NEBRASKA FOREST SERVICE

TIMBER TALK

Nebraska Forest Industry Newsletter

Nebraska Forest Service | Institute of Agriculture and Natural Resources | University of Nebraska-Lincoln

June 1, 2003 Vol. 41, No. 2

In This Issue

Editor: Dennis Adams
Graphic/Layout: Anne Moore

The Nebraska Forest Service publishes *Timber Talk* four times annually (September 1, November 1, February 1, and June 1). The purpose of the newsletter is to serve and promote the forest industry of Nebraska. All questions and correspondence concerning *Timber Talk* should be directed to: Dennis M. Adams, *Timber Talk* Editor, Nebraska Forest Service, University of Nebraska, 109 Plant Industry Building, P.O. Box 830815, Lincoln, NE 68583-0815. Phone (402) 472-5822, FAX (402) 472-2964. E-mail: dadams2@unl.edu. *Timber Talk* is partially supported by Renewable Resources Extension Act (RREA) funding.

Lumber Market

Although the nation's home sales sagged once war in the Middle East began in earnest and there has been continuing bad news in the economic sector, industry observers report home sales can be expected to remain strong for 20 years, according to a recent issues of *Wood Markets*, the monthly international solid wood report. The report says forecasts are for a minimum of 1.6 million housing units annually through 2010.

Consumer confidence took another hit this past month. The Conference Board reports, "While a quick and successful outcome in the Middle East conflict would certainly ease some of the uncertainties facing consumers, it is economic fundamentals that will determine whether a rebound is sustainable. The end of the Gulf War in 1991 produced a surge in confidence, but labor market conditions quickly diminished the spark. So, if history repeats itself, the current job scenario will do little to maintain any post-war surge in confidence."

HARDWOODS

Northeast. While interest seems to be increasing, customers are having a hard time finding adequate supplies in most species. The weather continues to plague loggers and log supplies continue to dwindle. Some reports indicate the price of logs is getting out of hand. There has been increased interest in red oak with prices up across all grades. No. 2 and Better White Oak is selling fairly well. Ash has been impossible to sell.

Memphis. Sales volume has been fairly good. There are continued problems from short log supplies, but logging in the area is gaining strength and production levels are following suit. With interest rates remaining at record lows, people just keep building. Hardwood flooring just keeps going and going.

Lake States. Mill activity continues at a steady pace. Birch is "hyper-active" and prices for hard maple are on the rise as well. Early spring rains have put a bit of a damper on things, but most sources are optimistic that things will pick up going into the summer months.

SOFTWOODS

Memphis. Things are reported as "pretty slow." Caution in the market is attributed to the war and economic unsteadiness.

West. Mill owners describe the market as "flat" and "average." While customers appear to be busy, there continues to be a downward pressure on price due to excess production. Looking ahead, sources are more optimistic than they have been in quite some time. Despite the hopeful outlook, the underlying problem remains an over-produced market. Some fundamental changes are going to be required on the supply side if things are ever going to completely turn around.

Source: Condense from "Marketwatch," *Southern Lumberman* magazine, May, 2003. For more information or to subscribe to *Southern Lumberman*, call 1-800-669-5613, email: subscribe@hattonbrown.com.

Hardwood Lumber Price Trends

	FAS				#1C				#2A			
Species	**6/02**	**9/02**	**12/02**	**3/03**	**6/02**	**9/02**	**12/02**	**3/03**	**6/02**	**9/02**	**12/02**	**3/03**
Ash	640	640	640	640	470	470	480	480	295	300	310	325
Basswood	690	690	690	690	385	395	395	400	220	220	220	220
Cottonwood	600	600	600	600	400	400	400	400	220	220	220	220
Cherry	1670	1760	1760	1760	1115	1170	1185	1345	430	440	450	570
Elm	635	635	635	635	420	420	420	420	235	235	235	235
Hackberry	475	475	475	475	455	455	455	455	265	265	265	265
Hickory	660	700	715	765	540	560	580	630	300	300	310	350
Soft Maple	850	890	920	935	575	575	595	605	295	295	305	310
Red Oak	1095	1095	1095	1105	895	895	895	935	580	590	595	640
White Oak	720	720	720	750	475	475	515	570	340	360	395	445
Walnut	1705	1720	1745	1835	845	845	860	900	420	420	425	465

Note: Hardwood prices quoted per MBF, FOB mill, truckload or carload quantities, 4/4, rough, green, random widths and lengths. Prices for ash, basswood, elm, soft maple, red oak and white oak from Northern Hardwoods listings. Prices for cottonwood and hackberry from Southern Hardwoods listings. Prices for cherry, hickory and walnut (steam treated) from Appalachian Hardwoods listings. (Source: *Hardwood Market Report Lumber Newsletter*, last issue of month indicated. To subscribe to Hardwood Market Report call (901) 767-9126, email: hmr@hmr.com.)

