September 30, 2005

Pallet Profile Weekly

For more than **28** years the only weekly report dedicated to the pallet industry.

First Audio Conference Is Coming!

Purchasing agents have faced significant pallet price increases over the past three years due to sharply higher hardwood prices. This is exactly what a new audio conference by Lumber Answers.com is designed to explore in detail.

Dr. Ed Brindley and Jeff McBee, two leading industry analysts, will discuss recent market shifts, historical trends and how evolutionary changes could forever change the landscape of the business. The audio conference will be called "Of course, it could get worse. A look into the low grade hardwood and pallet markets!"

Be on the lookout for more conference details and how to enjoy the benefits. It will be covered in some detail in next week's *Pallet Profile* (October 7, 2005).

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WHAT'S COMING ON BOARD?

Four States Sue Federal Government over Wood Packaging Regulations

By Chaille Brindley

Citing concern over invasive species and destruction of the ozone layer, **New York, California, Connecticut and Illinois have filed a lawsuit challenging the effectiveness of new federal regulations** governing solid wood packaging used in international trade. These four states are asking for a federal court to force the U.S. Animal Plant Health Inspection Service (APHIS) to consider "more effective and less environmentally harmful methods." Specifically, the coalition wants **APHIS to ban the use of solid wood packaging for imports into the United States** and to require that alternatives such as engineered wood products, plastic, corrugated or metal packaging be used.

The lawsuit challenges the effectiveness of both heat treatment and methyl bromide fumigation, which have been **approved by international experts and the United Nations body overseeing plant health issues**. An official statement by Eliot Spitzer, the New York

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MARKET REPORT

Hardwood Pallet Market

There is **no shortage of shortages** east of the Rockies. There are **low-grade hardwood shortages**, **labor shortages**, **fuel shortages** and **truck shortages**. The fuel shortages stem from hurricane damage in the Gulf States region, which caused temporary losses in **refinery capacity**, and the truck shortages have been spawned by **increased trucking** to the Gulf Coast to bring **relief supplies**.

Low-grade hardwood supplies are **mixed** east of the Rockies. Some areas have the best raw material situation that they have seen in over two years. Still, supplies in these areas are well **below normal**. Other areas continue to wrestle with supplies that are every bit as **tight** as they have been over the past several winters.

The current problems limiting low-grade hardwood availability are driving **apprehension levels even higher** than they have been. Contacts are beginning to voice concern that **this winter** will be the worst of the current shortage.

Low-grade hardwood prices have taken on a **decidedly bullish** posture. **Higher fuel prices** and

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Four States Sue Federal Government over Wood Packaging Regulations

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Attorney General, called fumigation with methyl bromide a "**marginally effective pesticide that damages the environment.**" Mark fraud and cutting corners by third world countries has also been raised as a concern for the existing treatment programs.

The state of **New York has taken the lead on this issue** after recent outbreaks of the Asian longhorned beetle have caused concern in New York City. This beetle is not native to the United States and is believed to have come to the country aboard wood packaging from Asia.

If the United States banned solid wood packaging, **other countries would likely counter with a similar response to U.S. exports**. This could damage the U.S. pallet and wood packaging market as well as have a ripple effect throughout the lumber industry. Pallets remain a primary market for low grade lumber in this country. **Removing a significant portion of the pallet demand could have serious adverse affects on the lumber industry**, which has needed to maximize yield in order to stay competitive on the global market.

International governments have worked for several years to develop effective treatment measures. If the U.S. backed away from consensus international standards now, its **reputation** on the issue could be **tarnished**. Any such action could **spark a serious international trade dispute** as well.

NWPCA LEADERSHIP

The National Wooden Pallet & Container Association (**NWPCA**) has represented the pallet industry on this issue and is **actively involved on Capitol Hill**. Bruce Scholnick, president of the NWPCA, issue the following statement:

"The day before the lawsuit was filed, **NWPCA's presence was felt all over Washington**. Our members were on Capitol Hill discussing the essential value of wood packaging with members of Congress. That same day, NWPCA staff was meeting with eight officials at the U.S. Department of Commerce to coordinate deadlines on an **industry economic impact study**.

