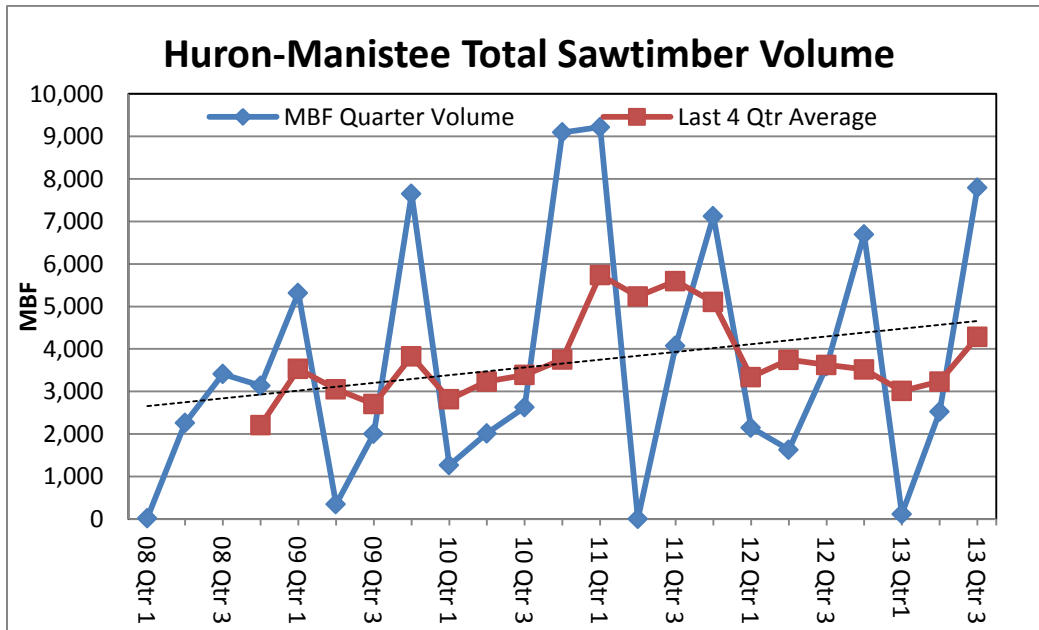
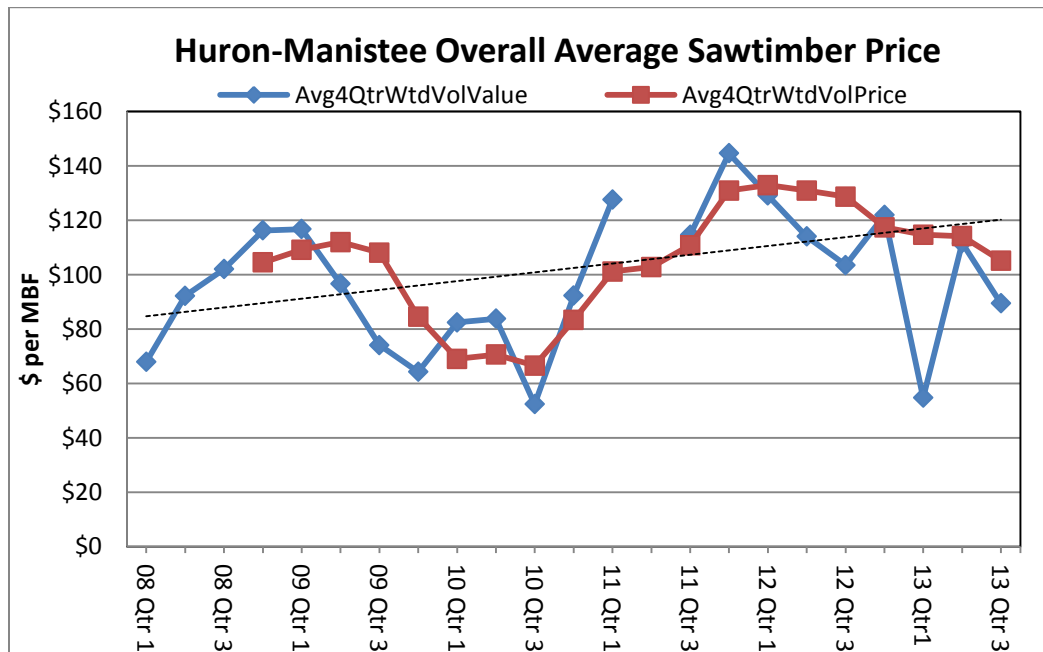


Huron-Manistee National Forest Major Species Product Timber Sales, FY 2008 – 3rd Quarter, 2013

