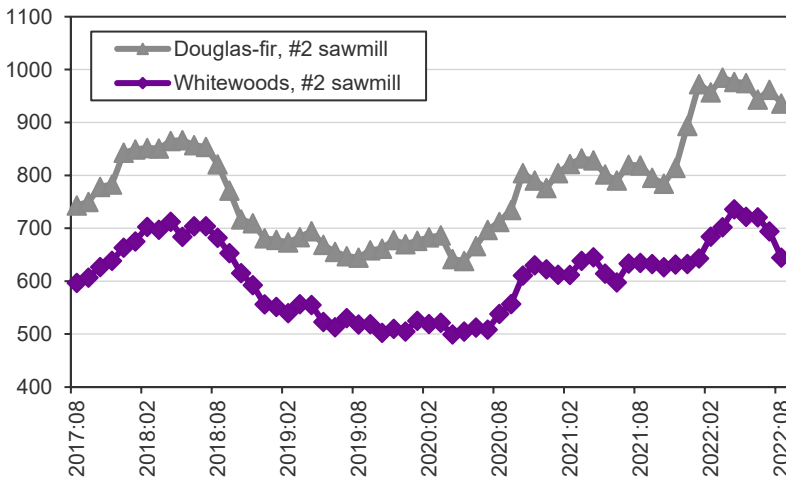


Log Lines

LOG PRICE REPORTING SERVICE

Domestic #2 sawlog prices - Regional average- \$/MBF



Regional changes

% Change from last month

	Douglas-fir	Whitewoods
Region 1*	-1.3%	-1.8%
Region 2*	-3.9%	-12.8%
Region 3*	-2.8%	-6.9%
West Coast	-2.7%	-7.1%

* Note region changes on next page.

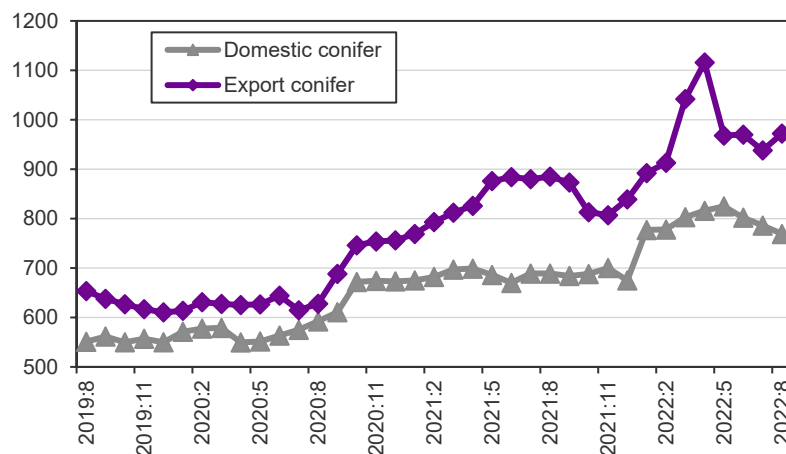
Log Lines delivered log price index

	Domestic*	Export**
\$/MBF	769	972
%CH month	-2.2%	3.6%
%CH year	11.6%	9.8%

* Average of #2, 3 and 4 sawlogs for Regions 1, 2 and 3.

** Average of Region 1 WW exports to China and Korea and Region 2 DF exports to China and Japan.

Log Lines delivered log price index - \$/MBF



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Grade definitions

Domestic grades

Domestic grades are defined by the official rules developed by the Northwest Log Rules Advisory Group and published by the Log Scaling and Grading Bureau of the following regions: Columbia River, Grays Harbor, Northern California, Puget Sound, Southern Oregon and Yamhill. The US Forest Service National Forest Log Scaling Handbook is used in the Inland regions of eastern Washington and Idaho. Chip & saw logs, so named because such a log should yield two 2x4s and chips, are usually 5-7" in diameter on the small end and 12-40' in length. Prices for pulp and chip & saw logs should be given in \$/tons. The Whitewoods designation includes Western Hemlock and true firs.

Export grades

Export grade categories used in *Log Lines* publications were revised in 1996 to reflect the sort designations currently in use in the market. Country names used in these sorts do not necessarily refer to export destinations.

Japan sorts: Straight logs with a clean, smooth surface. Defect not to exceed 10% and log lengths generally must average 36 feet. These logs generally originate from older second-growth trees.

