RANDOM LENGTHS

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RANDOM LENGTHS

THE WEEKLY REPORT ON NORTH AMERICAN FOREST PRODUCTS MARKETS

October 23, 2009
Vol. 65, Issue 43

The Market

Random Lengths Composite Prices

Framing Lumber:	+2
Board:	n.c.
Shop/Mldg&Btr:	+11
Structural Panel:	+2

Inside TAK

Market Reports

Wood products traders offer tips to survive tough market

Keeping a bare-bones inventory, reducing overhead costs, and maintaining a positive attitude in the face of adversity were the most common responses to a recent Random Lengths survey asking readers to provide their best tips to survive the coming winter.

THROUGH A KNOTHOLE

While most of the 579 who participated in the survey foresee more difficult times ahead for wood products, they feel that the worst is behind them. When asked about market prospects for 2010, 47% said they believe it will be better than 2009, while 43% think the market next year will be about the same as this year. Only 10% expect 2010 to be worse than 2009.

Most respondents anticipate a modest recovery in the housing market in 2010. U.S. housing starts in September were at a seasonally adjusted annual rate of 590,000 units. Of those surveyed, the largest group (38%) predicted that total starts in 2010 will be between 600,000 and 700,000 units (see chart). The next-largest group (34%) predicted starts next year would finish between 500,000 and 600,000 units. Only two respondents thought starts in 2010 would top 1 million units.

With that as a backdrop, here is a sampling of some of the tips offered to survive the winter ahead:

"Watch your two largest expenses — inventory and labor — and keep them in line with the ratios. The numbers don't lie. Then you won't be fighting with the bank like I am," said a CEO/president in the Midwest.

"Do all of these jobs and more — president, purchasing agent, yard foreman, dispatcher, sales, and sometimes truck driver. Go to work early and stay late. Hope your heart and the money hold out, and that somehow there is somebody who wants to build something in the spring as well as now," said another Midwest respondent.

"I am optimistic that business will come back. In the meantime, I am spending more quality time with the wife and kids to make up for what I missed when we were too busy," said a midwesterner in purchasing/credit.

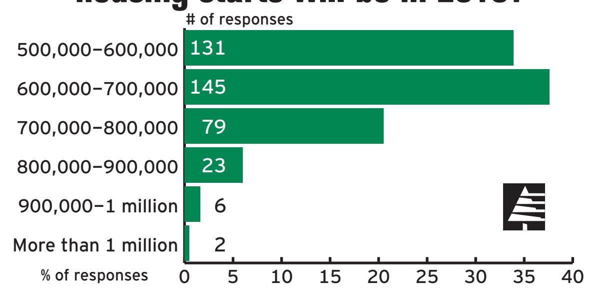
"Dump advertising, it's useless in this market. Don't lay off or cut hours so much that your service suffers. In this market, service is more important than ever. When you cut pay, cut your own the most. When it's good, you make the most, when it's bad you make the least. If you're in it for the long haul, you don't want to kill the goose that lays the golden egg," said a mill manager in the Northeast.

"I have my hard hat, protective eyewear, chest protector, and protective cup on, and am ready for business. In other words, paying attention to all facets of your business will help you survive. Cost reductions alone will not make you succeed. You need to be vigilant on credit, a bulldog on sales, a supreme motivator, and very diligent," said a salesman in the Northeast.

"Cold calls, cold calls and more cold calls. Although (we've been) in business for over 30 years, in 2009 we doubled the number of cold calls we made compared to 2008," said a salesman in the West.

"Cross train all employees and let dead weight go. I have found that there are people working for me that can do the job of two or three people. Give that person a small incentive to do the extra work and save thousands in unneeded workers," said a CEO/president in the West.

What do you think total U.S. housing starts will be in 2010?



Source: Random Lengths Survey.

"I have never seen it tougher in my 56 years," said another CEO/president in the West. "As for advice, it's old, old advice — diversify. Don't have all your eggs in one basket. Be willing to jump in and work in the mill or woods or wherever help is needed. This last season, I worked in the office in the morning, in the sawmill in the afternoon, and hauled logs until dark."

For a complete list of comments, go to www.rlpi.com. Click on "In Depth," then "Surveys," then "Comments from the Survival Tips Survey."

Traders: smaller paychecks require lifestyle adjustments

Smaller paychecks — in some cases, much smaller — are the new reality for many lumber and panel traders. Life with a lower income has forced them to make significant lifestyle adjustments. Random Lengths asked several traders about those adjustments; what follows is some of what came back:

"The biggest adjustment has been to not have anything that's new: not clothes or cars or houses," said a western wholesaler. "There are no more exotic vacations, not even weekend trips, unless some kind of deal exists. … For some of us, our wives have saved the day," he continued. "Because of them, we still have homes. But the biggest hit has been to our machismo. Trading lumber and being humble just don't go together for most of us."

Smaller paychecks had a different impact on another trader going through a divorce. Trying to get the "other side" to recognize that his income during the years 2003-2006 was unusually high, while his current income is very low, was a difficult proposition.

Added another western trader: "Many who think they need to get their wife a new car because the old one has 150,000 miles on it are holding off, spending $500 to fix the old one so it will run another year or two. Every time I pick up a shirt at the store, I think, 'Do I really need this?' Often I put it back. Before, I would have just bought it."

A 35-year industry veteran in the East saw the lean times coming back in 2006 and 2007, and socked away savings during those years. "I know these cycles come and go," he said. "I tried to get ready for the downturn." Even so, his income is down 50-60%. He takes short weekend vacations instead of week-long holidays, and far fewer total vacation days.

"You just have to buckle down and keep working hard and don't spend as much," he said. "I won't spend as much this holiday season. I give to charities, and I'll give less this year; that's just the way it goes."

Some traders observed that they or co-workers now plan to delay retirement up to five years longer than what they had anticipated just a few years ago. Having cut back on golf, cars, vacations, and other expenses, some now have turned to attractions that don't cost much money, such as the zoo or art galleries.

One trader said he's making a lot less money, but he notes: "It's made me appreciate what I have, rather than worrying all the time about how much less money I'm making."

A trader in the North echoed that theme: "There is no shortage of traders with their priorities out of whack in a big way," he said. "This rough time we're going through is a good time to get those priorities back into the proper perspective."

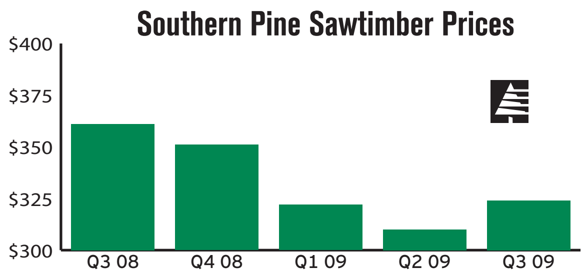
Flat starts trend raises concern mild recovery fading

Housing starts in September edged up to a seasonally adjusted annual rate of 590,000 units, a level around which it has hovered for four straight months. The extended flat trend has analysts concerned that the modest recovery from an April trough of 479,000 units is stalling out.

The housing report was released on the same day home building, real estate, and mortgage lending advocates told Congress it must renew and expand the first-time homebuyer tax credit to keep the nascent housing recovery alive. "Without congressional action now, the market and our national economy may freeze again — possibly as soon as this month," Ron Phipps of the National Association of Realtors told a Senate committee.

Lobbyists also called on Congress to make higher loan limits for the FHA, Fannie Mae and Freddie Mac permanent, to help free up credit needed for new-home construction, and to fix what they argue is a faulty appraisal

Statline: A Weekly Look at Key Trends



Source: Timber Mart–South; average prices/mbf (Scribner) from private lands delivered to mill or yard.

The Southeast-wide Southern Pine sawlog price average rebounded modestly in the third quarter from its second-quarter trough.

system now derailing many home loans. While some members of Congress are warm to expanding the tax credit, others are reluctant to support it without tax increases or spending cuts to pay for it.

The rate at which permits were issued fell modestly in September (see table), a decline the National Association of Home Builders cited as evidence that the fragile recovery may be stalling. “In particular, the fact that builders are pulling fewer permits right now is an indication of the increasing uncertainty about where this market is headed,” said NAHB Chief Economist David Crowe.