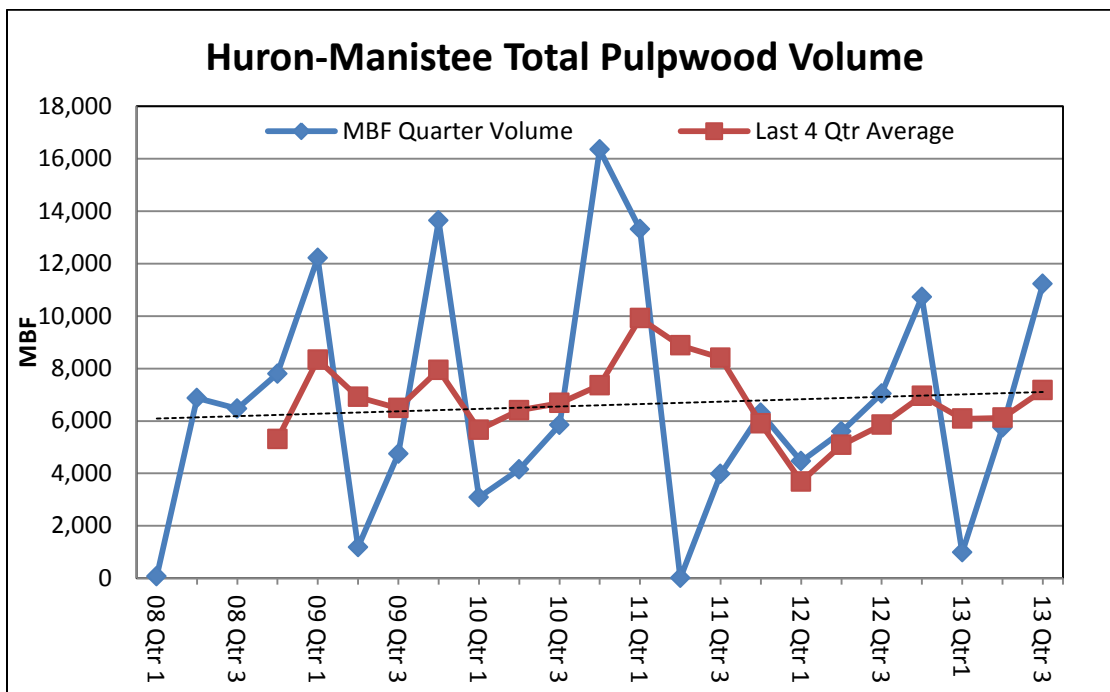
All graphs include a dotted trend line based upon the data set for the average of the last four quarters. Gaps in the blue quarter line indicate no sales in the quarter where the gap occurs. The National Forests follow the federal fiscal year from October 1 through September 30. The most recent quarter data is for April through June.



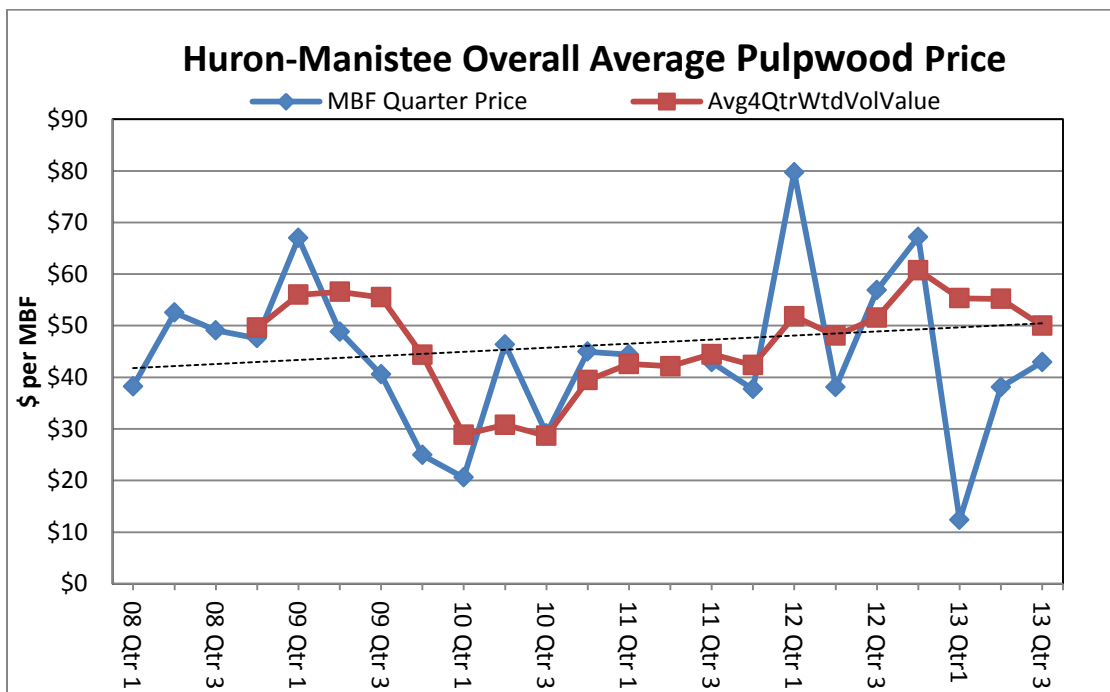
Sawtimber volume in H-M sales shot up to almost 8mmbf in the 3rd quarter of 2013, well above the average sawtimber volume for the past five to six years. This volume helps to solidify an increasing volume trend over the period.