- J14: Scaling diameter 14" and greater, #2 sawmill grade & better, ring count 6"+
- J12: Scaling diameter 12" and greater, #2 sawmill grade & better
- J8: Scaling diameter 8" and greater, #3 sawmill grade

China sorts: Generally logs which do not meet the requirements for the Japan sorts. Straightness and length average requirements are less severe than the Japan sorts. Well-scattered knots allowed.

- C12H: "High" China, scaling diameter 12" & up, #2 sawmill grade, defect not to exceed 15%
- C12L: "Low" China, scaling diameter 12" & greater, #2 or #3 sawmill grade

Korea sort: Generally logs which do not meet the requirements for the Japan or China sorts. Straightness and length average requirements are less severe than the Japan sorts.

- K8: Scaling diameter 8-11", rough #3 sawmill grade, defect not to exceed 15%

Price regions

Region 1: Puget Sound & Twin Harbors

Washington counties: Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific (northern two-thirds), Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom

Region 2: Columbia River

Oregon counties: Clackamas, Clatsop, Columbia, Hood River, Lincoln, Multnomah, Tillamook, Washington

Washington counties: Clark, Cowlitz, Klickitat, Pacific (Southern one-third), Skamania, Wahkiakum

Region 3: Southern Oregon and the Willamette Valley

Oregon counties: Benton, Coos, Curry, Douglas, Jackson, Josephine, Lane, Linn, Marion, Polk, Yamhill

Region 4: Inland

Washington counties: Asotin, Columbia, Ferry, Garfield, Pend Oreille, Spokane, Stevens, Whitman

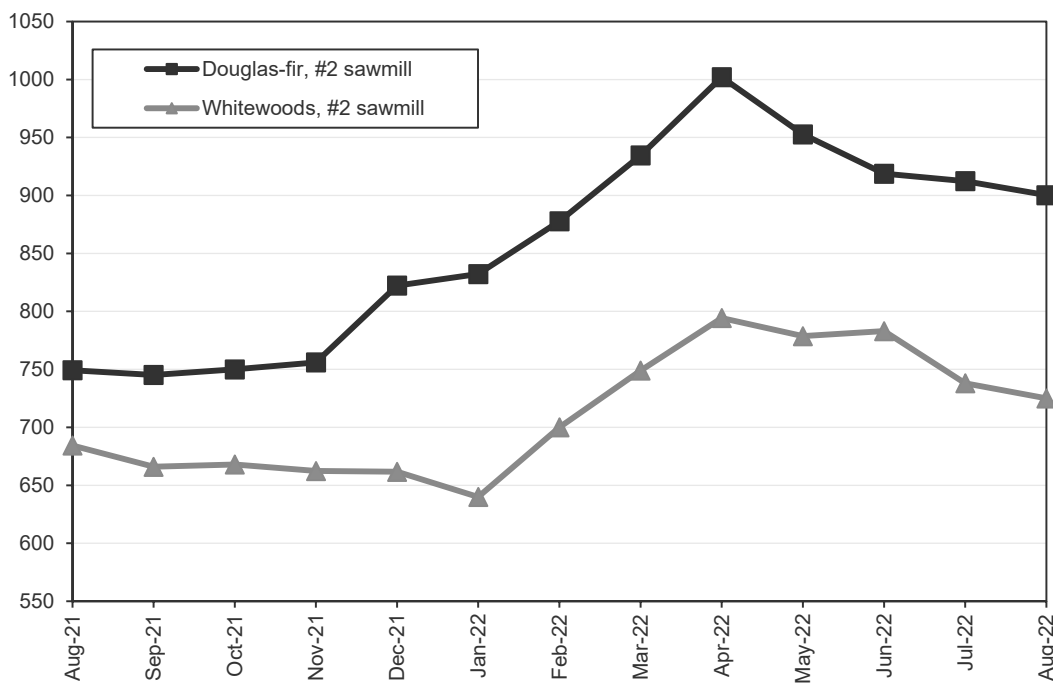
Idaho counties: Adams, Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone, Valley

Montana counties: Beaverhead, Deer Lodge, Flathead, Glacier, Granite, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Pondera, Powell, Ravalli, Sanders, Silver Bow, Teton