NAHB also noted that its builder confidence index for October slipped a point, with survey respondents taking particular note of the home buyer tax credit’s November 30 expiration.

Through the first three quarters of the year, builders had started construction on 431,300 units, a 43% decline from

U.S. Housing Starts and Building Permits

(1,000s of Units, Seasonally Adjusted Annual Rates)

	September 2009	August 2009	September 2008	% Chg. Prev. Mo.	% Chg. Yr. Ago
Total Starts	590	587	822	+0.5%	-28.2%
Single-Family	501	482	549	+3.9%	-8.7%
Multifamily	89	105	273	-15.2%	-67.4%
Northeast	69	73	112	-5.5%	-38.4%
Midwest	107	109	138	-1.8%	-22.5%
South	300	280	408	+7.1%	-26.5%
West	114	125	164	-8.8%	-30.5%
Total Permits	573	580	806	-1.2%	-28.9%

• Source: Census Bureau

a year ago. Of those, about 340,000 starts, or 79%, were single-family units, down from 519,000 units during the same period of 2008.

Structural panel output perked up in third quarter

Following four consecutive years of declines from the second to third quarter, North American structural panel production this year increased 10% in that span, according to APA - The Engineered Wood Association.

That would be one of few favorable comparisons for the quarter, however, as output of 6.7 billion square feet marked the lowest third-quarter level since 1984. It was 17% below last year’s figure and 27% below the five-year average for the quarter.

Through three quarters, production of 18.2 bsf trailed the year-ago pace by 26%. Compared to 2008, OSB production in the U.S. declined by almost one-third.

North American Structural Panel Output

January – September		2009	2008	% Chg.
Plywood	U.S.	6,660	8,176	-18.5
	Canada	1,214	1,517	-20.0
	Total	7,874	9,693	-18.8
OSB	U.S.	7,002	10,401	-32.7
	Canada	3,321	4,372	-24.0
	Total	10,323	14,773	-30.1
TOTAL		18,197	24,466	-25.6

• millions of square feet, 3/8″ basis
• Source: APA – The Engineered Wood Association

OSB output in the U.S. widely outpaced production in Canada, which was reduced significantly last year. At 7.0 billion square feet, year-to-date output of OSB in the U.S. accounted for the largest proportion of North American production, but held a narrower advantage over U.S. plywood (see table).

Specialty OSB, including I-joist web stock, rimboards, and furniture frames, increased 27% from the second to third quarter, but accounted for only 7% of all OSB output.

Cuts in plywood production year to date were more modest than in OSB, with 38% of output going to industrial markets, 29% to repair and remodeling, and 18% to non-residential construction, according to APA estimates.

The deadline for returning questionnaires for listings in the 2010 Random Lengths Big Book is Friday, October 30. Questionnaires must be returned, even if there are no changes. The Big Book is the leading buyers and sellers directory of the softwood forest products industry. For additional information, contact Terri Richards at (888) 686-9925, or bigbook@rlpi.com.

YARDNOTES

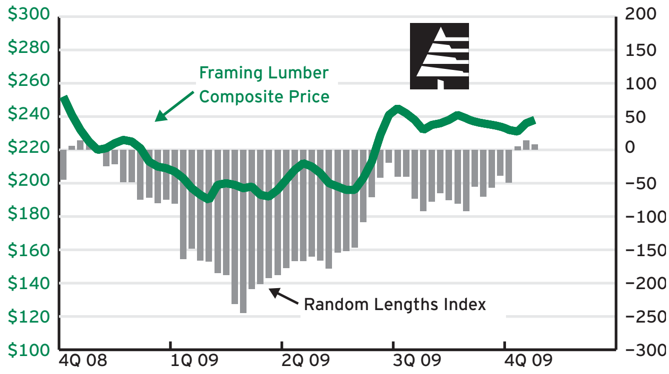
Ahren Spilker, previously with Angel Point Forest Products, has joined the sales staff at Idaho Forest Group, Coeur d’Alene. **Erik Heilman** has been named director of government affairs at the American Forest & Paper Association. Weston Forest Products, Mississauga, Ontario, has purchased the industrial lumber business of Colony Ratcliff Lumber, Gormley, Ontario. **Scott Wetherell**, previously with Culpeper Wood Preservers, has joined the staff at FLW Wood Products, Princeton, N.J. He will oversee the company’s fence division. A program titled “The Lacey Act: Implications for the forest products industry” will be held November 13 in Portland, Ore. A live Web seminar is also available. The program is sponsored by the Forest Products Society, and the forestry departments at Oregon State and Mississippi State universities. Contact Chris Knowles at chris.knowles@oregonstate.edu, or 541-737-1438. The Forest Products Society has issued a call for papers to present at its 64th International Convention June 20-22 in Madison, Wis. The submission deadline is November 20. For details, go to www.forestprod.org.

Lumber Market Report

Lumber Market Indicators

	This Week	Last Week	Year Ago
Framing Lumber Composite Price	**$238**	**$236**	**$225**
2x4 #2&Btr KD Western S-P-F	193	195	189
2x4 Std&Btr Grn Douglas Fir (Portland)	165	168	150
2x4 #2 KD SYP (Westside)	242	236	288
2x4-8' PET KD Western S-P-F	191	195	180
1x12 #3 KD Ponderosa Pine	285	285	255
Random Lengths Index*	+7.8	+14.1	+12.5

* The index is a numerical representation of market activity, based on a ratio of western sawmill order files to inventories. In computing the index, the data are compared with similar data averaged over the past five years.



Market Overview

Trading fell back to quiet after the previous week's action. Dull sales left most prices flat or close to where they started the week. Southern Pine was the major exception, as weeks of heavy rains curtailed logging and left mills running at reduced levels, if at all. Supply-driven SYP price gains were the key in lifting the Random Lengths Framing Lumber Composite Price by $2. Elsewhere, buyers largely avoided all but must-have purchases, as they were content to operate from bare-bones inventories.

Western S-P-F, which led a midweek surge last week, set the quiet tone; one producer noted late Thursday that this was "a week of Mondays." While producers selectively opened to counters, they were usually modest, and many mills were able to fall back on order files gained last week. Traders at the secondary level focused on selling; their struggle to move what they owned gave them little reason to make contact with their suppliers.

Wood owned by secondaries took care of many of the new inquiries from dealers and distributors. Even so, with production dialed back and mills riding order files, traders reported some difficulty covering customers' specifications. Thin inventories made quick shipments a prerequisite on new orders, while also generating widespread retailer appeals to move up scheduled shipments.

The September housing report, showing a flattening trend, raised concerns about the housing market's so-far-fragile recovery (see Through a Knothole). Currency exchange rates were a factor in some markets. The weak U.S. dollar helped drive exports of lower-grade boards to Mexico and other offshore destinations, while discouraging imports of Radiata Pine industrials and European Spruce boards and dimension. Modest gains in the supply-starved industrial and 1-inch board markets belied decidedly weak demand and consumption.

Dry Framing Lumber

Spruce-Pine-Fir The trading pace in Western S-P-F was uneven and very slow. Producers leaned on order files gained in last week's spurt and held quotes at or close to the levels they listed at the start of the week. Secondaries and dealers who needed to cover any orders often turned to reloads and distribution yards for truckloads that were priced competitively. In #2&Btr 2x4, a hefty discount in the November futures contract had many buyers wary of the cash market. Mill quotes in the mid-$190s were widespread, but few sales were made at that level. Prices of the wides took opposite paths. 2x10 weakened as more output showed up, but 2x12 offerings were thin. Producers struggled to attract MSR orders. In Utility and #3, many producers relied on overseas demand to hold prices, but some large remanners reported block purchases at hefty discounts.

Seasonal slowing was noted, but limited production allowed mills selling to the U.S. to command their list prices or close to them. In contrast, prices of many items were vulnerable in Toronto. Retailers in the U.S. continued to buy on a just-in-time basis, but they often ran low of inventory and implored suppliers to expedite shipments. Toronto remained a preferred market for both eastern and western mills; most #1&2 prices softened. 2x10 was most vulnerable, with sales of Eastern S-P-F in the mid-$C380s and Western S-P-F delivering as low as the mid-$C360s. 2x3 10/16-foot was an exception, commanding premiums in Canada.