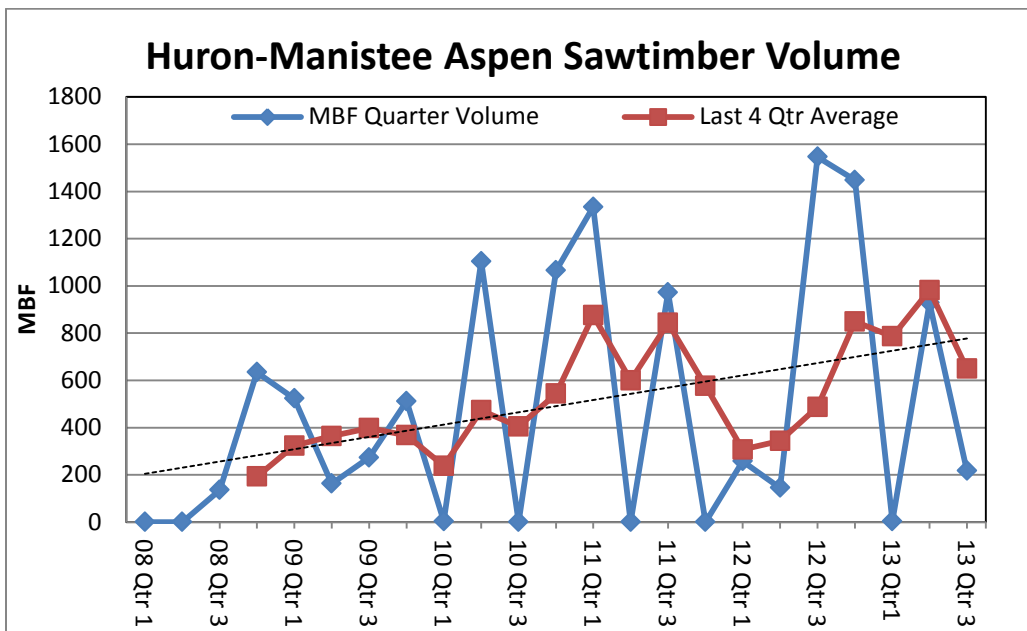
Overall average sawtimber prices dropped last quarter after falling sharply in the 1st quarter of 2013 then rising nearly as sharply in the 2nd quarter. Overall, prices have been increasing during the past five to six years, with a low below \$60 per mbf in the 3rd quarter of 2010 and a high above \$140 per mbf in the 4th quarter of 2011. (These averages are greatly influenced by the mix of species and products put up for sale.)



