

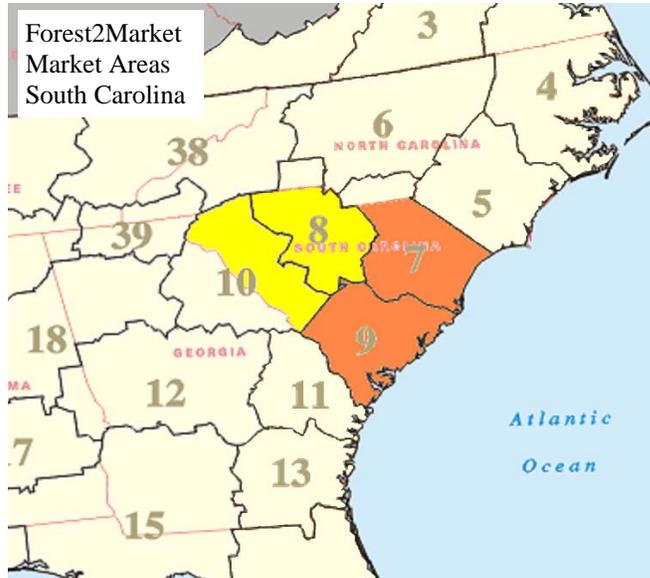


# South Carolina Timber Report

A PUBLICATION OF FOREST2MARKET®

**3rd Quarter  
2010**

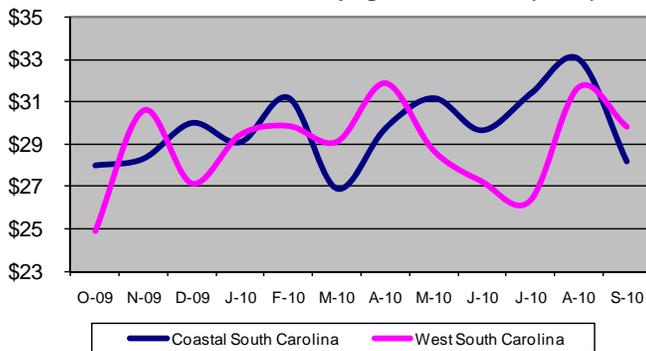
**Volume 6  
Number 3**



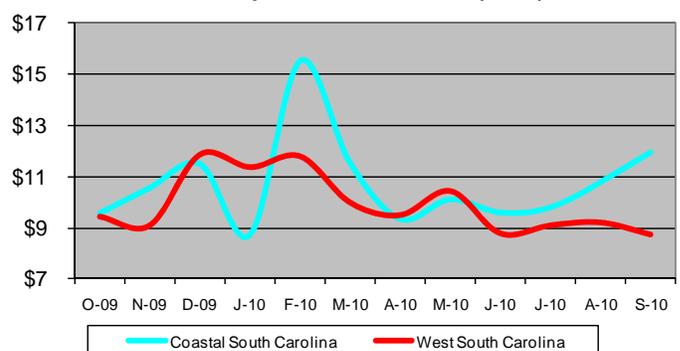
*Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at [www.forest2market.com](http://www.forest2market.com) for prices that are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

## SOUTH CAROLINA STUMPAGE PRICE TRENDS

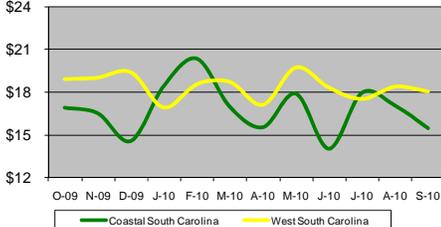
**Pine Sawtimber Stumpage Price Trend (\$/ton)**



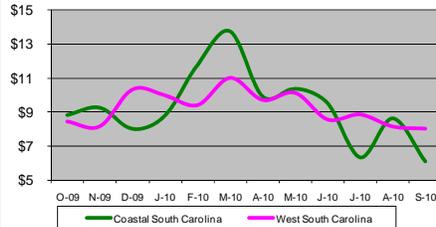
**Pine Pulpwood Price Trends (\$/ton)**



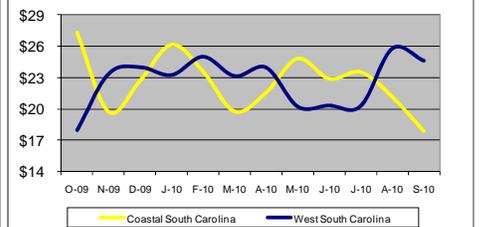
**Pine CNS Stumpage Price Trend (\$/ton)**



**Hardwood Pulpwood Price Trends (\$/ton)**



**Hardwood Sawtimber Price Trends (\$/ton)**



## SOUTH CAROLINA STUMPAGE PRICES

<b>Coastal South Carolina</b>			
<b>Weighted Average Stumpage Prices (\$/ton) 3rd Quarter 2010</b>			
Product	Price	Price Change	Percent Change
Pine Pulpwood	\$ 11.10	\$1.18	11.9%
Pine Chip-n-Saw	\$ 16.65	-\$0.16	-0.9%
Pine Sawtimber	\$ 31.99	\$2.04	6.8%
Hardwood Pulpwood	\$ 6.81	-\$3.38	-33.2%
Hardwood Sawtimber	\$ 21.07	-\$1.00	-4.5%

<b>West South Carolina</b>			
<b>Weighted Average Stumpage Prices (\$/ton) 3rd Quarter 2010</b>			
Product	Price	Price Change	Percent Change
Pine Pulpwood	\$ 8.97	-\$0.64	-6.7%
Pine Chip-n-Saw	\$ 19.03	\$0.87	4.8%
Pine Sawtimber	\$ 30.77	\$2.30	8.1%
Hardwood Pulpwood	\$ 8.16	-\$1.50	-15.5%
Hardwood Sawtimber	\$ 24.95	\$1.57	6.7%

## U.S. SOUTH TIMBER MARKET OUTLOOK

### PINE SAWTIMBER PRICES - U.S. SOUTH

Prices for pine sawtimber have remained flat since last quarter. The market is still very weak and prices remain at historic lows. Because sawmill inventories are high, mills continue to keep gatewood prices low. In addition, dry weather has made it very easy for mills to procure wood. Most sawmills are operating on quotas and limit the number of loads a logger can deliver each week as a result. No sustained elevation in the housing market is likely to increase demand in the next several months.

Landowners also appear to be more motivated to sell their timber: first, because they do not anticipate increases in stumpage prices for the next year or two; second, long-term capital gains taxes are expected to increase from 15 percent to 20 percent in 2011.

### PULPWOOD PRICES

The pulpwood market has fared better. Although prices have dropped over the past two months (roughly \$2 per ton on average throughout the South), mills continue to need logs. Since a significant cause of lower prices has been the dry weather, we expect this to change as wetter winter weather impacts the ability to harvest low lying tracts.