Timber Talk on the WWW

The Timber Talk newsletter can now be accessed on the Nebraska Forest Service website: **www.nfs.unl.edu** under the "Forestry Products" link. The current intent is to maintain the last four issues of TT on the website. Also, check out the NFS website for other forestry information.

Nebraska Timber Industry

The recently released USDA Forest Service, North Central Forest Experiment Station Resource Bulletin NC-208 entitled *Nebraska Timber Industry - An Assessment of Timber Product Output and Use, 2000* summarizes the survey conducted in 2000 of all primary wood processors in Nebraska. The bulletin presents useful data concerning forest industry trends, timber removals, roundwood production and mill residue utilization in Nebraska. For a hard copy of Bulletin NC-208, contact: Nebraska Forest Service, Attn Dennis Adams, 109 Plant Industry Bldg., UNL, Lincoln, NE 68583-0815. Phone: 402-472-5822, Email: dadams2@unl.edu.

The following are highlights from the report:

Primary Wood-Using Industry

- The total number of primary wood-using mills in Nebraska changed only slightly from 1993 to 2000 dropping from 35 to 34. The number of sawmills (32) was the same in 2000 as in 1993.
- The total industrial round wood receipts showed a large decrease (40 percent) between 1993 and 2000. Total receipts decreased from about 6.8 million cubic feet in 1993 to 4.0 million cubic feet in 2000.
- Ninety percent of the saw logs processed by Nebraska's mills were harvested from Nebraska forests.

Industrial Roundwood Production

- Approximately 6.1 million cubic feet of industrial roundwood was harvested from Nebraska's forest lands in 2000. A decrease of 31 percent over 1993. This follows a three-fold increase from 1980 to 1993 (Fig. 2).

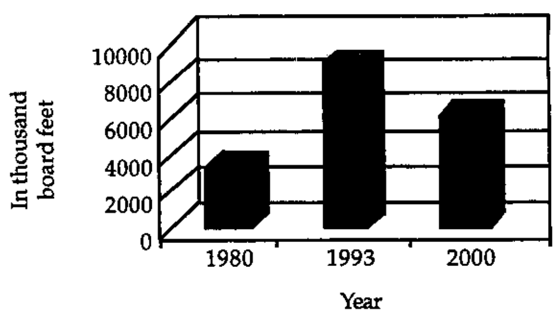

Figure 2. Industrial roundwood production, Nebraska, 1980, 1993, 2000.

- Saw logs are the main form of industrial roundwood harvested from Nebraska forests comprising over 95 percent of the total production. A small amount of wood was also harvested for veneer, excelsior/shavings, industrial fuel, and for fence posts. All veneer logs (all black walnut) were exported.
- In 2000, 57 percent of the roundwood harvested

came from the Eastern Unit. In 1993, half of the production came from the Eastern Unit and half from the Western Unit.

- Harvesting decreased 23 percent from 1993 to 2000 in the Eastern Unit and 41 percent in the Western Unit.
- Nebraska mills processed 60 percent of the saw timber harvested in Nebraska. The largest export market for Nebraska saw logs was South Dakota who consumed nearly 37 percent of Nebraska's harvest, almost all ponderosa pine (Fig. 3).

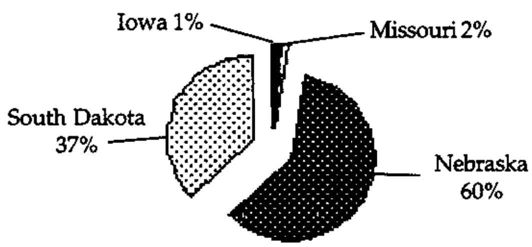

Figure 3. Destination of logs harvested in Nebraska, 2000.

- Saw log receipts by Nebraska mills decreased by 41 percent between 1993 and 2000 from 41 million board feet to 24.5 million board feet. Nebraska timberlands supplied 89 percent of the roundwood for Nebraska saw mills (Fig. 4). Imports from other states fell both in total volume and as a percentage of mill receipts.