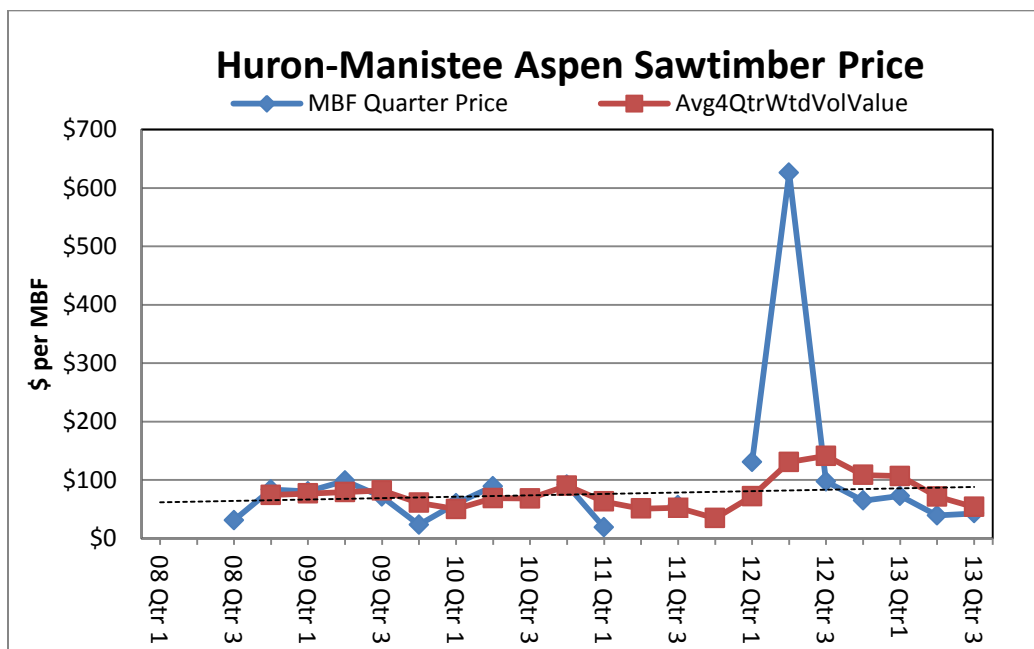
As one would expect, the total pulpwood volume sale pattern is quite similar to the sawtimber volume trend, except that it tends to involve more volume and the overall trend shows just a slight increase from 6mmbf to 7mmbf (roughly 12,000 to 14,000 cords) over the past five to six years. The most recent quarter (April-June, 2013) had a large increase in pulpwood sale volume to over 11,200 mmbf.



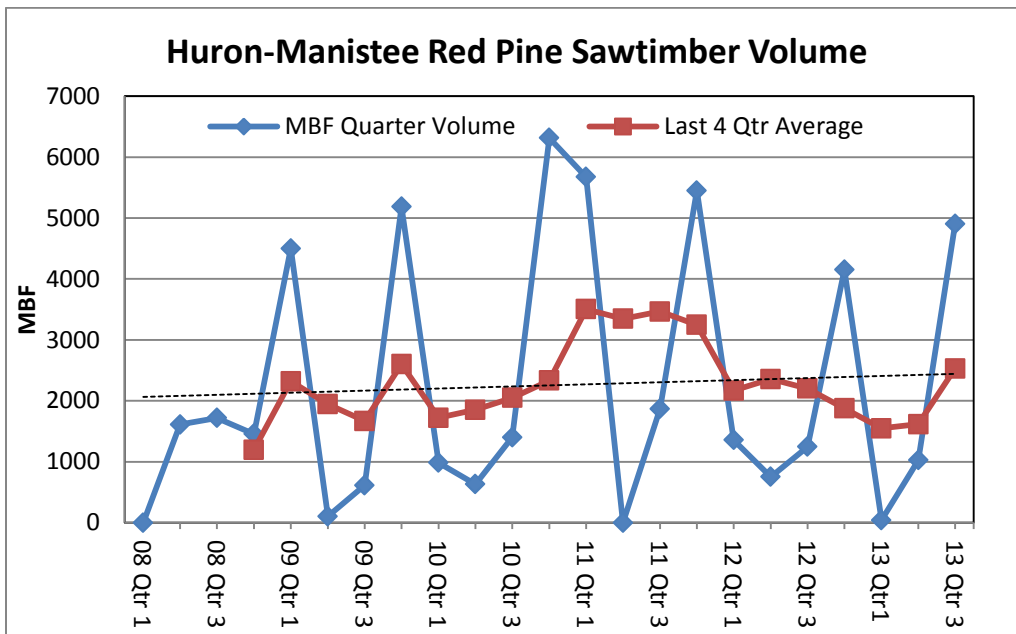
Average pulpwood prices have been quite volatile on the H-M. They peaked at \$80 per mbf in the 1st quarter of 2012, dropped to below \$40, then rose again to over \$67 in the 4th quarter of 2012. Subsequently they fell to a low of \$12 per mbf in the 1st quarter of 2013, rose to \$38 in the 2nd quarter and continued to increase in the most recent 3rd quarter to \$43. Behind the volatility, there has been a gradual increasing pulpwood price trend.



