

Lumber Market Update

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Quality Building Materials Since 1884



Since my last update, lumber and panel prices have increased from the lows reached in May. Douglas Fir is currently 3.5% below January prices and up 5% from May. KD SPF has fallen 6% since January and has gone up 7% since May. Douglas Fir Plywood is up 2.5% since

January and 10.5% since May. OSB prices have dropped 3.5% since January and are up 6% since May. The steady increases in plywood prices reflect the closure of obsolete mills in the west and south, High log costs due to exports to China from the west coast and a continuing trend towards use of OSB including specialty products such as AdvanTech and Zip roof and wall panels.

Factors affecting the lumber markets over the next few months include low production, mill curtailments and short term closures are common place; rising timber prices as landowners are reluctant to cut much timber at current prices; continued exports to China and other Asian countries; demand for building materials will increase to rebuild or repair homes lost in the U.S. to tornadoes, floods and in the northeast winter related damage. The Japanese earthquakes will also increase demand in the long term. Little if any of the rebuilding seems to have taken place yet.

Recent weeks have seen another round of temporary and permanent mill closures. There is also a continuing trend of consolidation of sales territories by manufacturers and distributors. We are likely to see more of this over the coming months as the long downturn in housing continues. Another winter like last years will be particularly difficult for many businesses.



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