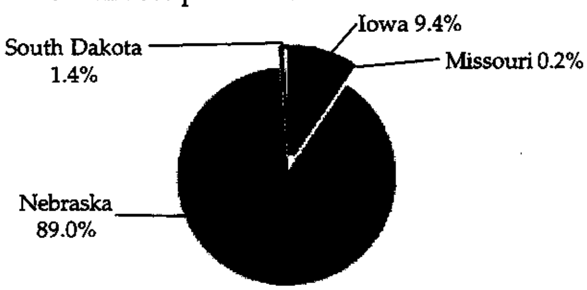

Figure 4. Sources of saw logs processed by Nebraska mills, 2000.

Timber Removals for Industrial Roundwood

- Harvest of industrial roundwood in 2000 totaled 8.5 million cubic feet, of which 2.4 million cubic feet or about 28 percent was left in the woods as logging residues and logging slash (Fig. 5).
- Logging residues, the unused portion of the growing stock portions of live trees that is left in the woods, totaled 804 MCF. Logging slash, the unused portion of the non-growing stock portion of live trees, totaled 1.6 million cubic feet (Fig. 5).

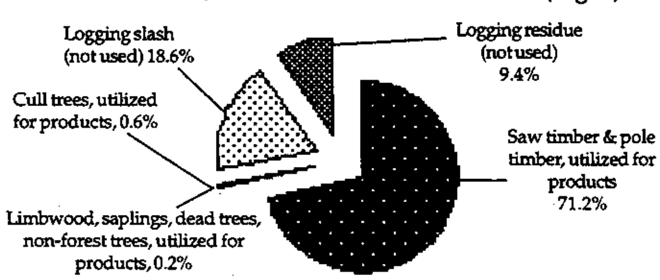

Figure 5. Distribution of timber removals for industrial roundwood by source of material, Nebraska, 2000.

- Timber harvesting for industrial roundwood removed over 6.8 million cubic feet of growing stock volume from Nebraska's timberland inventory in 2000, a 31 percent decrease over the volume removed in 1993.
- Saw timber removals from timberlands in 2000 removed almost 39 million board feet, a 30 percent decrease below 1993 levels (Fig. 6).

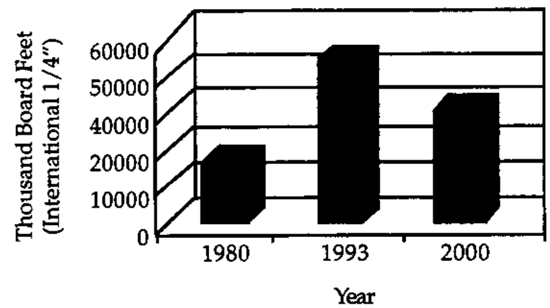

Figure 6. Sawtimber removals from timberlands, Nebraska, 1980, 1993, 2000.

Primary Mill Residue

- During 2000, Nebraska's primary wood using mills generated 33 thousand tons of coarse (chippable) wood residue, 18 thousand tons of fine wood residue, and 12 thousand tons of bark (Fig. 7). Overall, primary mill residues decreased by 43 percent since 1993.

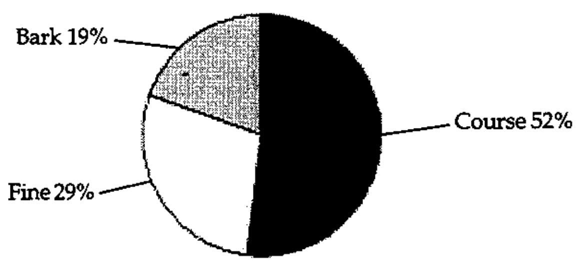

Figure 7. Distribution of residues generated by primary wood-using mills by type of residue, Nebraska, 2000.

- Eighty-seven percent of all residues generated by Nebraska's primary mill were utilized. This is an increase from 1993 when 81 percent of all residues were utilized.
- The largest use category for mill residues was identified as "Miscellaneous" at 75 percent. This category usually includes such end uses as small dimension specialty boards, animal bedding, litter, and mulch. The second largest use category was "Industrial Fuel-Sold" at only 5 percent (Fig. 8).

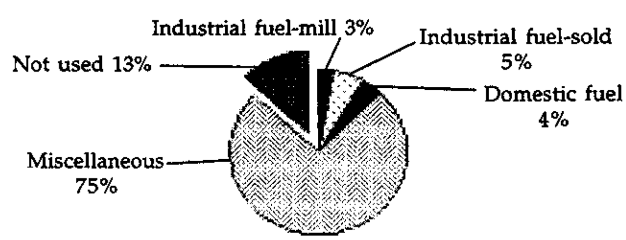

Figure 8. Distribution of residues generated by primary wood-using mills by method of disposal, Nebraska, 2000.