"I **met with Secretary of Agriculture Mike Johanns**, the defendant in the lawsuit, five days after the suit was filed. I expressed to him that the industry will give our complete support in defending against the lawsuit. I also told him I had **contacted my European counterparts** about it; he appreciated NWPCA's outreach on behalf of the Department.

"It has been important to be **pro-active about maintaining strong relationships with key government officials and building a positive image among all policy makers**. In the month of September alone we met with OSHA, Commerce, the Secretary of Agriculture, the

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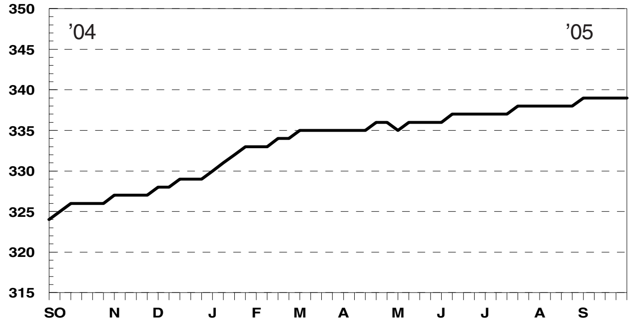
Lumber Price Trends

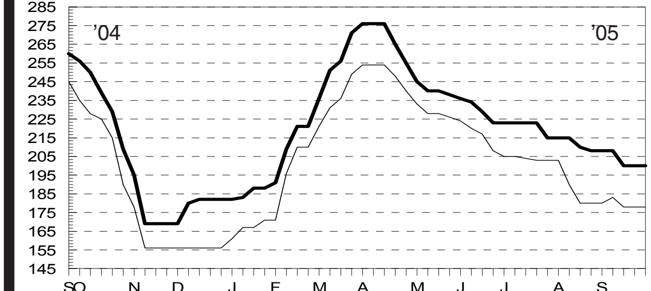
These two composite hardwood and softwood graphs reflect the overall trends in average **price movement** for **hardwood cants** and **western RL DF/SPF softwoods**. Pluses and minuses indicate directions of price change movements at the indicated times when compared to the previous week's average.

HARDWOOD CANT COMPOSITE



Year Ago	Last Quarter	This Week
$324	$337	$339

WESTERN DF & DRY WW/SPF COMPOSITES



	Year Ago		Last Quarter	This Week
DF	$245	Light line - Doug Fir	$208	$178
SPF	$262	Dark line - WW/SPF	$223	$200

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Assistant U.S. Trade Representative for Europe and the Mediterranean, and a representative with The World Bank who is concerned these issues will have a strong negative impact on developing countries.

"**This lawsuit is one more example of environmental groups seeking to eliminate solid wood packaging**. I know this to be the case because the language in the 28-page lawsuit is **strewn with language identical to their testimony** two years ago during the rule-making process. They lost that battle. APHIS has begun the three-phase process of implementing ISPM-15 as written. Now these same groups are working to establish the elimination of wood packaging by **taking it into the courts**.

"They are going to keep on coming at our industry, which is why it is imperative that we **speak with one strong unified voice in the halls of Congress**, in the regulatory agencies, and in the international tribunals. And NWPCA will continue to advocate on behalf of our members."

RISK ASSESSMENT – IS THE "SOLUTION" WORSE THAN THE PROBLEM?

The four-state coalition maintains that current treatment methods are inadequate. The states assert that **Asian longhorned beetles have continued to enter the U.S. even though there have been stringent standards on Chinese imports** for a number of years. And while this is true, it seems like a more appropriate response would be to work with China to identify problems and solve them, not to ban solid wood packaging for all imports.

Most of the pest interceptions have come from dunnage, not pallets. China appears to be the real culprit as far as the Asian longhorned beetle is concerned. **Why penalize the rest of the world and cause a trade barrier for no real good reason**?

Many parts of the world **do not have adequate supplies of solid wood packaging alternatives**. It is much easier to manufacture solid wood packaging than plastic, engineered wood or corrugated. And it would **definitely add cost to international trade** to require solid wood alternatives.