Region 1: Puget Sound and Twin Harbors

\$/MBF Scribner

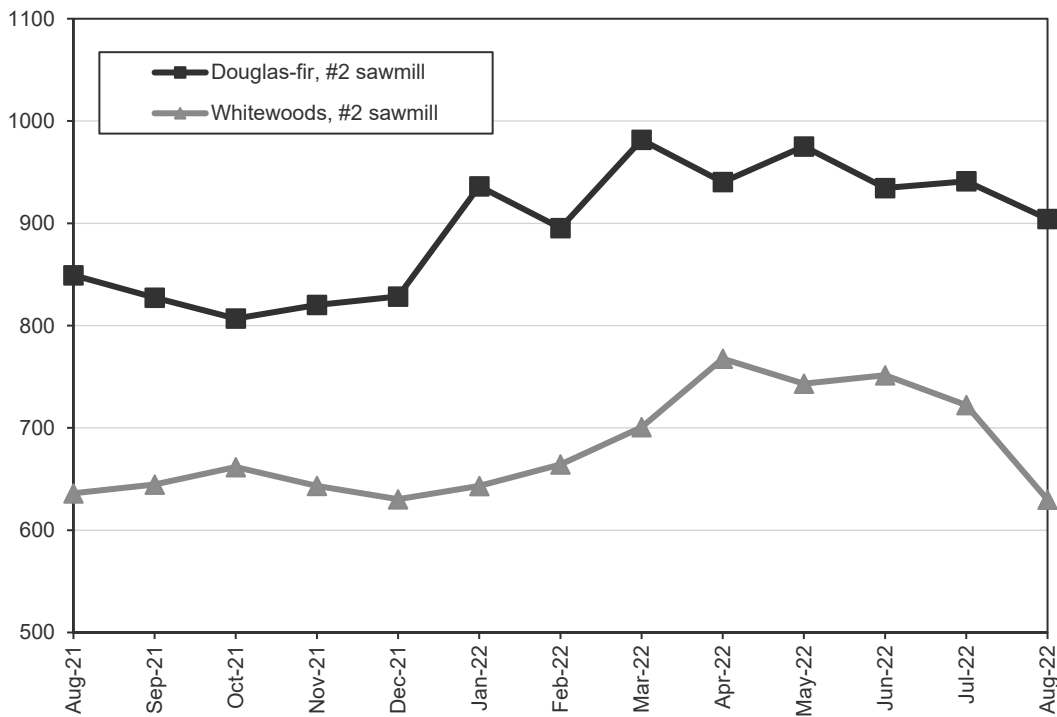
	High	Avg	Low	%CH month	%CH year
Douglas-fir					
#2 sawmill	950	900	850	-1%	20%
#3 sawmill	975	913	800	-3%	13%
#4 sawmill	841	841	841	2%	16%
Chip & Saw 5"+ (\$/ton)	113	109	104	-1%	28%
Pulp (\$/ton)	52	50	48	1%	75%
China 12L	1,048	806	600	2%	-7%
Whitewoods					
#2 sawmill	785	725	690	-2%	6%
#3 sawmill	790	729	698	-1%	6%
#4 sawmill	712	712	712	16%	10%
Pulp (\$/ton)	54	50	45	5%	57%
China 12H	756	728	700	8%	-5%
China 12L	756	698	640	8%	-9%
Korea 8 export	900	810	720	-2%	-1%
Red cedar					
Camp run	1,914	1,838	1,750	8%	-1%
Red Alder					
#2 sawmill	870	837	804	-5%	-5%
#3 sawmill	876	840	775	0%	7%
#4 sawmill	870	799	728	4%	31%
Pulp (\$/ton)	35	34	32	-1%	-1%
Maple					
Pulp (\$/ton)	34	34	34	0%	0%