Southern Pine More rainfall in parts of the South quelled demand and kept a number of mills on abbreviated production schedules. This was most apparent in the westside and central zones, and prices adjusted accordingly. Prices of #2 dimension gained $3-13 in those zones, even amid slow trading. Mills raised quotes, often defensively, based on their access to logs and ability to operate. Brief periods of dry weather released pent-up demand, generating bursts of activity that belied overall market apathy. Mill

Continued on page 9…

Lumber Price Guide

Lumber Weekly Price Changes

2x4 Std/#2&Btr	10/9	10/16	This Week	Chg 3 Weeks
KD Hem-Fir (Coast)	0	+3	+2	+5
KD HF/WF (Inland-Spokane)	0	-3	-2	-5
KD Fir & Larch	0	-2	-3	-5
KD Southern Pine (West)	0	+4	+6	+10
KD Western S-P-F	-9	+18	-2	+7
KD Eastern S-P-F (Boston)	-2	+9	+2	+9
Gr Eastern S-P-F (Toronto)	-10	0	-5	-15
Gr Douglas Fir (Portland)	0	+8	-3	+5

2x10 #2&Btr	10/9	10/16	This Week	Chg 3 Weeks
KD Southern Pine (West)	-4	+9	+10	+15
Gr Douglas Fir (Portland)	+5	+15	+10	+30
2x4 1650 MSR				
Western S-P-F (Minneapolis)	-10	+7	-2	-5
2x4 Utility				
KD Western S-P-F	-3	0	0	-3
KD HF/WF (Inland-Spokane)	-5	0	0	-5
KD Southern Pine (West)	0	0	+3	+3
Gr Douglas Fir (Portland)	0	0	0	0

Studs	10/9	10/16	This Week	Chg 3 Weeks
KD Western S-P-F	-2	+6	-4	0
KD Spruce-Lodgepole	0	-2	0	-2
KD Hem-Fir (Coast)	0	+3	+2	+5
KD Eastern S-P-F (GL)	0	-1	+2	+1
Gr Douglas Fir (Portland)	0	+5	+5	+10
Boards				
#3 1x12 Ponderosa Pine	0	0	0	0
#3 5/4 Ponderosa Shop	+10	+10	0	+20
Std 5/4x6-16' SYP R.E.D.	0	0	0	0

FRAMING LUMBER

Unitized Loadings • Prices Net, f.o.b. Mill, U.S. Funds, Unless Otherwise Noted • Dollars Per Thousand Board Feet

KILN DRIED DIMENSION

Random	Coast Hem-Fir[6]	Inland Hem-Fir or White Fir[6]: SPOKANE[1]	REDDING[1]	Douglas Fir[6]	Fir & Larch[6]	SPF-S[5,6]	Ponderosa Pine	Southern Pine: WEST[2]	CENT[3]	EAST[4]	Spruce-Pine-Fir: Western[6,13] MILL[7]	CHICAGO[8]	ATLANTA[8]	Eastern[8] BOSTON[13]	GREAT LAKES[9,13]	TORONTO[11]
2x4 Std.&Btr.	185	215	–	195	215	–	210	–	–	–	190	252	275	–	–	–
2x4 #2&Btr.	192	–	205	200	–	220	–	242	237	226	193	255	278	277	290	258
2x6	190	220	200	215	220	220	240	238	231	219	200	264	286	294	302	270
2x8	210	240	220	230	243	–	215	248	236	222	220	282	305	285	295	290
2x10	262	283	275	280	294	–	225[10]	264	265	281	318[14]	388	411	405	408	385
2x12	245	273	255	270	289	–	260	318	316	307	365	436	463	–	–	–
2x4 Utility	170	145	180	165	148	170	–	218	209	195	158[12]	220	243	220	236	213
2x6 #3	155	117	170	170	125	145	–	199	183	179	145	209	231	210	210	215
2x8	140	115	155	140	115	–	–	210	192	179	170	232	255	–	–	–
2x10	140	115	155	140	115	–	–	175	175	166	172	242	265	–	–	–
2x12	140	115	160	140	115	–	–	205	192	170	175	246	273	–	–	–

1–From freight areas indicated. 2–Mills in Tex., Ark., Okla., and La. west of the Mississippi River. 3–Mills in Miss., Ala., and La. east of the Mississippi River. 4–Mills in Ga., Fla., S.C.; also N.C. and Va., where prices are 5–10 higher. 5–Prices based on mills in the Inland West. 6–Flat car paper-wrapped. 7–Shipments from the Prince George, B.C., area; mill returns on freight contracts not included. 8–Prices delivered. 9–N. Ohio, W. Pa. 10–For 2x10 furniture stock, 16% or less moisture content, light or no skip, stain, or wane, add: 20–30 11–Canadian funds, GST not included. 12–#3 2x4 - 163 13–Applicable export taxes included. 14–Toronto - 385 ; Canadian funds, GST not included.

GREEN DIMENSION

Random	Douglas Fir: PORTLAND[1]	N. CALIF.[1]	NE[3,5]	Western Red Cedar[6]
2x4 Std.&Btr.	165[4]	175	305	685
2x4 #2&Btr.	175[4]	185	315	–
2x6	165[4]	180	305	720
2x8	190[4]	205	315	825
2x10	245	255	370	930
2x12	265	270	405	1,120
2x4 Utility	125	–	–	260
2x6 #3	120	–	–	290
2x8	90	–	–	–
2x10	90	–	–	–
2x12	105	–	–	–

Eastern S-P-F: TORONTO[2,3]	
2x4 #1&2	225
2x6 #1&2	275
2x4 Utility	195
2x6 #3	185

1–From freight areas indicated. 2–Canadian funds, GST not included. 3–Delivered. 4–For light-wane stock, add: 40 5–Prices for shipments from U.S. and Canadian mills. 6–Applicable export taxes included on Canadian stock.

STRUCTURAL LIGHT FRAMING RL 10/20'

delivered to:	Western S-P-F[1] MINNEAPOLIS	PHOENIX	Eastern S-P-F[1] BOSTON	GREAT LAKES
2x4 2100f	306	316	340	350
2x4 1650f	265	275	315	320
2x6 2100f	363	373	–	–
2x6 1650f	272	282	335	345

Fir & Larch	SPOKANE
2x4 2400f	365
2x4 1800f	270
2x6 2400f	330
2x6 1800f	285

Southern Pine from:	WEST	CENT	EAST
2x4 #1	249	270	253
2x6	251	267	–
2x8	260	276	–
2x10	295	306	–
2x12	354	357	–

	GREEN Douglas Fir	KILN DRIED Douglas Fir	Fir & Larch	Hem-Fir or White Fir SPOKANE
2x4 #1&Btr.	195	260	285	–
2x4 Sel. Struc.	–	–	–	315
2x6 Sel. Struc.	–	–	293	295
2x8 Sel. Struc.	–	–	295	305
2x10 Sel. Struc.	–	–	350	330
2x12 Sel. Struc.	–	–	355	355

1–Applicable export taxes included.

KILN DRIED STUDS

	Coast Hem-Fir	Inland Hem-Fir	Douglas Fir	Fir & Larch	ES-LP	Southern Pine[1]	Spruce-Pine-Fir: Western[11] MILL[2]	CHICAGO[3]	ATLANTA[3]	Eastern[3] BOSTON[11]	GREAT LAKES[4,11]	TORONTO[5]
2x3-8' PET	–	–	–	–	–	–	235	297	320	282	295	285
2x4-7'6"	–	–	–	–	–	–	–	–	–	260	260	–
2x4-8' PET[9]	180[10]	205	180	195	223	220	191	253	276	297	278	250
2x4-9' PET	210	215	215	218	232	–	202	264	287	285	290	260
2x4-10' PET	175	–	–	–	–	–	–	–	–	267	270	243
2x6-7'6"	–	–	–	–	–	–	–	–	–	258	255	–
2x6 -8' PET	180	215	193	215	263	–	235	299	321	310	312	305
2x6 9' PET	220	220	233	225	262	–	240	304	326	300	305	305

Fingerjointed ES-LP 2x4-8' 272 2x4-9'&10' 272 · Fir & Larch 2x4-8' 270 2x4-9'&10' 270 · Western S-P-F[11] 2x4-8' 232 Chicago[3] 294

1–Westside and central zone production. 2–Shipments from the Prince George, B.C., area; mill returns on freight contracts not included. 3–Prices delivered. 4–N. Ohio, W. Pa. 5–Canadian funds, GST not included. 6–From Portland, Ore., freight area. 7–#2&Btr. 8–Stud grade - 140 9–Full 8', add: 7–10 10–Southern Oregon mills - 175 11–Applicable export taxes included.