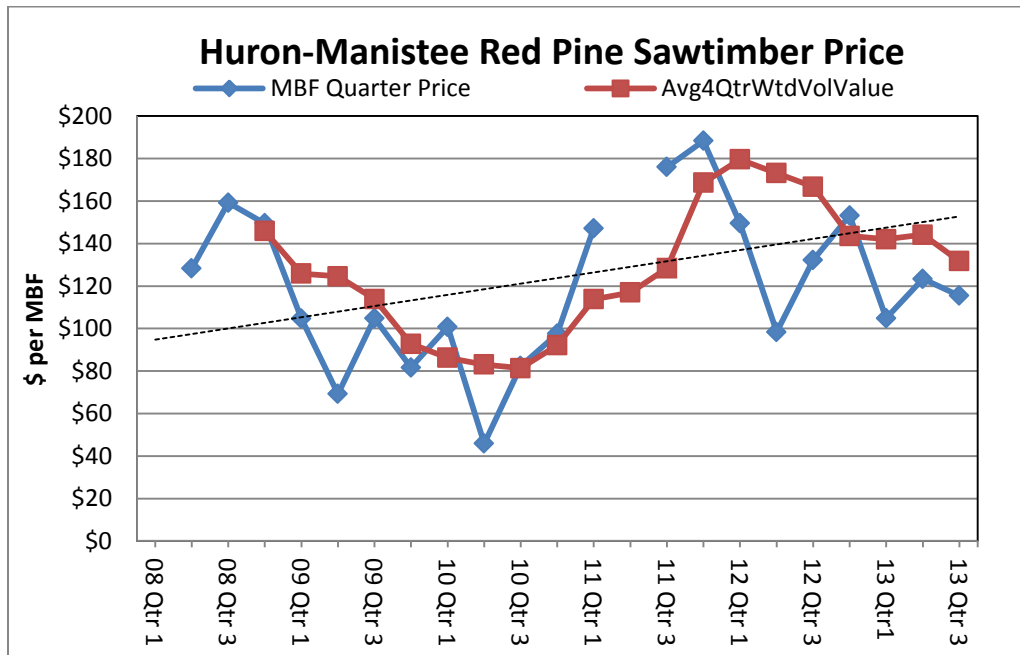
Aspen sawtimber sale volume has increased appreciably over the past five to six years, although there are many quarters when there are no or negligible sales of it. The 3rd and 4th quarters of 2012 saw the highest aspen sawtimber sale volumes, but they were followed by no sale volume in the 1st quarter of FY 2013 and only 200mbf in the last quarter.



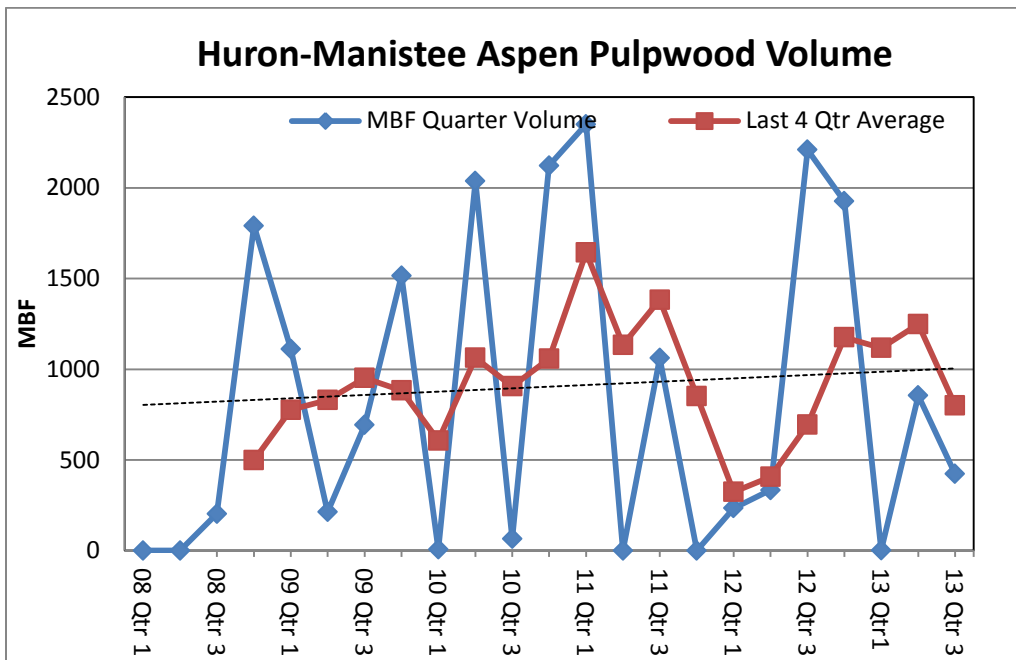
Aspen sawtimber prices have tended to fall in a \$40 to \$80 per mbf range, although there are a few notable exceptions. The 2nd quarter of 2012 may be viewed as an outlier or anomaly. In sum, overall, prices have been relatively stable with the last two quarters being close to \$40 per mbf.