The lawsuit claims that APHIS did not really consider phasing out solid wood packaging as an option. It **calls for APHIS to conduct an economic feasibility study** of mandating solid wood alternatives. This seems like quite an undertaking for APHIS to do and may not be very practical given the limited resources of the agency. Any figures that APHIS might develop would be **highly speculative** and may not be accurate given shifting market trends.

Why spend all this effort studying something when you believe that the proposed treatment plan will adequately solve the invasive pest problem? Sure, the only way to completely rule out the possibility of wood pests making their way to this country aboard packaging is to mandate alternatives. But does the risk warrant a major deviation from what most other countries are doing? Once effective treatment plans are in place and followed, are you **creating a bigger international issue by mandating the use of solid wood alternatives**? Based on APHIS' regulation, that appears to be what the federal government has decided.

WHAT SHOULD THE INDUSTRY DO IN THE MEANWHILE?

• **Don't panic is the first thing**. You don't need to cancel your order for a heat treatment system or take other drastic measures. Current regulations remain intact. Who knows what will come of the lawsuit? **Litigation can take years to resolve**. Given the severe international ramifications of any major deviation from the global standard developed under the International Plant Protection Convention, it is highly unlikely that a federal judge would force an outright ban of solid wood packaging for imports. But who knows? Stranger things have happened.

• Formulate a plan to serve customers and **charge enough for the service to receive a reasonable payback on your equipment investment**.

• **Join the NWPCA** and **participate in outreach efforts to Congress**. Now is the time when the industry needs to work to keep misinformation from leading to the development of bad public policy. Call 703/519-6104 or visit www.palletcentral.com.

• **Reassure your customers** of the viability of solid wood packaging. Be ready to answer their questions and give them credible solutions.

• **Keep on reading** the *Pallet Profile* and *Pallet Enterprise* for updates on the phytosanitary issue.

• If you want more information, you can **read the press release** by the New York Attorney General and a copy of the lawsuit at http://www.oag.state.ny.us/press/2005/sep/sep15b_05.html

Gulf Coast Gears Up for Recovery

That great big **humming sound** you hear emanating from the **Gulf Coast** is the forest products industry gearing up to **clean up and salvage damaged timber** from the hurricane-battered region.

The good news is that, in the short term, **loggers will have plenty of work**. The bad news is that, after salvaging storm-damaged timber, what then?

The **region's forests** have been **severely damaged**. The **worst** of it appears to be **concentrated in southern Mississippi**. **Softwoods**, mostly pines, likely account for the majority of the damaged timber.

Most of the information that follows relates primarily to Hurricane Katrina since it struck prior to Hurricane Rita earlier and its damage was more severe.

In **Mississippi** alone, **Katrina** caused an estimated $**1.2 billion in damage to timber**. In **Louisiana**, the losses were estimated at $**600 million**. An estimate of the damage in **Alabama** was not available, although the **damaged forests** were estimated at **610,000 acres**.

The race already is underway to **salvage** wood before it is attacked by **blue-stain fungus**. The fungus does not cause any structural damage, but the colored wood is **shunned by builders** and it quickly loses value and becomes worthless.

Katrina knocked down or damaged so much timber in Mississippi that **much of it will go to waste** because there will **not be enough loggers** to harvest it **or sawmill capacity** to process it, according to forestry experts.

Already, **salvage wood is piling up**. In **Louisiana, storage facilities are quickly filling up** with wood that is **available for purchase**, reports Buck Vandersteen of the Louisiana Forestry Association. Most of the stored material is **quality pine saw timber**. For now, it is impractical to handle pulpwood.

Storage yards have been established near **Bogalusa, La**. for rail traffic and near **Ponchatula, La**. for barge traffic. The forest products industry is working to determine the availability of rail and barge units and estimated freight costs.

In addition, the Louisiana Forestry Association is **seeking additional loggers and truckers** as well as wet storage areas. Companies interested in buying salvaged wood, and loggers or truckers looking for work should call the association's office at (308) 443-2558.

Loggers who are interested in working under to FEMA's authorized contractors on clean-up work – not salvage timber — in Alabama should contact Ben Turner of Philips and Jordan at (813) 783-1132, and for Mississippi and Louisiana, Terry Jackson of AshBritt Inc. at (954) 545-3585.