Region 2: Columbia River

\$/MBF Scribner

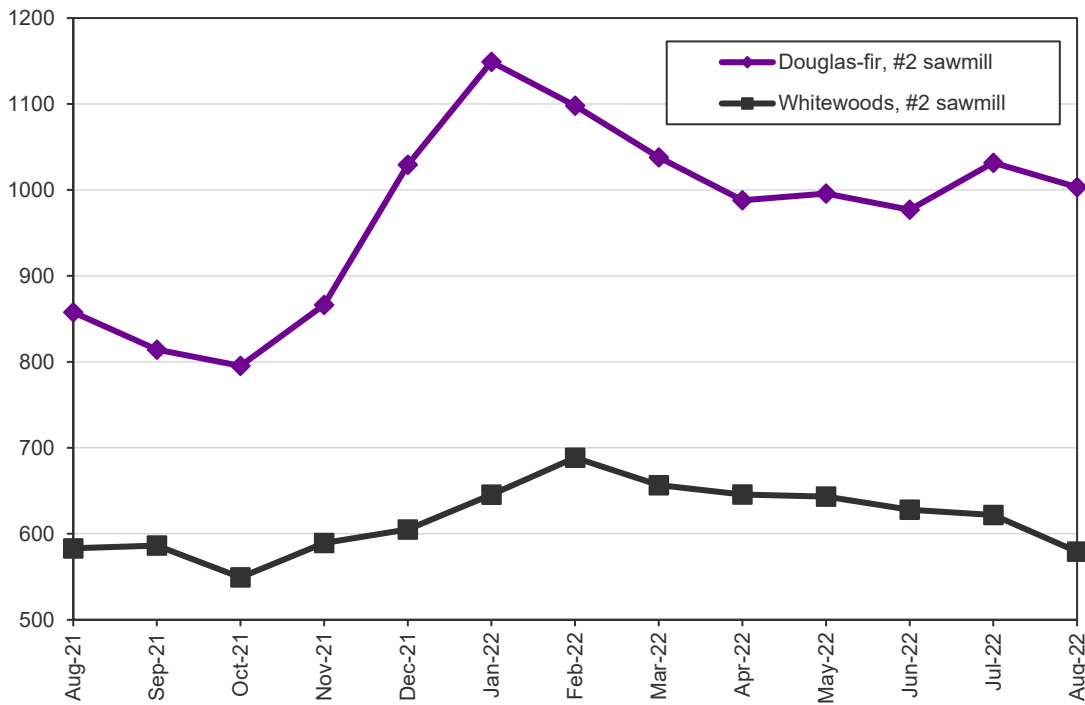
	High	Avg	Low	%CH month	%CH year
Douglas-fir					
#2 sawmill	1075	904	735	-4%	6%
#3 sawmill	975	916	825	0%	13%
#4 sawmill	975	812	660	3%	14%
J14	1350	1313	1250	6%	26%
J12	1350	1307	1250	6%	27%
J8	1290	1154	950	1%	16%
C12H	980	863	750	0%	4%
C12L	980	900	770	1%	8%
Whitewoods					
#2 sawmill	785	630	499	-13%	-1%
#3 sawmill	790	668	550	0%	5%
#4 sawmill	708	602	500	0%	14%
Pulp (\$/ton)	58	46	35	4%	56%
C12L	640	640	640	0%	-16%
K8	n/a	n/a	n/a	n/a	n/a
Red cedar					
Camp run	1,883	1,667	1,000	-10%	-15%



Region 3: Southern Oregon and the Willamette Valley

\$/MBF Scribner

	High	Avg	Low	%CH month	%CH year
Douglas-fir					
Special mill	1150	1088	1025	-7%	21%
#2 sawmill	1075	1003	900	-3%	17%
#3 sawmill	1012	972	900	-3%	21%
#4 sawmill	975	815	700	-7%	25%
Pulp (\$/ton)	48	43	35	3%	40%
Whitewoods					
#2 sawmill	625	579	500	-7%	-1%
#3 sawmill	675	599	550	-6%	9%
#4 sawmill	675	523	450	-9%	8%
Pulp (\$/ton)	43	40	35	3%	31%
Red cedar					
Camp run	1850	1516	945	-4%	-7%
Red alder					
#2 sawmill	750	716	697	-1%	8%
#3 sawmill	650	649	648	-1%	-4%
#4 sawmill	596	545	500	5%	-3%
Pulp (\$/ton)	40	38	36	2%	7%