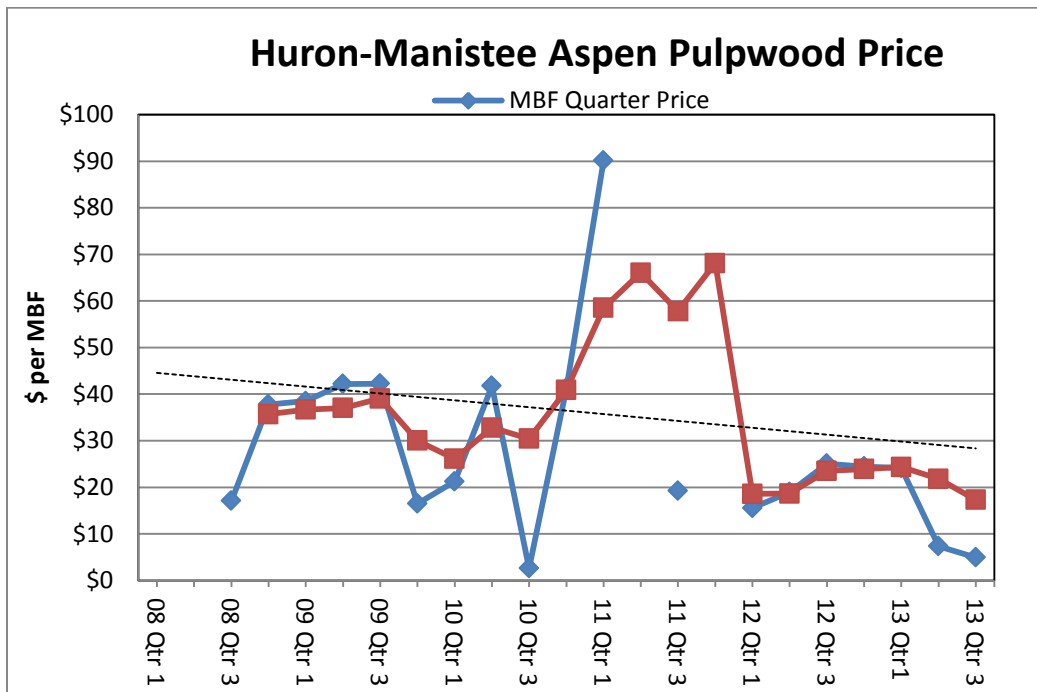
Red pine sawtimber often accounts for the majority of the sawtimber volume sold on the Huron-Manistee - including in the most recent, 3rd quarter - despite there also being some quarters where little or no volume is sold. In those quarters when it comprises the majority of the volume, its price also greatly influences the Forest's overall total revenues and average sawtimber prices. Sales for the 3rd quarter were at a 5mmbf level, up from the 1mmbf level during the 2nd quarter and no volume sold in the 1st quarter. Such much higher sales in the 3rd quarter are unusual; sales generally peak in the 4th quarter. Overall, sale volume has just mildly increased during the past five or six years, but another increase in sale volume during the coming 4th quarter would shore up that trend.



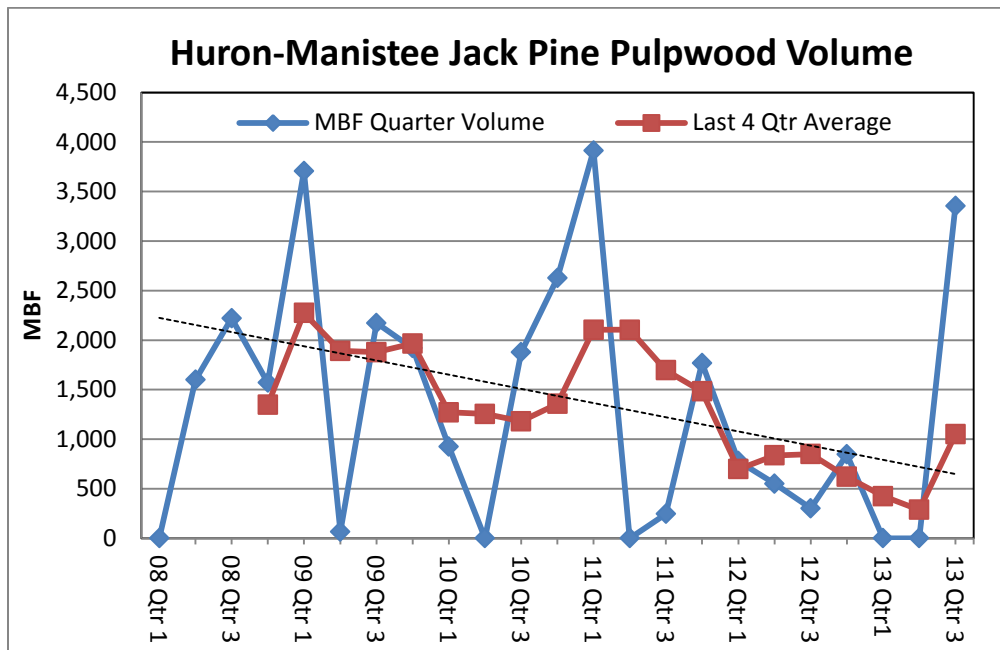
Overall, prices for the past five or six years have increased, although they dipped slightly from over \$120 per mbf to under \$120 per mbf in the most recent quarter. Red pine prices nearly quadrupled between the 2nd quarter of 2010 and the 4th quarter of 2011, from a low close to \$40 per mbf to over \$180 per mbf.