GREEN STUDS

	Douglas Fir[6,7] PORTLAND	Eastern S-P-F TORONTO[3,5]
2x4-8' PET[8,9]	150	240
2x4-9' PET	175	235
2x4-10' PET	160	215
2x6-8' PET	160	235
2x6-9' PET	180	235
2x6-10' PET	175	–

FRAMING LUMBER, Specified Lengths

Customer Specified Loadings, Unless Otherwise Noted • Prices Net, f.o.b. Mill, Unless Otherwise Noted • Dollars Per Thousand Board Feet

SOUTHERN PINE, KILN DRIED, West[1]

	8'	10'	12'	14'	16'	18'	20'
2x4 #1	247	221	245	235	284	248	260
2x6	268	234	257	229	254	232	302
2x8	269	245	254	250	265	270	283
2x10	280	280	295	259	288	290	410
2x12	318	315	360	323	360	313	500
2x4 #2	232	218	235	230	273	228	240
2x6	215	226	250	230	240	235	250
2x8	220	225	240	235	260	270	270
2x10	255	265	275	235	265	250	320
2x12	295	270	335	305	310	305	400

#2 22'&24' 2x6 – 300/385 2x8 – 240/335
2x10 – 315/305 2x12 – 430/430

1–Mills in Tex., Ark., Okla., and La. west of the Mississippi River.

SOUTHERN PINE, KILN DRIED, East[1]

	8'	10'	12'	14'	16'	18'	20'
2x4 #1	262	220	227	225	290	262	305
2x6	270	230	240	235	277	255	313
2x8	275	266	260	275	265	275	305
2x10	275	290	293	290	293	330	440
2x12	350	297	345	305	355	380	520
2x4 #2	220	205	202	215	240	245	280
2x6	195	225	204	225	222	222	235
2x8	200	200	220	202	245	243	260
2x10	253	285	285	265	287	280	325
2x12	322	255	325	258	325	343	405

1–Mills in Ga., Fla., S.C.; also N.C. and Va., where prices are usually higher.

SPRUCE-PINE-FIR, KILN DRIED, Eastern[1]

Delivered Boston	8'	10'	12'	14'	16'
2x4 #2&Btr.	300	270	275	265	295
2x6	310	305	295	267	298
Delivered Great Lakes					
2x4 #2&Btr.	285	275	285	275	305
2x6	310	310	310	278	305

1–Applicable export taxes included.

SOUTHERN PINE, KILN DRIED, Central[1]

	8'	10'	12'	14'	16'	18'	20'	22'	24'
2x4 #1	262	235	255	250	295	280	330	–	–
2x6	268	237	258	235	292	285	320	–	–
2x8	270	265	285	258	288	265	300	–	–
2x10	280	300	305	285	305	310	390	–	–
2x12	360	330	357	310	355	365	515	–	–
2x4 #2	235	210	216	225	270	240	245	–	–
2x6	205	228	232	225	235	233	248	345	385
2x8	205	214	233	222	263	245	248	275	390
2x10	257	270	275	235	280	252	292	345	345
2x12	312	273	330	290	320	330	400	415	415

1–Mills in Miss., Ala., and La. east of the Mississippi River.

HEM-FIR, KILN DRIED, Coast[1]

	8'	10'	12'	14'	16'	18'	20'	22'	24'
2x4 Std&Btr.	170	190	190	195	230	190	190	–	–
2x6 #2&Btr.	170	185	185	185	240	200	205	315	315
2x8	205	220	220	220	280	235	235	315	315
2x10	230	255	295	270	290	270	270	315	315
2x12	225	235	280	255	285	265	260	270	315

1–Flat car paper-wrapped loadings.

SPRUCE-PINE-FIR, KILN DRIED, Western[1,2,3]

	8'	10'	12'	14'	16'	18'	20'
2x4 Std&Btr.	175	175	170	195	210	170	175
2x4 #2&Btr.	182	182	174	200	215	175	180
2x6	193	205	215	198	198	199	200
2x8	200	235	240	217	250	235	250
2x10	275	330	350	298	287	355	360
2x12	230	270	400	340	440	340	350

1–Flat car paper-wrapped loadings; straight-length loadings. Prices reflect shipments from the Prince George, B.C., area; mill returns on freight contracts not included. 2–Applicable export taxes included. 3–For delivered Chicago prices add: 2x4 – 62 2x6 – 64 2x8 – 62 2x10 – 70 2x12 – 71

DOUGLAS FIR, GREEN, Portland

	8'	10'	12'	14'	16'	18'	20'	22'[1]	24'[1]	26'	28'
2x4 Std&Btr.	145	145	155	155	190	170	170	–	–	–	–
2x6 #2&Btr.	135	135	155	155	200	170	170	315	310	320	325
2x8	165	165	185	185	230	200	200	305	305	310	320
2x10	175	225	240	275	275	245	255	315	305	320	325
2x12	240	255	280	255	300	265	320	325	320	330	335

1–22'&24' only: 2x6 – 295 2x8 – 290 2x10 – 295 2x12 – 310

DELIVERED PRICE COMPARISONS[1]

	Std/#2&Btr. 2x4					#2&Btr. 2x10				Studs - 2x4 - 8' PET				
	Inland H-F or W-F	Southern Pine[5]	S-P-F:[6] WEST[4]	EAST	Douglas Fir (Gr.)	Inland H-F or W-F[3]	Southern Pine[5]	S-P-F:[6] WEST	Douglas Fir (Gr.)	Inland H-F	Southern Pine	S-P-F:[6] WEST	EAST	Douglas Fir (Gr.)[4]
Atlanta	–	248	278	310[2]	–	–	304	411	–	–	–	276	298	–
Dallas	–	270	266	–	250	–	292	400	326	–	248	264	–	–
Houston	282	271	271	310	–	289	293	404	–	350	249	269	298	–
Detroit	282	–	260	282	–	360	–	392	–	276	–	258	270	–
Chicago	267	–	255	291	245	341	–	388	315	257	–	253	279	226
Kansas City	264	284	255	–	247	339	306	388	322	254	262	253	–	226
Minneapolis	264	–	253	–	–	340	–	386	–	254	–	251	–	–
Memphis	–	269	263	–	–	–	311	395	–	–	252	261	–	–
Boston	313	–	277	277	–	393	–	411	–	–	–	275	297	–
New York	311	–	278	299	290	382	–	413	370	–	–	276	319	280
Philadelphia	–	–	277	300	–	–	–	411	–	–	–	275	320	–
Baltimore	–	–	278	302	–	–	–	412	–	–	–	276	322	–
Niagara	–	–	255	–	–	–	–	388	–	–	–	253	–	–
Pittsburgh	293	–	271	290	–	370	–	404	–	–	–	269	278	–
Windsor	–	–	255	281	–	–	–	388	–	–	–	253	269	–
Columbus	–	–	268	290	–	–	–	403	–	–	–	266	278	–
Jacksonville	–	–	278	318	–	–	–	414	–	–	–	276	306	–
Charlotte	–	–	281	307	–	–	–	418	–	–	–	279	295	–
San Francisco	–	–	245	–	222	–	–	374	295	–	–	243	–	198
Los Angeles	–	–	257	–	245	–	–	388	320	–	–	255	–	223
Phoenix	–	–	263	–	253	–	–	395	328	–	–	261	–	–

1–Kiln dried unless otherwise noted. 2– #3 2x4 - 246 3–Denver - 335 4–#2&Btr. 5–#2. 6–Applicable export taxes included.
Delivered prices are published as a guide only to provide approximate delivered costs at each destination. Freight costs are based on prevailing rates for the most commonly used carriers, routings and types of loadings for each product and destination. No allowances are made for contract rates, special discounts, and other routings for which there can be substantial variances from the prices shown. All prices are in U.S. funds.