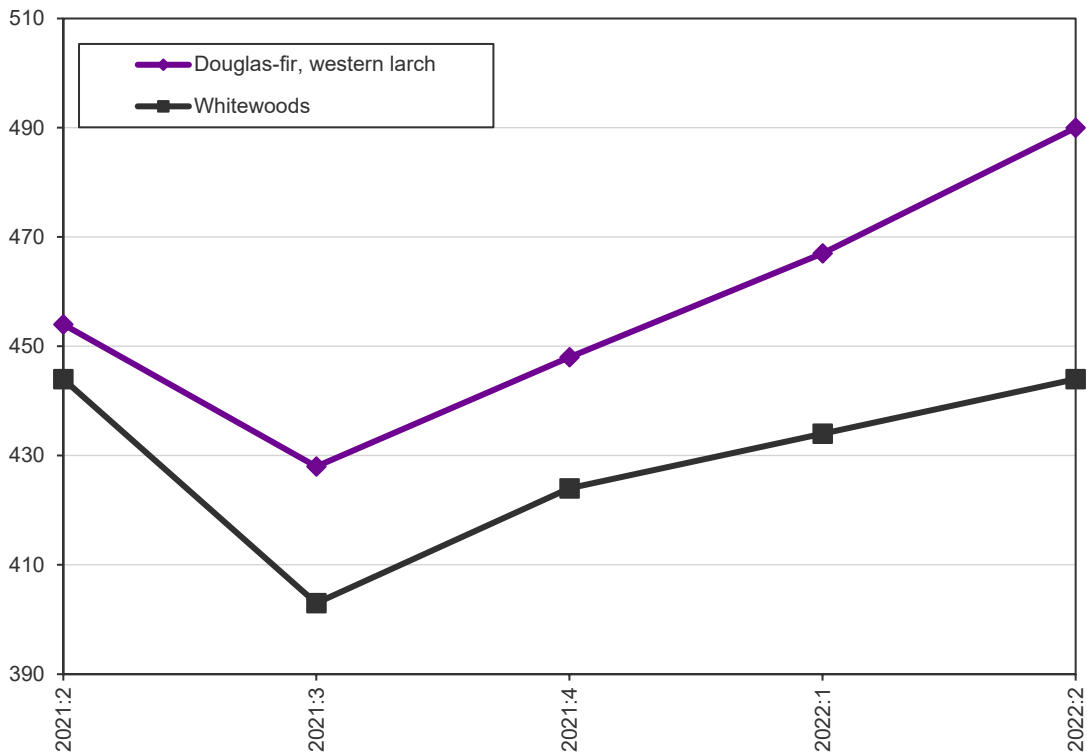


Region 4: Inland West*

\$/MBF Scribner

	High	Avg	Low	%CH quarter	%CH year
Douglas-fir, western larch					
Camp run	585	490	350	5%	8%
Whitewoods					
Camp run	550	444	325	2%	0%
White pine					
Camp run	475	413	350	6%	4%
Ponderosa pine					
Second growth, camp run	480	366	250	-3%	-2%
Engelman spruce					
Camp run	510	444	350	5%	8%
Red cedar					
Camp run	1,300	950	500	-27%	-22%
Lodgepole pine					
Camp run	525	445	350	3%	7%
All species					
Pulp (\$/ton)	48	37	25	19%	32%

* Source: Northwest Management, Inc. <http://northwestmanagement.com>. Data provided quarterly. For additional regional detail, please contact NMI directly.



Washington and Oregon: State timber sales

State of Washington, Department of Natural Resources

Results of timber sales auctions, August 2022

Log Lines /DNR region	Name of sale	Volume (MBF)	Appraised bid	Winning bid	Price/MBF	Number of bids	Apparent winning bidder
Region 1							
Clallam	Rio	1,898	\$697,000	\$905,490	\$477.08	3	Murphy
Grays Harbor	Zuke	3,275	\$1,133,000	\$1,374,221	\$419.61	3	Sierra Pacific
Grays Harbor	Hawkeye	4,005	\$1,472,000	\$1,526,197	\$381.07	3	Murphy
Jefferson	T2 Maple Bar	7,333	\$1,514,000	\$1,678,579	\$228.91	2	Willis Enterprises
Jefferson	Penny Wise	5,128	\$1,907,000	\$2,851,780	\$556.12	3	Sierra Pacific
Lewis	Peachy	2,727	\$1,001,000	\$1,157,642	\$424.51	1	Hampton Tree Farms
Skagit	Shoelaces	1,955	\$668,000	\$993,848	\$508.36	3	Sierra Pacific
Region 4							
Pend Oreille	Q Muddy Basin	9,618	\$2,212,000	\$2,638,420	\$274.32	1	Vaagen Bros Lumber

VDT = variable density thinning.

VRH = variable retention harvest.

