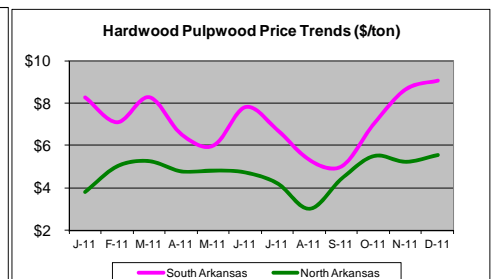
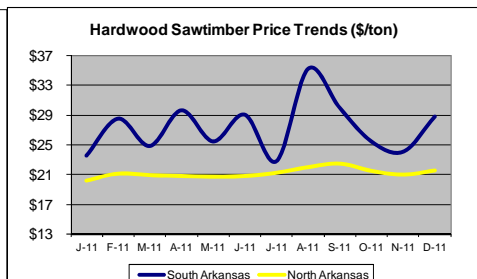
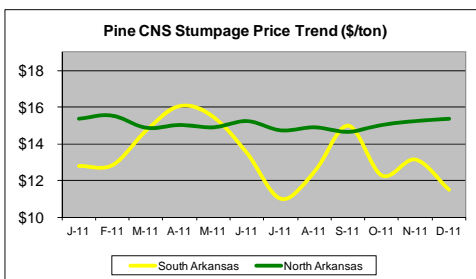
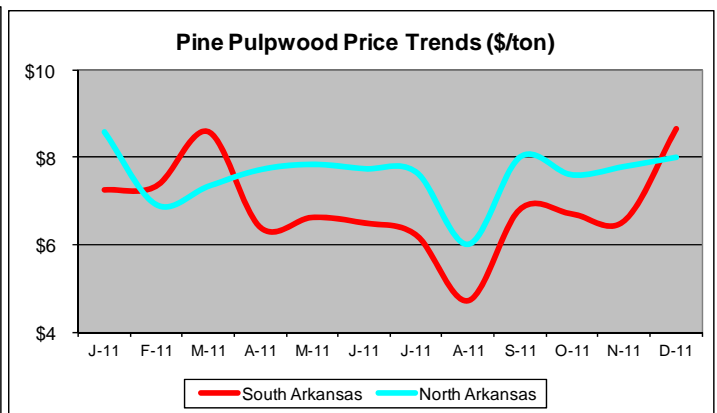
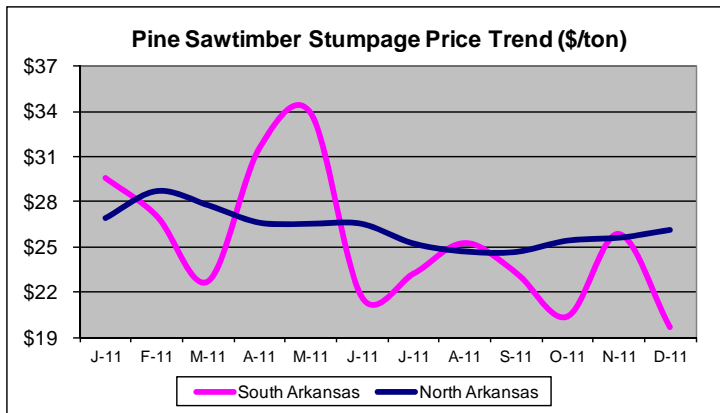


Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at www.forest2market.com for prices that are specific to your local area.

Forest2Market Market Regions

- North Arkansas
- South Arkansas

ARKANSAS STUMPAGE PRICE TRENDS





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ARKANSAS STUMPAGE PRICES

North Arkansas				
Weighted Average Stumpage Prices (\$/ton) 4th Quarter 2011				
Product	Price	DBH	Price Change	Percent Change
Pine Pulpwood	\$ 7.79		\$0.53	7.3%
Pine Chip-n-Saw	\$ 15.19	10.3	\$0.45	3.1%
Pine Sawtimber	\$ 25.74	13.9	\$0.85	3.4%
Hardwood Pulpwood	\$ 5.42		\$1.95	56.4%
Hardwood Sawtimber	\$ 21.38		-\$0.56	-2.6%
South Arkansas				
Weighted Average Stumpage Prices (\$/ton) 4th Quarter 2011				
Product	Price	DBH	Price Change	Percent Change
Pine Pulpwood	\$ 7.28		\$1.59	27.9%
Pine Chip-n-Saw	\$ 12.59	10.3	\$0.49	4.1%
Pine Sawtimber	\$ 22.16	14.3	-\$1.25	-5.3%
Hardwood Pulpwood	\$ 8.54		\$3.17	59.1%
Hardwood Sawtimber	\$ 26.37		-\$3.10	-10.5%

U.S. SOUTH TIMBER MARKET OUTLOOK

Compared to the 10-year trend line, pine pulpwood prices were down \$0.93/ton in 2011. Prices began the year at trend, but this quickly dissipated through the third quarter. In September, prices began to increase and approach trend line again, in response to seasonal buying patterns. According to Forest2Market's forecast for 2012, prices are expected to decline after the winter subsidies, reaching levels slightly above those seen in 2011. For 2012, prices are forecasted to increase \$0.16/ton over 2011's average, but remain \$0.71/ton below the forecasted 11-year trend line.

Since averaging over \$16.00/ton in January 2010, hardwood pulpwood prices have continued their rapid decline. In 2011, hardwood pulpwood prices averaged \$6.50/ton, down \$4.82/ton from 2010's record high. Like pine pulpwood, prices for hardwood started 2011 slightly above trend line, then declined through the second quarter. Beginning in July, prices increased steadily, and they are now approaching trend line. For 2012, Forest2Market's stumpage price forecast expects hardwood prices to increase. Prices in 2012 are projected to average \$8.90/ton, an increase of \$1.89/ton over 2011 and \$0.19/ton over the 11-year forecasted trend line.

For 2011, chip-n-saw prices averaged \$14.37/ton. This reflected a \$1.76 decline from 2010's average and a \$0.15/ton difference under the 10-year trend line. For 2012, Forest2Market expects chip-n-saw prices to average \$13.48/ton, a decrease of \$0.89/ton from 2011. The downside here is that prices will continue to decline and bottom out in the second quarter as conditions adjust in the housing market. The upside is that the housing market is expected to gradually improve in the second half of the year and with it, chip-n-saw prices. Compared to the forecasted trend line, chip-n-saw prices are expected to reverse course and end \$0.20/ton over trend line.

Like chip-n-saw, pine sawtimber prices have declined 6.3 percent annually over the last 10 years, 11.0 percent in real terms. For 2011, prices averaged \$25.10/ton, down \$2.57/ton from 2010 and \$0.37/ton under the 10-year trend line. Even though prices bottomed out in May this year and surpassed the trend line in October, the first half of 2012's forecasted decline in the housing market is expected to dampen prices. But overall, Forest2Market's forecast projects that 2012 prices will average \$25.25/ton, an increase of \$0.15/ton over 2011 and \$1.35/ton increase over the forecasted trend line.

Visit <http://forest2market.wordpress.com/2011/12/21/stumpage-trends-forecast/> to view trend graphs.