SELECTS & COMMONS

Prices Net, f.o.b. Mill, U.S. Funds, Unless Otherwise Noted • Dollars Per Thousand Board Feet

PONDEROSA PINE, KILN DRIED

INLAND MILLS

	C&Btr.	D	#2&Btr.	#3	#4
1x4	1,250	850	520	255	200
1x6	2,140	1,045	475	265	195
1x8	1,820	1,010	505	240	185
1x10	1,580	1,065	410	250	195
1x12	2,100	1,910	540	285	190

CALIFORNIA MILLS

	C&Btr.	D	#2&Btr.	#3	#4
1x4	1,450	700	500	255	175
1x6	1,700	900	475	290	200
1x8	1,600	800	530	275	200
1x10	1,400	850	415	275	200
1x12	1,800	1,500	530	290	200

SUGAR PINE, KILN DRIED

	C&Btr.	D	#2&Btr.	#3	#4
1x4	1,900	850	500	255	175
1x6	2,000	950	475	275	200
1x8	1,900	950	530	275	200
1x10	2,000	1,000	415	275	200
1x12	2,300	1,650	530	330	200

ENGELMANN SPRUCE-LODGEPOLE PINE, KILN DRIED

	D&Btr.	#2&Btr.	#3	#4
1x4	645	575	285	205
1x6	600	580	285	180
1x8	635	520	265	165
1x10	585	530	270	185
1x12	620	585	290	195

EUROPEAN SPRUCE[1]

	#2
1x4	635
1x6	660
1x8	550
1x10	485
1x12	680

1–Prices f.o.b. truck, Gulf and East Coast ports; tallies heavy to 12-16-foot lengths.

IDAHO WHITE PINE, KILN DRIED

	Sterling	Standard	Utility
1x4	765	350	200
1x6	765	365	195
1x8	765	365	195
1x10	765	355	195
1x12	760	455	195
1xRWRL	765	380	195

DOUGLAS FIR, GREEN

To California	PORTLAND
1x4 Util.&Btr.	330
1x6 Std.&Btr.	325

EASTERN WHITE PINE, KILN DRIED[1]

	D&Btr.	Premium	Standard	Industrial
1x4	1,235	840	330	270
1x6	1,750	835	515	255
1x8	1,325	745	475	210
1x10	1,600	725	435	200
1x12	1,815	740	500	245

1–NELMA rules; mills in Northeast U.S. Prices shown reflect S4S boards, including items in which the majority of volume produced is pattern stock.

SOUTHERN PINE, KILN DRIED

	C&Btr.	D	#2	#3
1x4	560	485	300	225
1x6	740	600	345	180
1x8	800	720	385	185
1x10	910	505	380	230
1x12	1,220	915	475	245

West #2[1]	8'	10'	12'	14'	16'
1x4	270	270	310	280	340
1x6	275	280	355	300	365
East #2[2]					
1x4	235	250	290	260	315
1x6	275	280	345	295	360

1–Mills in Tex., Ark., La., Miss., and Alabama 2–Mills in Ga., Fla., S.C., N.C., and Va.

5/4x6 R.E.D.

West[1]	8'	10'	12'	14'	16'
Standard	380	300	300	265	380
Premium	455	440	440	400	530
East[2]					
Standard	390	315	315	295	385
Premium	470	470	480	475	575

1–Mills in Tex., Ark., La., and Miss. 2–Mills in Ala., Ga., Fla., S.C., N.C., and Va.

WESTERN RED CEDAR, S1S2E, Hit & Miss[6]

COAST MILLS[1]

	Boards Std.&Btr.	No-Hole	Siding[2] CHANNEL	BEVEL	KD BEVEL
1x4	625	670	–	–	–
1x6	675	775	–	–	–
1x8	800	890	1,195 [5]	850	915 [3,4]
1x10	810	975	–	940	–
1x12	1,050	1,120	–	–	–

1–Green 3/4" except where noted. 2–WCLIB rule 111(e) and (f). Stock containing up to 15% Quality.
3–11/16". 4–3/4": 1,100 5–1x8 KD Channel: 1,350 6–Applicable export taxes included on Canadian stock.

INLAND MILLS[1]

	D&Btr.	#3&Btr.	#4
1x4	1,425	620	125
1x6	2,125	950	225
1x8	2,125	950	270
1x10	2,575	1,330	320
1x12	2,575	1,700	375

1–Kiln Dried 7/8"

EASTERN SPRUCE-PINE-FIR[1]

DRIED 10/15% Utility&Btr.

BOSTON:[3]	R/L	8'	GREAT LAKES:[3] R/L	8'
1x3	310	280	300	280
1x4	272	250	275	260

1–Prices delivered. 2–Canadian funds, GST not included. 3–Applicable export taxes included.

PRICES ARE PUBLISHED AS A GUIDE ONLY to sales at the manufacturer level in carload or similar volumes during the week of publication. No attempt is made to predict future prices or trends. Specific sales, because of variations in stock quality and tallies, result in prices that are higher or lower than those published. The report is based on sizes and grades that conform to Product Standard 20-05 and on surfacing, grademarking and discounts that conform to general industry practices; on stock that originates in the principal producing region for each species; and on random-length loadings that contain a normal assortment of the lengths most desired in each size.

INDUSTRIALS, SPECIALTIES, AND OTHER ITEMS

Prices Net, f.o.b. Mill, U.S. Funds, Unless Otherwise Noted • Dollars Per Thousand Board Feet, Unless Otherwise Noted

ECONOMY/#4[1]

KILN DRIED

	Coast Hem-Fir[2]	Inland Hem-Fir	Fir & Larch	Southern Pine from: WEST	CENTRAL	EAST	Spruce-Pine-Fir Western[3]	Eastern BOSTON[5]	GREAT LAKES[5]	TORONTO[4]	GREEN Spruce-Pine-Fir Eastern TORONTO[4]	Douglas Fir PORTLAND
2x4	125	125	125	170	163	162	110	190	215	195	175	100
2x6	130	102	105	150	145	162	110	170	195	182	155	100
2x8	–	–	–	145	138	152	112	–	–	–	–	80
2x10	–	–	–	135	133	135	115	–	–	–	–	80
2x12	–	–	–	140	130	135	115	–	–	–	–	80
2x4—8'	–	–	–	–	–	–	–	208	220	210	195	–

1– Selected stock; unsound wood and wane restricted. 2– May also contain Douglas Fir. 3– Canadian funds, GST not included. 4– Prices delivered to Toronto in Canadian funds, GST not included. 5– Delivered; applicable export taxes included.

SOUTHERN PINE PRESSURE-TREATED LUMBER

Net f.o.b. treating plants in Va., Ga., Fla., N.C., S.C., & Ala. Waterborne Copper-Based Preservatives. Wet from the cylinder.

FRAMING LUMBER[1] (Use Category 3)[2]

	8'	10'	12'	14'	16'
2x4 #2	330	315	315	325	350
2x6	305	335	314	335	332
2x8	307	307	327	310	353
2x10	360	390	390	373	392
2x12	432	365	430	365	430

1–For KD after treatment, add: 60–70 2–Meets AWPA standard for above-ground use.

SQUARES AND TIMBERS (Use Category 4)[4]

	8'	10'	12'	14'	16'
4x4 #2	480	465	450	405	485
4x6	430	420	460	450	460
6x6	460	465	495	455	465
BOARDS/R.E.D.[3] (Use Category 3)[2]					
1x4 #2	365	380	425	390	445
1x6	405	410	470	425	490
5/4x6 Std.	520	445	445	425	515
Premium	600	600	610	605	705

3–For KD after treatment, add: 60–70 4–Meets AWPA standard for ground contact.