In addition, a **telephone hotline** has been established to **register logging contractors** who are interested in working in timber recovery and salvage efforts in Mississippi, Louisiana and Alabama. After completing a brief survey, contractors will be added to a database based on availability, equipment, insurance, training, and other factors. The hotline number is (866) 706-8869.

The Mississippi Forestry Association made an urgent request for 50 to 100 chain saws to equip volunteer teams of loggers and others who are trying to clear trees and debris from the roads of forest-dependent communities and the homes of families in the impacted communities. To respond to this request, call the association at (601) 354-3040.

Fortunately, **pulp and paper capacity appears to have sustained little damage** from Katrina, although interruption of supplies for chemicals, fuel and electricity, as well as damage to roads and bridges, delayed resumption of operations for some. In addition, **some smaller mills in southern Mississippi** reportedly sustained **heavy damage**. However, Georgia-Pacific announced it would re-open two previously closed sawmills in Mississippi at Gloster and Roxie, and the sites have good potential as wet storage yards.

Up to date information also is available on a special page of the Forest Resources Association Web site, which also has direct links to pertinent news in Louisiana and Mississippi; the Web page is: www.forestresources.org/announcements/katrina-updates.html.

The **impact of the disaster and the reconstruction work to follow** can be described as nothing less than **epic**. About 1 million Americans have been displaced, according to FEMA.

According to McGraw-Hill Construction, Hurricane Katrina ranks as the **most costly natural disaster in U.S. history**. The **total cost** is expected to be $**125 billion or more**. By contrast, Hurricane Andrew in 1992 caused an estimated $37 billion, adjusted to 2005 dollars.

Clean-up and repairs to essential infrastructure, including roads, bridges and water systems, will be **the priority** in weeks to come. **Rebuilding** of housing and commercial structures will take an **estimated five**

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NEWS IN BRIEF

• Two executives in the Australian transportation industry are launching a **new pallet management business**, **Precise Pallet Management**. The company started by Phil Doolan and Geoff Bird will provide pallet management services, especially to businesses that use **rental** pallets.

The two largest pallet rental companies in Australia are **CHEP** and **Loscam**. They have about 22,000 accounts in Australia. Australian businesses use an estimated **21 million pallets** – about one per person.

Precise Pallet Management utilizes a **tracking and auditing software program** that can help companies manage their pallets and **reduce costs associated with rental pallets.**

• **Johanna Foods**, a leading producer of chilled juices and beverages, has begun shipping its entire line of juice products on **CHEP rental pallets**.

The company is helping CHEP make inroads into the **beverage industry** by helping to convert non-participating distributors – companies that do not have a contractual agreement with CHEP. This helps keep costs lower by ensuring pallets are available when and where suppliers need them.

Headquartered in Flemington, N.J., Johanna Foods produces the leading retail and private label brands of chilled juices and beverages and aseptic beverages and yogurt.

• The **National Association of Realtors increased** its forecast of home sales in 2006. The association added 130,000 home sales to its forecast.

The association expects **Hurricane Katrina** will have the effect of **slowing** the economy, preventing **long-term interest rates** from rising as fast as they would have otherwise. If fixed mortgage rates are lower, conventional wisdom indicates that more people will buy homes.

• **Wood packaging** used to ship lumber into **Ireland** recently was discovered to contain **bark beetles**. Authorities subsequently **destroyed** the infected wood packaging.

A number of companies in Ireland are certified to treat wood packaging in compliance with ISPM 15. They include **C.J. Sheeran Limited**, which has kiln capacity heat-treat wood pallets and packaging. The company manufactures pallets and wood packaging and also has pallet recycling operations.

Potlatch Following To Trust Organization

Potlatch is going to follow the path of other forest products companies and become a **real estate investment trust.** The move will enable the company to **reduce corporate income taxes** – 1.5 million acres of forestland will be **exempt** from federal corporate income taxes — and increase its annual dividend from about 60 cents per share to $2.60.

Potlatch will remain a **publicly traded** company. Its **manufacturing assets** will be placed in a **subsidiary** that will be subject to normal corporate taxes.

