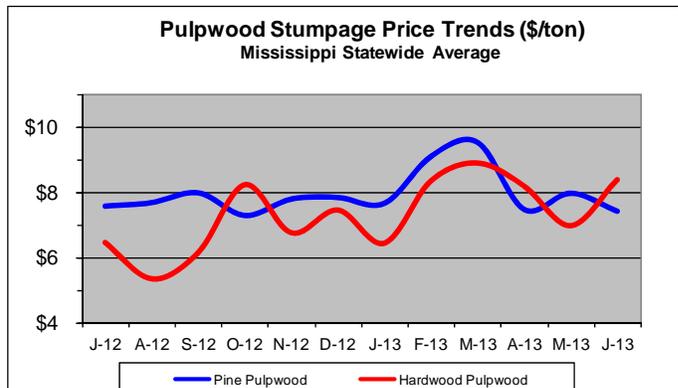
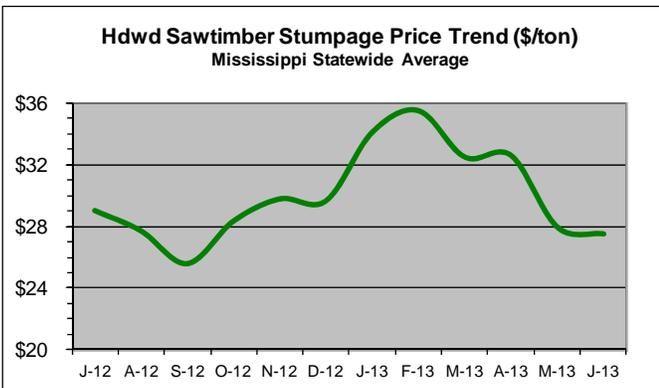
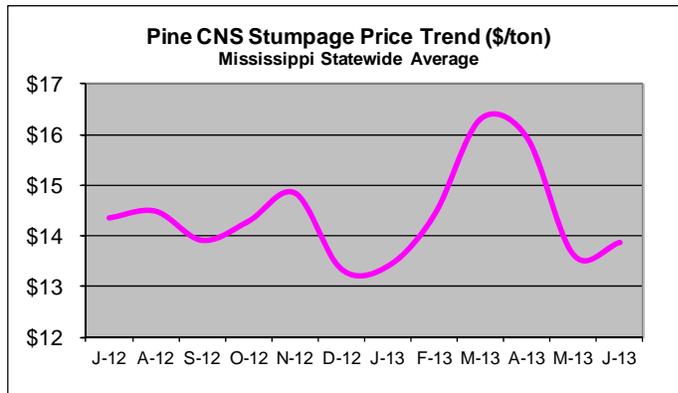
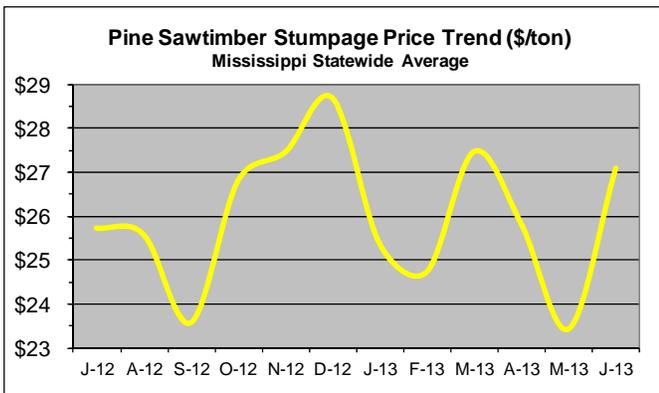




Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at www.forest2market.com for prices that are specific to your local area.

MISSISSIPPI STUMPAGE PRICE TRENDS





A Quarterly Publication of Forest2Market®
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Charlotte, NC 28277
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MISSISSIPPI STUMPAGE PRICES



Pine

Pine Pulpwood decreased \$1.21/ton to end the quarter at **\$7.64/ton** – a 13.7% decrease. **Pine CNS** increased \$0.17/ton to close the quarter at **\$14.67/ton** – a 1.2% increase. **Pine Sawtimber** showed a decrease of \$0.41/ton or 1.6% to end at **\$25.66/ton**.



Hardwood

Hardwood Pulpwood price dropped by \$0.24/ton to close at **\$7.85/ton**. **Low Grade Hardwood** decreased by \$1.60/ton to end at **\$21.25/ton**, and **High Grade Hardwood** decreased \$3.25/ton to end at **\$33.46**. **Mixed Hardwood** ended the period at **\$28.72/ton**, \$5.12/ton less than last quarter.

U.S. SOUTH TIMBER MARKET OUTLOOK

The US economy improved in the first quarter of 2013, with GDP growth coming in at 1.8 percent (compared to 0.4 percent growth in fourth quarter of 2012).

The most recent manufacturing and service sector reports issued by the Institute for Supply Management indicate that both the paper and wood products industries expanded in June, and service-related industries—real estate, construction and forestry—all reported growth in business activity in June.

Forest2Market's forecast indicates that housing starts will stay between 950,000 and 1 million starts annually for 2013 and 2014 and that GDP growth will range between 1.75 and 2.25 percent during the same period.

Because of delayed harvests during the recession, supply of sawtimber is abundant. As a result, we do not foresee significant increases in sawtimber prices, though they will still be vulnerable to spike on extreme weather events, temporarily overwhelming generally tepid, albeit improving, economic fundamentals. Delayed pine sawtimber harvests will also put some upward pressure on pine pulpwood pricing, especially in areas with pulp & paper, OSB and pellet manufacturers are operating.

Because hardwood pulpwood is a byproduct of pine sawtimber harvests, the increase in these harvests (as housing continues to recover) will increase supply and keep hardwood pulpwood prices from moving to a higher level.