POSTS, BEAMS AND TIMBERS

GREEN DOUGLAS FIR, RL

	PORTLAND[1]	EUREKA[1]
4x4, 8/20' #2&Btr.	310	315
4x6, 8/20'	310	320
4x8, 8/20'	310	320
4x10, 8/20'	310	330
4x12, 8/20'	290	280

1–70% FOHC

#1&Btr., Portland Rough[1,2]		S4S[3]
6x6, 12/24'	585	540
6x8-6x12, 12/24'	550	510
6x14-6x16, 12/24'	610	–
8x8-8x12, 12/24'	750	–
8x14-8x16, 12/24'	770	–

1–For Select Structural, add: 90
2–Full sawn; 100% FOHC
3–100% FOHC; no-wane add: 75

SOUTHERN PINE, KILN DRIED[1]

West[2]	8'	10'	12'	14'	16'
4x4 #2	300	295	285	225	310
4x6	270	265	305	295	310
6x6	280	295	310	285	285
East[3]					
4x4 #2	315	300	290	240	325
4x6	275	260	305	295	300
6x6	295	300	335	290	300

1–25% moisture content or less. 2–Mills in Tex., Ark., La., Miss., and Ala. 3–Mills in Ga., Fla., S.C., N.C., and Va.

WESTERN RED CEDAR

DIMENSION[1]

	AG[2]	Rough	S4S
2x4 Std.&Btr.	625	585	685
2x6 #2&Btr.	675	645	720
2x8	750	700	825
2x10	1,000	950	930
2x12	1,125	1,050	1,120

TIMBERS, Standard Sawn[1]

	AG[2]	Rough	S4S
4x4 Std.&Btr.	830	800	850
4x6 #2&Btr.	875	825	–
4x8	875	825	–
4x10	1,000	950	–
4x12	1,040	1,000	–
6x6	1,050	990	–

1–Applicable export taxes included on Canadian stock. 2–Appearance grade - no wane, no rot, no holes.

DECK GRADE[1,4]

	Custom[2] Knotty®	Architect[2] Knotty®
2x4	500	750
2x6	825	1,000

SIDING[3,4]

	Clear VG	A	Rustic
1/2x6	1,735	1,455	1,190
1/2x8	1,880	1,750	–

1– 5/4x6 R.E.D.: 1,020 2– WRCLA trademarks. 3– Full length bundling, 3' & longer 4– Applicable export taxes included on Canadian stock.

S2S MOULDING AND SHOP

PONDEROSA PINE[1]

	Moulding	3rd Clear	#1 Shop	#2 Shop	#3 Shop	Para. 99
4/4 Std.	570	545	375	290	–	–
5/4 Hvy.	–	810	770	670	555	365
6/4 Hvy.	–	820	770	690	560	355
WHITE FIR						
5/4 Hvy.	–	600	555	450	360	–
RADIATA PINE[2]						
5/4 Hvy.	–	830	755	690	560	–
6/4 Hvy.	–	830	760	690	580	–

ROUGH MOULDING & BTR[3]

	Ponderosa Pine	White Fir	Radiata Pine[2]
5/4	960	860	1,210
6/4	960	–	1,200

INDUSTRIAL FINGERJOINT

	Blocks	Blanks
Radiata Pine 5/4[4,6]	780	845
Elliottii/Taeda Pine 5/4[5,6]	695	770

1– Prices for Sugar Pine usually slightly higher. 2– Prices f.o.b. dock West Coast ports; tallies heavy to 14- and 16-foot lengths. 3– Includes 15-20% C&Btr. 4– Prices f.o.b. West Coast ports. 5– Prices f.o.b. Gulf and East Coast ports. 6– Four sides clear, no defect.

FENCING[1]

	Full Sawn Rough	Standard Rough	S1S2E[2]
1x4 #1 2F 6'	480	–	510
1x4 #2&Btr. NH 6'	455	325	385
1x6 #1 2F 6'	680	–	710
1x6 #2&Btr. NH 6'	630	520	600

1– NH: No hole. 2F: Graded two sides. For dog-ear add: 10–20
2– Applicable export taxes included on Canadian stock.

SHINGLES

Palletized Loadings, Prices Per Square	#1	#2
16"—5X	90.00	65.00
18"—Perfections[1]	102.00	88.00
18"—Rebutted, Rejointed[1]	90.00	–

H/S & R/S SHAKES[2]

Palletized Loadings, 9/9 Pack, Prices Per Square	
1/2x24"[1]	110.00
3/4x24"[1]	130.00

1– TOFC shipments to Midwest and East. 2– 5/8"x24" Tapersawn (UBC): 105.00

downtime was less pervasive on the eastside, and prices showed less upward movement. Quotes on some items covered wide ranges as a few producers opened to counters on excesses, while others attempted to ride the coattails of increases in other zones.

Sales remained heavy to mixed loads that could ship quickly, as dealers were hesitant to cover anything but immediate needs. Wholesaler offerings were more prevalent as some buyers used the supply shortages as an opportunity to establish long positions. Prices of timbers were mostly firm to higher. Double-digit increases remained the rule on most lengths of 4x6; more mills began cutting this item. Prices of radius-edge decking were mostly unchanged.

Inland Most prices of White Fir/Hem-Fir and Fir&Larch Std&Btr 2x4 and #2&Btr 2x6&wdr were mildly vulnerable at Spokane-rate mills. Producers selectively opened to counters to move loads on the ground. But they also pulled their list prices or close to them on mixed cars and trucks, which were popular. Mills reported putting three to four different widths or grades on railcars.

The narrows of White Fir/Hem-Fir largely held their own. Std&Btr 2x4 edged down, while #2&Btr 2x6 held through the week. The wides were most vulnerable, with mills sometimes opening to wider counters to compete against California White Fir or Coast Hem-Fir offerings. Prices of stress-grade items gave ground modestly. Fir&Larch MSR 2x4 1800f was most vulnerable.

Coast Sales of Coast species were heavy to highly mixed truckloads, but this action was steady. Prices showed small adjustments in both directions, with the narrows advancing while the wides gave ground. Hem-Fir #2&Btr 2x6 tightened; sales of this width in the high $190s were reported. Mills didn't adjust quotes on 22s and 24s, but some opened to counters on long lengths. Douglas Fir prices finished the week where they started it. The wides of #3 moved higher in both species.

Green Framing Lumber

Douglas Fir Activity in Fir markets was subdued, and sales trailed production at most mills. The wides were the week's best performers due to steady sales to the Northeast. However, that action cooled as the week progressed. Demand in Southern California continued to lag that seen elsewhere. One major chopped quotes on Std&Btr 2x4 and #2&Btr 2x6, undercutting efforts of other producers to push prices upward in those widths. Reported sales of #1&Btr 2x4 covered a $185-200 spread. Interest in #2&Btr 2x8 was slack. Limited availability boosted prices of the wides in #3 and Economy. Traders reported seeing more mill offerings of long lengths toward the end of the week. Discounts were seen in 2x6-22s, but prices of other long lengths held. 4x4 through 4x12 traded near previously established levels in Northern California and at Portland-rate mills. Producers of cuttings continued to field inquiries for government jobs. Demand from other customers was thin, however, and prices stayed in a sideways drift.

Spruce-Pine-Fir Trading in Eastern S-P-F was tough. Seasonal slowing and downward pressure on dry prices undermined the green market in Toronto. #1&2 2x4 slipped, while 2x6 offerings were limited but under pressure from eroding prices in dry. Prices were firmer in Montreal. Utility 2x4 slipped a notch in Toronto.

Stud Lumber

Trading in studs barely got off the ground, but many mills relied on order files gained last week to hold at or close to previous quotes. Western S-P-F 2x4 prices were off $3-4, with one large producer quoting 8s at $188. Low output of 2x6 trims kept a prop under prices, but interest in this width was thin. A lack of production left prices of Eastern S-P-F trading in a narrow range in U.S. markets. Mills selling into the Northeast opened to mild counters at times on 2x4 trims. Prices in the Great Lakes market were largely flat on a dearth of open-market activity. Modest softening was noted in Toronto, where some mills focused their sales efforts. Green Fir traded quietly, with thin production about in step with slack demand. Mills with kilns continued to dry most of their output. 2x4-8s and -9s finished with modest gains. Wide spreads were evident in quotes on 2x6 trims, but trading was dull, and prices finished unchanged.

The volume sold by Coast producers paled compared to that of previous weeks. One trader estimated his company's sales at two-thirds to three-quarters of production. Nevertheless, most prices held. A few edged upward. Douglas Fir 2x6-8s and -9s were the week's best sellers. Inland mill prices were flat to narrowly mixed amid a plodding sales pace. Mills quoted from established lists, while selectively opening to counters. Most 2x4 trims were flat. Fir&Larch 2x6-8s posted an uptick, but ES-LP 2x6 trims were soft in spots.