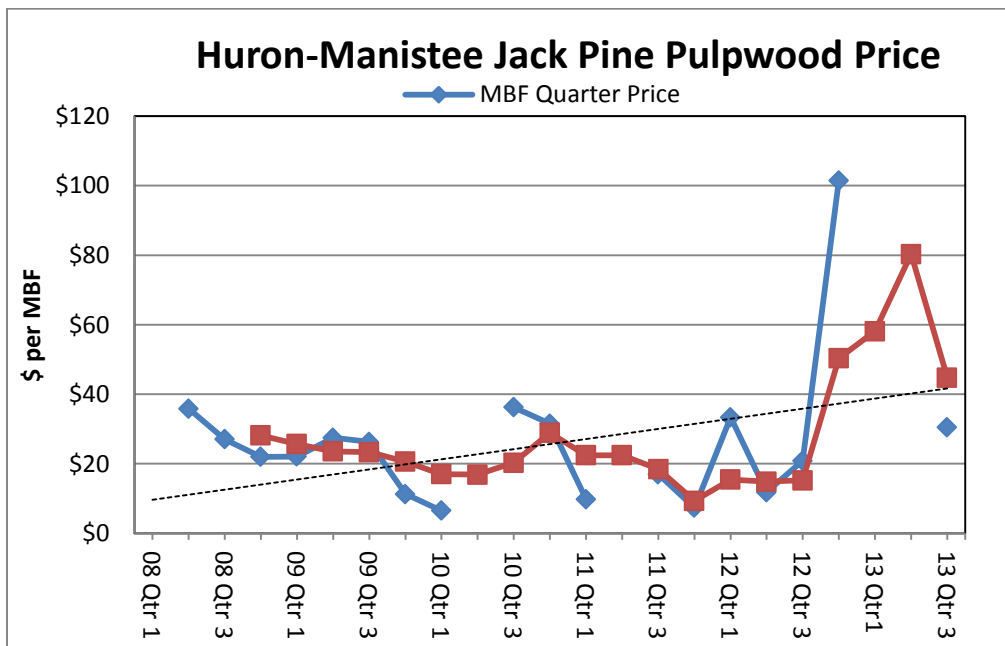
Overall, aspen pulpwood volume has been slightly increasing over the 5-year period, but there are many quarters without sales followed by quarters with sale volumes in excess of 1.5mmbf. The 3rd and 4th quarters of 2012 saw high volume sale quarters, followed by virtually no sale volume in the 1st quarter of FY 2013, 855mbf in the 2nd quarter and then a decrease to 423 mbf in the most recent quarter.



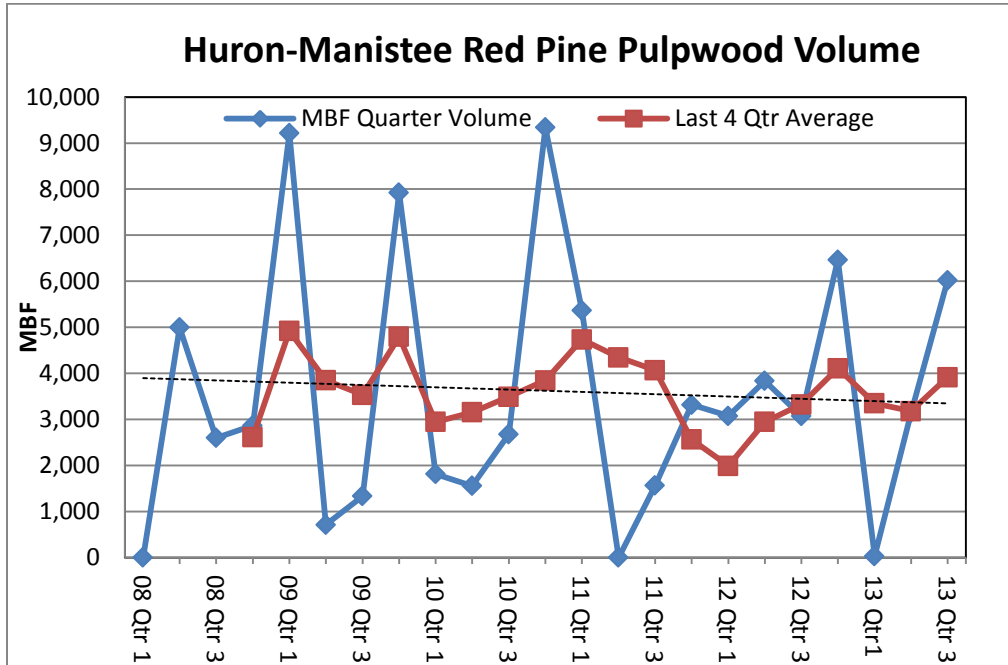
Aspen pulpwood prices are on a fairly sharp downward trend from levels they were at in late 2008 and early 2009. From over \$20 per mbf in the 1st quarter of FY 2013, they have fallen to under \$10 per mbf in the most recent two quarters.



