

WINTER 2008

Market Conditions so far in 2008 are a continuation of the trends we saw in 2007. The slow housing market looks like it will continue through the balance of the year. This is not what we expected to see in 2008. Markets for pine sawtimber and chip-n-saw will continue to be weak except in unique situations such as high quality timber or excellent access. Hopefully we will see some improvement in the lumber markets by early 2009.

Pine pulpwood has shown improvement in demand and price. The paper industry is benefiting from the weak U. S. dollar and new OSB production which has come on line in the area. At this time mill inventories are low and wood dealers are actively seeking pine pulpwood. Opportunities to sell pine pulpwood at better prices are currently much improved.

We are not seeing any improvements in the hardwood markets. Hardwood pulpwood is steady while hardwood sawtimber is depressed along with pine sawtimber markets for mostly the same reasons.

There continues to be more prospects for wood ethanol production and wood burned strictly for energy. There is no doubt this market is coming. This will greatly improve the demand for small diameter pine and hardwood.

At this time there are proposals in the Georgia legislature for tax relief for forest landowners. As all forest landowners know property taxes are an enormous burden. Many landowners are forced to sell their land to reduce this tax liability. You may want to check the website of the Georgia Forestry Association at www.gfagrow.org for additional information and how you can contact your representative or senator on this issue or other concerns you may have. Knapp-Barrs encourages all their clients to become members of the Georgia Forestry Association and the Forest Landowners Association which is a national organization. You can get further information on the Forest Landowners Association at www.forestlandowners.com.

Even with timber markets somewhat depressed it is still important to monitor and develop management options for your timberland. Please consider contacting one of our foresters to evaluate your timber to make sure you are optimizing the potential of your land to meet your long term goals.

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