The move also will **increase cash flow** and provide a **lower cost of capital** for buying additional forestland, said L. Pendleton Siegel, chairman and chief executive.

The Potlatch board of directors approved the change, effective Jan. 1. It must be approved by shareholders and the Internal Revenue Service.

Longview Fibre, Rayonier and Plum Creek Timber Co. also have changed to a real estate investment trust.

Gulf Coast Gears Up for Recovery

(Continued from fourth page)

years but is not expected to begin in earnest until 2006. **Building materials** will see continued **upward pressure on prices** as well as constraints on availability.

At the **Missouri Show** last week end, several people expressed **concern over loggers being called out of the Ozark region** into the Gulf region. Apparently they were offered **more money** to help with **logging in salvage areas** than they typically make logging in their own back yard. While some people report an improvement in either hardwood log decks or hardwood lumber supplies, we are **by no means "out of the woods" with hardwood supplies**. Before Katrina and Rita struck, concern was mounting that this could be a very difficult winter. Some people even expected it to be as difficult, if not more so, than the past two or three years. **It might not take very many loggers moving into the Gulf region to make things very bad**!

Do not expect local softwood supplies to offer an attractive alternative. A **shortage of loggers would impact all kinds of lumber**. Do not expect recycled pallets to bail us out because **overall core supply problems are the most extensive** they have ever been in the history of pallet recycling.

Market Report

(Continued from first page)

resulting **higher freight rates** are at the heart of most of the upward pressure in raw material pricing.

Quality of inbound material remains a **primary concern** of many lumber buyers. The lack of quality in much of the available low-grade hardwood is **driving up waste factors** and therefore making actual material costs more expensive.

Competing industrial markets all are enjoying **strong demand** levels. Buyers of rail ties, framestock, and board road are able **outspend** the pallet industry and have very strong demand.

Pallet demand east of the Rockies is **stronger** than a month ago after a brief lull.

The national news outlets continue to report that **fuel prices** will return to pre-Katrina levels, but it appears that it will be a **long, slow process**.

Pallet prices continue to **edge higher**. Most of the price pressure is **fuel-freight** price related.

Western Pallet Market

The **softwood grade market** was fairly **dull** this week. **Prices** were mainly **flat**. The market, which had clearly benefited from hurricane reactions in recent weeks, began to behave more like one would expect in late September.

The futures market took a downward turn this week, which is not unusual for the time of year.

Availability of **industrial softwood** provided no challenges for buyers looking for material. **Economy** lumber supplies in the West remain **solid to strong**.

Prices in the **industrial** market held the **standoff posture** of a week ago. Mills were fairly firm on prices determined earlier. Buyers continued to be patient while expecting lower prices. There were a few modest end-of-the-month sales, but offerings and activity were below expectations.

Finding **economy** material was no problem, but finding it at **expected price levels** was another issue. **Economy 2x4 prices** were **scattered**, depending on the supplying mill. **Economy 2x6** is in plentiful supply, and **prices** were understandably **soft**.

Pallet manufacturers' inventory levels, although close to **normal**, are still on the **heavy** side. Many lumber buyers are **patiently shopping** for **deals** and only buying when they arise.

The **pre-cut market cooled** after several weeks of brisk activity. **Prices** in the pre-cut market are mainly **steady**. Prices at the mill have a soft posture, but freight costs have kept prices propped up. **Pre-cut prices** are quite a **value**, and **California** markets are taking quite a bit of volume. Higher fuel costs and freight rates as well as the shifting of exchange rates between the U.S. and Canadian dollar could add pressure to pre-cut pricing.

Pallet demand in the West has been **strong** with only a few minor tapers.

Pallet prices in the West are **steady**. **Fuel costs** are keeping **prices** in a **bullish** posture.

Canadian Pallet Market

Low-grade hardwood supplies in **Eastern** Canada are the **strongest** that they have been in nearly three years, and **quality** has taken **center stage** in the low-grade hardwood market for the first time in several years. Strong supplies have led to a return to **premiums for quality**. Mills with **quality reputations** have been more successful in keeping **prices stable** than mills providing punkier material.