* Contract harvesting sort; bid values converted from delivered value to estimated stumpage rate.

<http://www.dnr.wa.gov/programs-and-services/product-sales-and-leasing/timber-sales/timber-auction-results>

State of Oregon, Department of Forestry

Results of timber sales auctions, August 2022

Log Lines / ODF region	Name of sale	Main species	Volume (MMBF)	Appraised bid	Winning bid	Other volume	Number of bidders	Apparent high bidder
Region 2								
Astoria	Swagger	Douglas-fir	6,434	\$2,949,216.92	\$4,053,999.06	755	4	Murphy
West Oregon	Long John	Douglas-fir	3,665	\$2,310,049.50	\$2,574,882.40	145	2	Sierra Pacific
West Oregon	Grouse Bully Thin	Douglas-fir	0	\$0.00	\$0.00	0	2	B&G Logging and Construction
Region 3								
Klamath Lake	Flymon GNA	Douglas-fir	361	\$18,699.80	\$18,808.10	24	1	WolfCo Timber Services

https://apps.odf.oregon.gov/Divisions/management/asset_management/SaleResults.asp

Rough Cuts

Rough Cuts features comments from industry sources in the Pacific Northwest. Got something to say? Send your Rough Cuts commentary to: wperritt@fastmarkets.com

"Some softening of prices compared to month prior, but overall, still good demand for logs. Log buyers mentioned unsureness about where lumber markets are headed with some talking about some production curtailments ahead."

- Source, Region 2

"With no serious fires affecting log deliveries, log inventories have grown in Southern Oregon. A couple mills reduced production hours with relation to the decrease in lumber demand. I do know the cedar manufactories around this area are challenged with poor markets."

"I believe it could be challenging to sell logs the next couple of weeks but once the rains come we could see a change in log demand."

"But if it is one thing we are good at doing, we just keep rolling along."

- Source, Region 3

From the editor: We would love commentary from more of you.

From Fastmarkets RISI's *Random Lengths*, "Through a Knothole:"

Traders redefine rallies in post-pandemic landscape

Two years of soaring prices coupled with dramatic corrections during the pandemic, as well as numerous moments when an unforeseen swing was just another day, wore down many traders' sense of what a market "rally" might mean.

"The last rally we had was \$50-70, which was not what most of us in the business consider normal," said one seller. "It used to be a \$20 bill was seen as a rally and had people cheering around the office."

More recently, there is a pervasive sense that the traditional tools used to judge the market are less useful and some are searching for new assessment methods.

"We've started looking at the spread over the year to date," said one producer. "At the peak, that was an \$800 range. It's about \$200 now, which feels more manageable from our perspective."

Buyers, who panicked and bought whatever they could as it was available during the pandemic, are making more disciplined purchases now. They're keeping inventories lean both as a result of lessons learned and hazy economic outlooks, said another trader.

Prior to COVID-19's fallout, measuring the demand-to-capacity rate was one of the sharpest tools in an economists' shed. However, ruptures in production and transportation shifted the balance far more dramatically than anyone had experienced previously. As a result, Fastmarkets' team of analysts turned more frequently to alternative methods of market measurement.

"More immediate data was needed because the market was moving so fast. The number of sales purchased using credit cards and trending Google searches for DIY projects began informing our assessments," said Dustin Jalbert, a senior economist with Fastmarkets.

Many traders are relieved that the emotion-fueled swings of the market are calmer now than in 2020-21, but they have not vanished. While many anticipate a return to pre-pandemic market behavior at some point, far fewer are willing to define a rally according to a dollar amount.

"The indicator most of us are looking at right now is market activity. Instead of asking how much we got for an order, we pay more attention to the pace of orders," said one seller. "Determining whether we are in a rally is going to take more patience than it once did."

Seeking information: We are always looking for new data providers for *Log Lines*. If you are interested in participating, please e-mail wperritt@fastmarkets.com.

Reporting methods

The data for each issue of *Log Lines* are gathered confidentially from log suppliers and purchasers during the latter half of the month prior to publication.

The quotes reported are offered and actual prices for delivered loads of logs. Each individual price range and average is based on data gathered from at least three sources. Prices are based on long log scale, using the Scribner Decimal C log scale rule.

The percentage of change from the previous month is based on the average price. Items not showing percentage change did not appear in the previous month's listing.

Log Lines

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