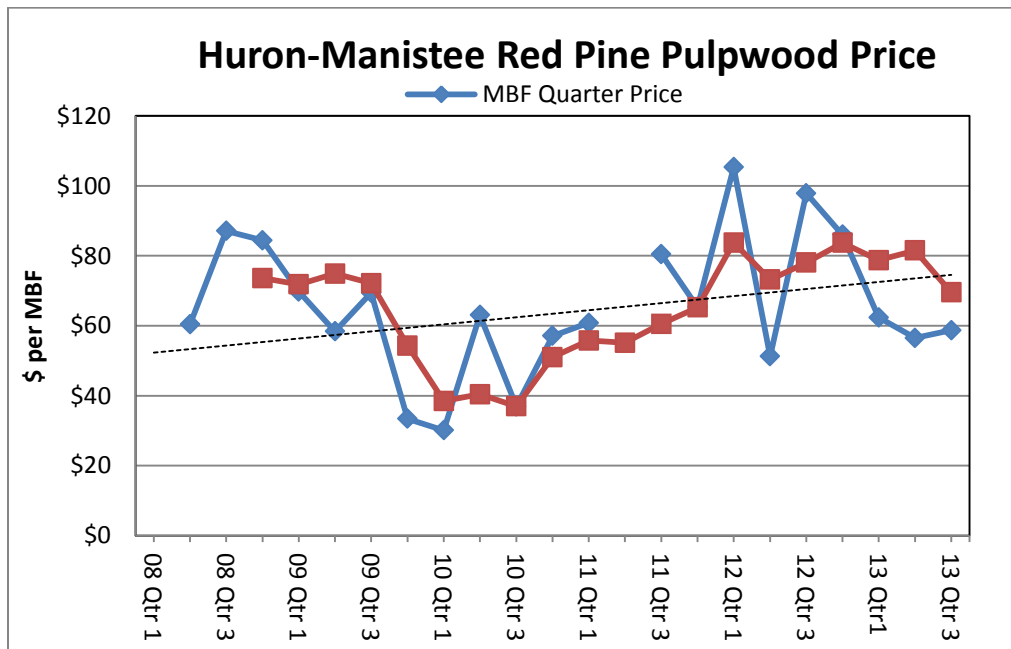
Jack pine pulpwood sale volume appears to have been on a distinctive downward trend over the past 5 or six years; however, 3rd quarter sale volume exceeded 3350mbf. This was a sharp reversal of falling volumes for the period and especially for the previous six quarters, with no sales in the previous two quarters. (Part of the jack pine sale volume decline in recent quarters may be due to some jack pine being included in a sale category with red and white pine.)



Jack pine pulpwood prices have been trending upward; although this is largely influenced by an outlier for the 4th quarter of 2012 when the jack pine sale value averaged \$100 per mbf. The approximate \$30 per mbf price for the most recent (3rd) quarter was above the average for the past five to six years.



As one would expect, red pine pulpwood volume closely mirrors red pine sawtimber sale volume. The pattern shows great swings in volumes, from quarters with over 8mmbf to subsequent quarters with no sales. Overall, sale volume has been slightly decreasing during the past five to six years. So far in FY 2013, there were no sales in the 1st quarter, 3mmbf in the 2nd quarter, and 6mmbf in the 3rd quarter. Sale volumes are often highest in the 4th quarter.



Overall, prices for the past five to six years have increased. Red pine pulpwood prices were below \$40 in the 4th quarter of 2009 and 1st quarter of 2010; they subsequently climbed to over \$100 per mbf in the 1st quarter of 2012. For the last three quarters, they have been close to \$60 per mbf.