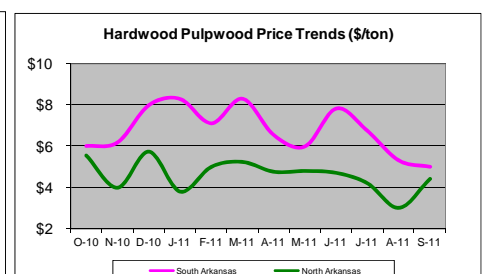
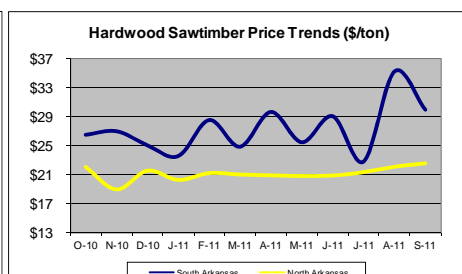
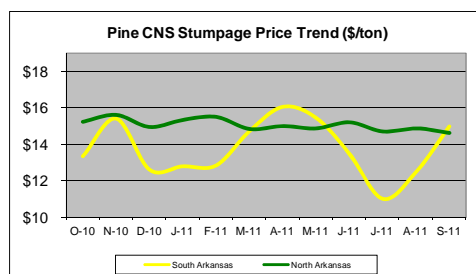
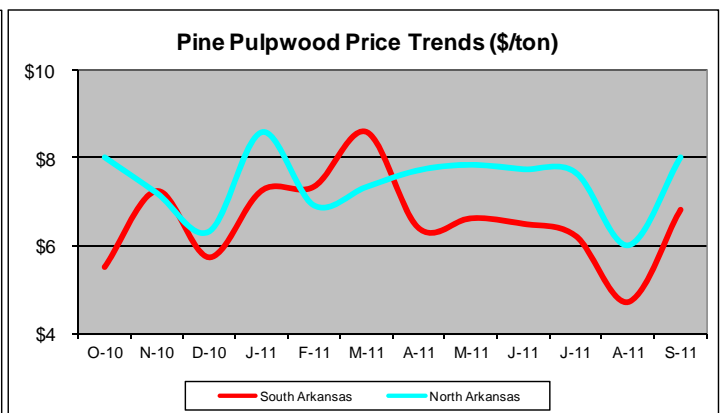
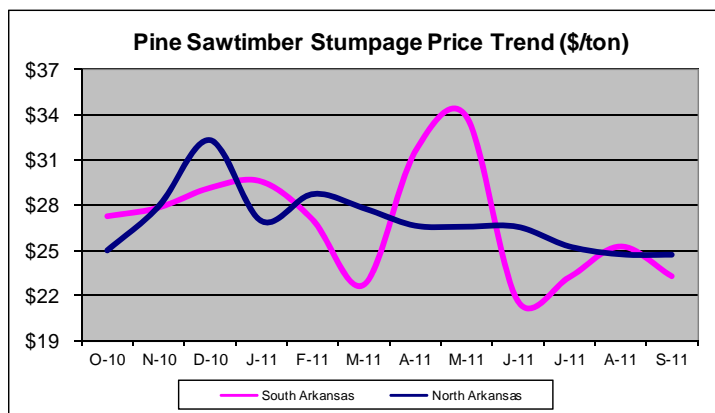


Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at [www.forest2market.com](http://www.forest2market.com) for prices that are specific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

## Forest2Market Market Regions

- North Arkansas
- South Arkansas

## ARKANSAS STUMPAGE PRICE TRENDS





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## ARKANSAS STUMPAGE PRICES

North Arkansas				
Weighted Average Stumpage Prices (\$/ton) 3rd Quarter 2011				
Product	Price	DBH	Price Change	Percent Change
Pine Pulpwood	\$ 7.26		-\$0.50	-6.4%
Pine Chip-n-Saw	\$ 14.74	10.2	-\$0.30	-2.0%
Pine Sawtimber	\$ 24.89	14.0	-\$1.69	-6.4%
Hardwood Pulpwood	\$ 3.46		-\$1.30	-27.3%
Hardwood Sawtimber	\$ 21.94		\$1.13	5.4%
South Arkansas				
Weighted Average Stumpage Prices (\$/ton) 3rd Quarter 2011				
Product	Price	DBH	Price Change	Percent Change
Pine Pulpwood	\$ 5.70		-\$0.83	-12.8%
Pine Chip-n-Saw	\$ 12.10	10.3	-\$2.14	-15.0%
Pine Sawtimber	\$ 23.41	14.9	-\$2.60	-10.0%
Hardwood Pulpwood	\$ 5.37		-\$1.29	-19.3%
Hardwood Sawtimber	\$ 29.46		\$1.37	4.9%

## U.S. SOUTH TIMBER MARKET OUTLOOK

Forest2Market's Economic Outlook indicates that the US economy is already in a recession. This second leg of the recession will be short and shallow compared to the one that started in December 2007, but it will prevent a broad recovery in the housing market, and therefore a broad recovery in sawtimber markets.

Despite this, some positive signs cannot be ignored. Home prices are down significantly from peaks, the average rate on a 30-year fixed-rate mortgage has fallen below 4 percent for the first time, and inventories of unsold homes are smaller than they were last year – particularly in locations with comparatively healthy economies. Replacement demand from normal deterioration and natural disasters, demographic pressure from an expanding population, and heightened demand in geographies with comparatively strong economies will result in a gradually improving market over the next two years.

### Pine Sawtimber Prices – U.S. South

In addition to the longer term recovery of the housing market, seasonality will play a role in sawtimber pricing over the near term. While prices have been relatively flat over the summer, we expect winter inventory building (increased demand) and increased rainfall (constrained supply) will result in higher prices over the winter.

### Pulpwood Prices – U.S. South

Pulpwood markets, due to continued strength in pulp and paper industry performance, continue to show strength. Winter season inventory building and increased rainfall will also drive pulpwood prices higher.