Lumber Composite Price Comparisons[1]

	This Week	Last Week	Year Ago	Weekly Changes($)*
Random-Length Dimension	232	231	231	
Stud	225	225	210	
Low-Grade Random Dimension	172	172	180	
Board	453	453	444	
Shop and Mldg&Btr	615	604	476	
Coast Dry Random and Stud	201	201	185	
Inland	288	288	266	
Southern Pine	244	241	257	
Western S-P-F	211	212	194	
Eastern S-P-F	272	272	273	
Green Douglas Fir	207	204	201	

* 52 weeks. 1–For a list of items included in each composite, go to www.rlpi.com and click on In Depth > Useful Data > Monthly Composite Prices.

Continued on page 10...

Other Items

Boards Supply scarcities remained the primary driver amid quiet trading in western boards. Buyers displayed little urgency, confining purchases largely to partial trucks that filled inventory gaps. Tightness in Ponderosa Pine #2&Btr narrows eased, but availability in 1x8&wdr ratcheted down. 1x8 surged $25. Demand for 1x12 was anemic, but the few buyers who sought coverage found little to nothing at Inland mills. 1x12 was slightly more available at California mills. Lower grades sold steadily in overseas markets and in Mexico. D was an increasingly tough sell, largely pushed aside by imported Radiata Pine. Trends were similar in ES-LP. Supplies stayed tight; some Canadian producers were sold out into December. European Spruce #2 producers were increasingly unwilling to ship loads to the U.S. without firm purchase orders attached.

Southern Pine #2 and #3 sold readily, while tepid demand for higher grades caused buildups at some mills and remanufacturers. Heavy rains caused log shortages, which contributed to widespread curtailments. Prices of #2 narrows were firm on the westside but slipped on the eastside. Eastern White Pine Industrial wide widths gained ground on strong demand from exporters shipping primarily to the Middle East. 1x6 sold at $230 or less at some mills. Premium and Standard were stable. Demand for Inland Red Cedar waned, due in part to seasonal factors.

Shop Rising Ponderosa Pine shop prices ran counter to the prevailing weakness in overall demand. Many larger buyers had no trouble securing near-term coverage, due in part to thin sales of finished goods. Others, however, often strapped for cash or credit, paid premiums in the open market to address emerging necessities rather than maintaining inventories. Some buyers freely substituted #2 for #3, citing the narrow price range between the two grades. White Fir shop prices jumped $50. Demand surged as buyers substituted White Fir for Canadian Hemlock, due in part to the strengthening Canadian dollar. White Fir Mldg&Btr prices also posted gains. Radiata Pine shop remained thinly traded. Radiata Pine Mldg&Btr traded readily at $1,200-1,210. Some buyers, however, resisted as quotes moved higher. Ponderosa Pine Mldg&Btr tightened modestly, and prices held. A price standoff between producers and buyers of blocks and blanks stifled sales.

Lumber Production, Sales, and Shipments
(Western U.S. mills)

	Coast			Inland		
Week Ending	Oct 17	Oct 10	Oct 3	Oct 17	Oct 10	Oct 3
Production	118	106	118	64	69	67
Orders	112	119	140	59	70	76
Shipments	114	116	123	59	66	63
Unfilled Orders	192	194	191	214	214	212
Inventories	531	527	537	440	435	433

mmbf. From data compiled by the Western Wood Products Association. Most current week's data subject to revision.

Treated Sales of treated Southern Pine were hit-and-miss as weather was widely mixed, depending on the region. Some areas of the South enjoyed a drier stretch of weather, while portions of the Northeast saw their first snow of the season. The firm-to-higher trend in bright stock caught the attention of treaters, but sales were only mildly improved in spots. Prices of treated #2 dimension remained in a flat-to-down trend, although the discounts were small. Prices of timbers continued to push higher, led by 4x6.

Cedar Producers booked some business for the next two months, but also agreed to ship some orders after the new year for those customers concerned about year-end inventories. Distributors tried to maintain only enough inventories of key items to keep anticipated production cutbacks from having any effect. Mill prices were negotiable, particularly on boards, dimension, and timbers, and particularly in the few cases where buyers sought straight loads. Mills were unable to lean on program sales, which were largely done for the year. Prices of dry bevel siding held up, although inquires waned. Remanners sporadically undercut primary producers. Recent fencing production cutbacks left mills more inclined to hold to quotes.

Shingles & Shakes Traders grimaced at the sight of heavy snow in the Northeast, along with continued rain in the South. Demand was spotty at best. Prices, which covered a typical wide range, were a minimal factor in the market. Concerned about maintaining credit, secondaries focused on having balance sheets in line for year-end. Roofing dealers and law enforcement dealt with a nationwide surge of thefts from warehouses, usually of asphalt shingles following their recent price increases.

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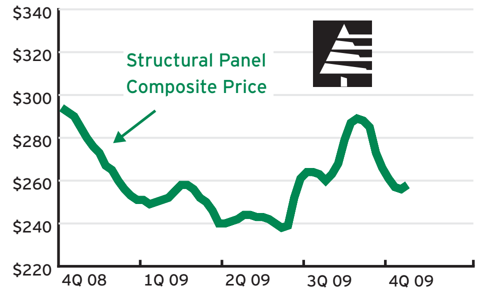
Panel Market Report

Panel Market Indicators

	This Week	Last Week	Year Ago	Weekly Changes($)*
Structural Panel Composite Price	**$258**	**$256**	**$285**	52-Week Trend
Oriented Strand Board Composite	181	180	196	
Southern Pine Plywood Composite	382	378	427	
Western Fir Plywood Composite	429	428	466	
15/32" 4-ply Rated Southern	282–307	276–297	285–290	* For a list of items included in each composite, go to www.rlpi.com and click on In Depth > Useful Data > Monthly Composite Prices
1/2" 4-ply Exterior Western	262	260	279	
7/16" OSB (North Central)	158	156	180	
23/32" AC Sanded Western	680	680	765	
Fir 1/10" CD Veneer Mix	28.75	29.00	36.00	



Oriented Strand Board While action in OSB markets was dull, sales were sufficient in most regions to keep prices close to previously established levels. As in lumber markets, orders were usually highly specified to fill inventory holes, and quick shipment was a priority. Low inventories across the nation raised concerns among some traders about the potential market impact of interruptions to production schedules. Most mills finished the week with order files into the weeks of November 2 or 9. Extra contracts comprised the bulk of the orders at some mills.

In the South, more rain kept producers struggling with log supplies on alert, but it also kept a lid on demand. Prices ran sideways from last week's levels across the South, with buyers more concerned with shipping schedules. Deteriorating weather crimped job site activity across the Upper Midwest. Exchange rates were an incentive for Canadian producers to keep more of their output north of the border. Some Canadian producers hiked prices to keep them in line with returns they were getting in Canadian markets. In California, they had the most success at the higher prices on sales of thick panels; demand for sheathing was spotty. Oversize panels were tight in most markets.

Southern Plywood Most producers kept upward pressure on Southern Pine plywood prices, with those boasting order files in the week of November 9 most aggressive. Meanwhile, reports on sales and prices from secondaries were mixed. Some indicated orders had tailed off from last week's late rush of business, but others reported a fairly steady sales pace. Wholesalers negotiated a few deals on small blocks, with a few producers looking to move accumulations of rated sheathing. However, the producers who took discounts earlier reported firm to higher prices by Friday. Some secondaries opted to step to the sidelines and focus on selling their contract loads.

19/32-inch 4-ply rated sheathing prices passed the $300 mark on the eastside, although small block purchases were reported earlier at $290-295. Similarly, westside quotes were $280 and higher, but secondaries placed small blocks in the mid-$270s. Producers pushed 19/32-inch prices higher to match returns with other thicknesses. Sales of underlayment and concrete form were lackluster.

Western Plywood Momentum from last week dissipated as the week progressed. Most producers filled their schedules for the week of November 2, and secondaries holding long positions sold readily. Light field inventories drove urgent need-based purchasing. Northeast customers were most active, while caution prevailed in California. Prices of most sheathing items gained $2-3 at midweek, then held there. Most mills were unwilling to push quotes up in fear of missing orders, but only a couple producers moved shipment times into the week of November 9.