This is the **first** time the **premium** for **quality** approach has hit the market in **several years**. The strategy has led to a **larger than normal spread** in low-grade **pricing**. Low-grade hardwood buyers and sellers have been **working together** on quality issues rather than to drive down the actual selling price. Mills are happy with the approach as it helps preserve their cash position. Pallet manufacturers also are agreeable as actual costs are driven down by the lower waste factors.

The **East-West split** in **industrial softwood markets** in Canada remains the dominant trend. **Availability** in the **West** is **not as strong** as in recent weeks but provides **no challenges**.

Suddenly the East-West split has begun to foster some **new trends**. Western suppliers find their **hot market** in the **Midwest** and the **Southeast**.

Random length economy prices in the **West** are **soft**. **Quoted prices** on **economy** cover a **wide range**.

Pallet demand in the **West** remains **solid to strong**. Pallet demand in the **East** is **steady** yet **unimpressive**.

Pallet pricing is mainly **steady** in Canada.

Pallet Profile Weekly Quote of the Week:

"It's like I'm waking up in a new world everyday, and it's the things that I thought I knew that perturb me." (Texas)

Eastern/Southern/Northern/Midwestern Hardwood Pallet Industry

The following information describes the conditions and prices prevalent in the hardwood pallet industry. Information is reported for 27 regions to keep material as localized as possible. Most reporting regions correspond to individual states, although a few cross state lines when circumstances suggest they should. All hardwood lumber prices are for low-grade, mixed dense, rough and green hardwoods. With the exception of cut stock, which is priced by the piece, all lumber prices are reported as delivered prices per thousand board feet. Prices are typical prices reported by our information network. Even within small reporting regions, price variations sometimes dictate that we choose a middle price within the range. Descriptions of inventory conditions help provide an overview of the market in a tabular form.

Percentage of plant capacity utilization gives one measure of pallet activity. Verbal descriptions in the market report add additional detail.

The modified 48x40 GMA grocery pallet is used as a barometer of pallet pricing. Typical prices for the New 5/8" deck & 1-3/8" stringer GMA pallet are reported.

Plus and minus signs after lumber and pallet prices indicate the direction of price changes when compared to last week's *Pallet Profile*. Prices are moved in increments which make comparisons meaningful. No attempt is made to forecast future prices.

Region	Cants 4x6" & 3-1/2x6" 8' x 16'	Boards 1x4" & 1x6" 8' x 16'	Cut Stock 5/8" x4" x 40" (per piece) Nominal 4" Piece Actual as Low as 3.5"	Lumber Inventory	Log Inventory	% Plant Capacity Used	Modified GMA Pallet 5/8" decks & 1-3/8" Stringers New Price
No. N. Eng.	$340	$185*	33¢	Very Low to Low	Very Low to Critical	85%	----
So. N. Eng.	$350	$195*	34¢	Very Low to Low	Very Low to Critical	95%	$8.83
Mid-Atlantic	$367	$350	32¢	Low to Normal	Low to Normal	95%	$9.01
Virginia	$327**	$300**	31.5¢	Low to Normal	Low to Normal	90%	$8.39
N. Carolina	$330	----	31¢	Very Low to Critical	Very Low to Normal	90%	$8.39
S. Carolina	$315	----	28¢	Low	Low to Normal	85%	$8.39
Georgia	$350	$320	30¢	Critical to Very Low	Very Low to Critical	90%	$8.48
North Florida	$325	----	----	Low to Normal	----	90%	----
Alabama	$332	$295	28.5¢	Low to Normal	Low to Normal	95%	$8.66(+)
Mississippi	$320	----	29¢	Very Low to Normal	Very Low to Critical	80%	$8.39(+)
Tennessee	$315	----	29¢	Low to Normal	Low to Normal	95%	$8.39(+)
Kentucky	$305	----	29¢	Low to Normal	Normal	95%	$8.39(+)
W. Virginia	$347	$285	----	Low to Normal	Normal	90%	$8.48
Western PA	$360	$330	33¢	Low	Low	90%	$8.66
Western NY	$342	----	31.5¢	Normal	Normal to Heavy	95%	$8.57
Ohio	$375	$325	32.5¢	Low to Normal	Low to Normal	90%	$8.83
Michigan	$315	$285	33¢	Low to Heavy	Low to Normal	90%	$8.66
Indiana	$330	----	30¢	Very Low to Low	Very Low to Critical	90%	$8.57
Illinois	$332	----	35.5¢	Very Low to Low	Very Low to Low	90%	$8.92
Wisconsin	$372	$330	33¢	Low	Low	80%	$8.48
Minnesota	$357	----	33.5¢	Very Low to Low	Very Low	90%	$8.66
Iowa	$360	----	33.5¢	Low	Very Low	85%	$8.66
Missouri	$295	----	31.5¢	Very Low to Low	Low to Heavy	90%	$8.48(+)
Arkansas	$300	----	27¢	Normal	Low to Normal	90%	$8.48(+)
Louisiana	$347	----	----	Low	Normal	85%	----
East Texas	$362	$350	30.5¢	Low to Normal	Normal	95%	$8.66
Kansas/OK	$360	----	29¢	Low	Very Low	85%	$8.66(+)

