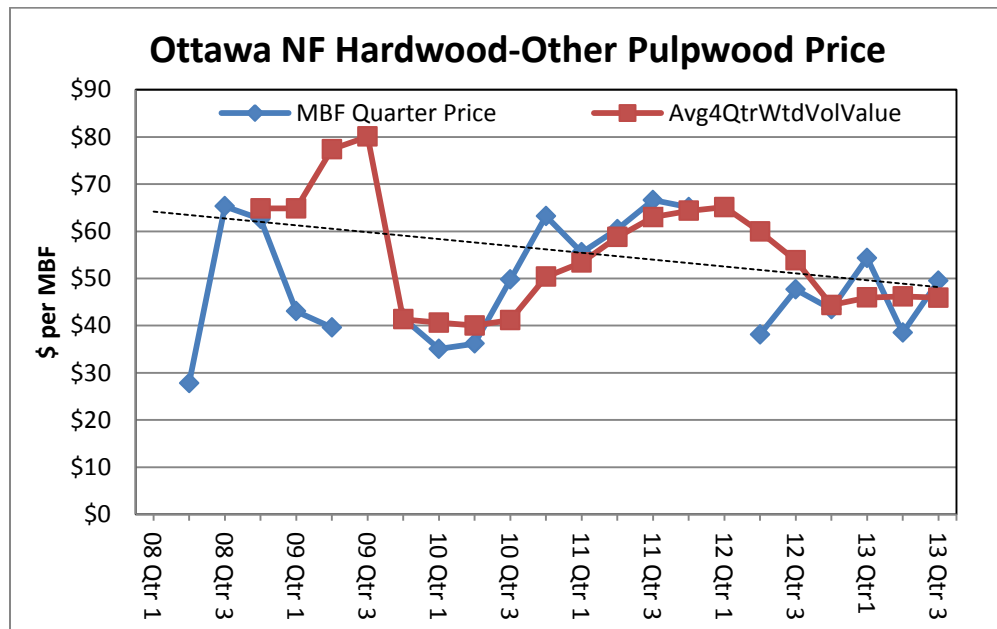
After two quarters with an average sale volume under 500 mbf, Aspen pulpwood sale volume increased in the 3rd quarter, but only to 2,000 mbf. Sale volume has been very erratic over the past five to six years with sale volumes at the extremes (under 1,000 mbf or over 4,000 mbf) much more frequent than sales in the middle (between 1,000 mbf and 4,000 mbf).



After falling to its second lowest price of the past five to six years, the aspen pulpwood price more than doubled in the 3rd quarter to over \$50 per mbf. The price has seen its ups and downs over the period, particularly between the 2nd and 3rd quarter of FY 2010 and the last two quarters, but the overall trend for the period has been a slight decline. (The most recent price jump lessens this decline.)



In the past 5 years, sale volumes for the majority of quarters were close to or under 4,000 mbf. Sale volumes dropped the last three quarters after they hit a high of 18,000 mbf (roughly 36,000 cords) in the 4th quarter of 2012. Again, this is an item to watch in the 4th quarter: will it rebound to the levels seen in the 4th quarters of 2012, 2011, or 2009? Or will it remain at the much lower 4th quarter levels of 2008 and 2010?



The declining 5-year “Hardwood-Other” pulpwood price trend is the inverse of the “Hardwood-Other” pulpwood sale volume trend; as volumes have increased, prices have come down. The quarterly price modestly increased during the most recent quarter.