In sheathing, 1/2-inch 4-ply was most liquid; the reported price finished up $2, at $262. Traders attributed steady sales of 1/2-inch to its discount to Southern Pine plywood. Thinner Struc I panels gained $5. Mills garnered additional premiums for 6-patch long-length siding. Interest in mill grade faded, however, with most prices finishing down $5. Apathy prevailed in trading of underlayment and many specialty items.

Veneer Prices were soft, especially for green ends that went to the open market with new production. Green ends running to meet core customers' needs mostly sold at their established prices. Scattered weakness was apparent in 1/10 and 1/8 sections and inner plies. White wood 1/6 was mixed; new production emerged and was offered at discounts. Downward pressure persisted in prices of AB, with a major user on the sidelines due to slack demand for specialty plywood, and lay-ups using lower-cost imported veneers.

Particleboard Sales thus far in October outpaced a dismal September for most particleboard mills in the East and South. Some producers extended order files into mid-November, fueled by a mild surge in demand from OEMs. Traders noted, however, that the activity among some OEMs was the result of shifting market share rather than overall gains in demand from that segment. Keeping floor stock available to serve just-in-time needs was a priority for many suppliers. Intermittent curtailments were common in the West. One mill was down all week and planned to stay curtailed through month's end. Concern about holiday and year-end inventory positions were a factor in buyers' decisions. MDF sales were uneventful.

Panel Price Guide

Panel Weekly Price Changes

Oriented Strand Board	10/9	10/16	This Week	Chg 3 Weeks
7/16" (North Central)	-2	0	+2	0
7/16" (Eastern Canada)	-2	0	0	-2
7/16" (Southwest)	-8	-5	0	-13
23/32" T&G (North Central)	-7	0	+2	-5
23/32" T&G (Eastern Canada)	-2	0	0	-2
23/32" T&G (Southwest)	-10	-5	0	-15

Plywood/Veneer	10/9	10/16	This Week	Chg 3 Weeks
15/32" Rated (Southern-West 4-ply)	-7	-2	+6	-3
1/2" CD Exterior (Western 4-ply)	-5	+7	+2	+4
23/32" Underlayment (Southern-West)	-3	-2	0	-5
23/32" Underlayment (Western)	-10	0	0	-10
23/32" AC Exterior (Western)	0	0	0	0
1/10" Douglas Fir CD 54" Veneer	-0.50	0.00	-0.25	-0.75

Prices Net, f.o.b. Mill, Unless Otherwise Noted • Prices Per Thousand Square Feet

ORIENTED STRAND BOARD

	NORTH CENTRAL	WESTERN CANADA	EASTERN CANADA	SOUTH WEST[1]	SOUTH EAST[2]	MID ATLANTIC[3]	TORONTO[4]
1/4"	–	–	128	–	–	–	145
3/8"	153	157	141	145	135	142	172
7/16"	158	157	146	150	140	147	182
15/32"	168	167	156	165	165	172	212
1/2"	178	177	166	175	175	182	232
19/32" T&G	234	232	215	235	228	228	300
23/32" T&G	274	269	260	265	253	256	345

DELIVERED PRICES

	3/8"	7/16"	15/32"	19/32" T&G	23/32" T&G
Seattle	190	190	200	275	325
Portland	192	192	202	277	330
Sacramento[5]	179	195	205	279	330
Los Angeles[5]	184	200	210	282	338
Denver	181	195	205	280	338
Salt Lake City	181	195	205	280	338
Phoenix[5]	184	200	210	282	338
Vancouver[4]	185	190	205	275	330
Calgary[4]	175	185	195	270	325

1–Plants in Tex., La., Ark., and Okla. 2—Plants in Ga., Ala., Miss., S.C., and Tenn. 3–Plants in Va., W. Va., N.C. 4–Prices delivered in Canadian funds, GST not included. 5–Add 10–20 for Struc 1.

SOUTHERN PLYWOOD[1]

SHEATHING

From:	Rated WEST	Rated CENTRAL	Rated EAST	Mill Grade WEST	Mill Grade CENTRAL	Mill Grade EAST
3/8"	225	230	210	200	205	200
15/32" 3-ply	278	–	300	225	225	235
15/32" 4-ply	282	285	307	240	240	255
19/32" 4-ply	310	315	324	265	265	275
23/32"	395	400	407	330	325	345

SANDED

From:	AC Exterior WEST	AC Exterior EAST	BC Exterior WEST	BC Exterior EAST
1/4"	335	325	335	315
11/32"	325	295	310	275
15/32"	395	395	385	345
19/32"	500	505	485	450
23/32"	605	595	565	475

UNDERLAYMENT

C X-Band, T&G

	WEST	CENTRAL	EAST
19/32"	390	380	367
23/32"	443	445	440

CONCRETE FORM

	WEST	CENTRAL	EAST
19/32"	570	–	535
23/32"	600	–	555

SIDINGS, Rough Sawn, 8-foot, 6-patch

From:	WEST	EAST
11/32"	365	380
19/32" Grooved 4" or 8" o.c.	590	620
19/32" RBB	605	630

1—West – Plants in Tex., La., Ark.; Central – Plants in Ala., Miss.; East – Plants in Ga., Fla., S.C., also N.C. and Va., where prices are slightly higher.

For Plywood Service Charges, see www.randomlengths.com.
Go to In Depth > Useful Data > Plywood Service Charges,
or call Random Lengths at 1-888-686-9925

WESTERN PLYWOOD

SHEATHING

	CD Exterior	CD Struc I	CC Exterior	CC Plugged & Touch Sanded	Mill Grade
3/8"	231	245	255	375	190
1/2" 3-ply	262	–	–	–	–
1/2" 4/5-ply	262/282	285	310	485	230
5/8" 4/5-ply	332/370	380	415	570	235
3/4" 4/5-ply	406/415	440	470	620	355

SANDED

Exterior	AC	BC	AB	AA
1/4"	375	325	500	515
11/32"	415	365	540	555
15/32"	520	470	645	660
19/32"	610	560	735	750
23/32"	680	630	805	820

UNDERLAYMENT

C X-Band, T&G	
19/32"	430
23/32"	435
1-1/8"	650

CONCRETE FORM

5/8"	695
3/4"	700

SIDINGS, Rough Sawn

		8'	9'	10'
6-Patch	11/32"	610	965	975
	19/32"	810	1,165	1,175
	19/32" RBB	875	1,230	1,240
18-Patch	11/32"	505	705	715
	19/32"	745	945	955
	19/32" RBB	800	1,000	1,010

WEST COAST VENEER

CD—8'	54"	27"	RW	F/T	Mix[1]
Douglas Fir 1/10"	31.75	23.00	19.00	17.00	28.75
Douglas Fir 1/8"	39.75	28.75	23.25	21.00	36.00
White Woods 1/6"[2]	50.00	42.00	30.50	23.25	–

AB—8'

Douglas Fir	54"	27"
1/10"	122.00	112.00

1—75% 54", 10% 27", 10% RW, 5% F/T. 2—White Fir, Hemlock, Spruce

PARTICLEBOARD

Industrial

	WESTERN COAST[1]	WESTERN INLAND[2]	SOUTHERN CENTRAL[3]	SOUTHERN EAST[4]	Interior Underlayment WESTERN	Melamine[5] WEST	Melamine[5] EAST
3/8"	210	215	215	205	185	–	–
1/2"	220	235	225	220	205	–	–
5/8"	250	265	265	260	240	510	470
11/16"	–	–	295	285	–	–	–
3/4"	295	310	305	300	280	530	510
1-1/8"	–	–	485	480	–	–	–

1—Western Ore. 2—Eastern Ore. 3—Ark., La., Miss., Ala. 4—Ga., S.C. 5—Thermally fused. Coated on both sides, commodity face grade (80 gram), standard white.

MEDIUM DENSITY FIBERBOARD

	3/8"	1/2"	5/8"	3/4"
WEST[1]	260	300	395	435
EAST[2]	290	350	425	480

1—Plants west of the Mississippi River. 2—Plants east of the Mississippi River.