*RW & RL **In Virginia 6/4 is $325

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West Coast and Canadian Pallet Industry

All lumber costs are representative of typical lumber prices fob delivered to pallet companies in the reporting regions and are expressed in $/Mbf. Prices are in U.S. dollars in U.S. regions and Canadian dollars in Canadian regions.

All U.S. pallet prices are representative of delivered prices paid by a customer. Canadian CPC pallet prices are typical mill prices.

The U.S. pallets are a specified 48x40, 2-way reusable or standard-and-better pallet and a specified 48x40 2-way mixed species limited-use pallet. Pallet #1 (reusable) is a 28 bf pallet with 3-2x4x48 stringers and 12-1x6x40 deck boards, seven on top and five on bottom. Pallet #2 (limited-use) is a 21-1/3 bf pallet with 3-2x4x48 stringers and nine deck boards, three 4" and six 6" boards. The alder pallet is a full spec GMA pallet.

Plus and minus signs after lumber and pallet prices indicate the direction of price changes when compared to last week's *Pallet Profile*. Prices are moved in increments which make comparisons meaningful. No attempt is made to forecast future prices. It is normal to expect variations due to market fluctuations and particular circumstances.

Lumber and Pallet Prices	Southern California	Northern California	Pacific Northwest	British Columbia	Alberta
2 x 4 RL DF	$195	$185	$130	----	----
2 x 6 RL DF	$210	$200	$150	----	----
2 x wides RL DF	----	$225	$185	----	----
2 x 4 RL Dry White Wood/SPF	$215	$205	$165	$210	$215
2 x 6 RL Dry White Wood/SPF	$225	$215	$175	$210	$215
2 x wides RL Dry White Wood/SPF	$240	$230	$190	$225	----
1 x 4 Mill Run Rough	----	----	----	----	$250
1 x 6 x 40 Utility & Better SPF	$315	$310	----	----	----
2 x 4 x 48 Notched SPF	$315	$310	----	----	----
Alder GMA Cutstock 11/16 – 4"	$340	$330	$300	----	----
Alder GMA Cutstock 11/16 – 5"	$345	$335	$305	----	----
% Plant Capacity Used	70%	85%	90%	85%	95%
Lumber Inventory	Low to Normal	Low to Normal	Low to Normal	Normal	Normal
Pallet #1 Standard and Better	$12.88	$12.60	$11.20	----	----
Pallet #2 Shipping	$7.10	$6.87	$5.95	----	----
CPC Pallet (mill prices)	N.A.	N.A.	N.A.	No Activity	No Activity

Eastern Canada

	Prairie	Ontario	Quebec	Maritime
Hardwood Cants	----	$430	$430	$425
2 x 4 RL SPF	$260	$285*	----	----
2 x 6 RL SPF	$260	----	----	----
Mill Run Rough 1 x 4	----	$320	----	----
Lumber Inventory	Normal	Normal	Normal	Normal
Log Inventory	----	Low to Normal	Low to Normal	Low to Normal
% Plant Capacity	85%	85%	----	90%
CPC Pallet (mill prices)	----	$20.00	----	$17.50

*8' 2x4 SPF

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