



Western LUMBER FACTS

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Western Softwood Lumber Industry Activity (million board feet)

| | Full Year | | 9 months YTD | | % Chg | | | | | | | |
|----------------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|
| | 2015 | 2016 | 2015 | % Chg | Sep-16 | Aug-16 | Sep-15 | M to M | Y to Y | 3rd Qtr 16 | 3rd Qtr 15 | % Chg |
| Production | | | | | | | | | | | | |
| Coast | 8,174 | 6,364 | 6,243 | 1.9% | 696 | 738 | 646 | -5.6% | 7.8% | 2,078 | 1,948 | 6.7% |
| Inland | 4,881 | 3,809 | 3,670 | 3.8% | 427 | 470 | 416 | -9.3% | 2.5% | 1,289 | 1,255 | 2.7% |
| Cal RW | 476 | 355 | 358 | -0.7% | 34 | 40 | 42 | -14.5% | -18.1% | 109 | 126 | -13.5% |
| Western Total | 13,531 | 10,527 | 10,270 | 2.5% | 1,157 | 1,248 | 1,103 | -7.3% | 4.9% | 3,477 | 3,330 | 4.4% |

Shipments

| | | | | | | | | | | | | |
|----------------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Coast | 8,214 | 6,351 | 6,290 | 1.0% | 693 | 756 | 657 | -8.2% | 5.5% | 2,115 | 1,983 | 6.7% |
| Inland | 4,871 | 3,876 | 3,683 | 5.3% | 418 | 466 | 404 | -10.2% | 3.5% | 1,281 | 1,225 | 4.6% |
| Cal RW | 501 | 372 | 386 | -3.7% | 34 | 40 | 40 | -15.1% | -14.0% | 109 | 122 | -10.2% |
| Western Total | 13,585 | 10,600 | 10,360 | 2.3% | 1,146 | 1,262 | 1,101 | -9.2% | 4.1% | 3,506 | 3,330 | 5.3% |

New Orders

| | | | | | | | | | | | | |
|----------------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Coast | 8,189 | 6,350 | 6,242 | 1.7% | 688 | 756 | 649 | -9.0% | 6.0% | 2,117 | 1,970 | 7.5% |
| Inland | 4,897 | 3,880 | 3,707 | 4.7% | 432 | 455 | 418 | -5.0% | 3.4% | 1,285 | 1,243 | 3.4% |
| Cal RW | 478 | 360 | 364 | -1.1% | 32 | 40 | 42 | -19.9% | -23.4% | 109 | 127 | -14.4% |
| Western Total | 13,564 | 10,589 | 10,313 | 2.7% | 1,152 | 1,251 | 1,109 | -7.9% | 3.9% | 3,510 | 3,340 | 5.1% |

Unfilled Orders

| | | | | |
|----------------------|------------|------------|------------|-------------|
| | Dec-15 | Sep-16 | Sep-15 | % Chg |
| Coast | 240 | 239 | 217 | 10.3% |
| Inland | 231 | 234 | 228 | 2.9% |
| Cal RW | 36 | 32 | 37 | -11.6% |
| Western Total | 507 | 506 | 481 | 5.1% |

Orders vs. Production

| | | | |
|----------------------|--------------|---------------|---------------|
| | Sep-16 | Aug-16 | Sep-15 |
| Coast | 98.9% | 102.5% | 100.6% |
| Inland | 101.3% | 96.7% | 100.4% |
| Cal RW | 94.0% | 100.4% | 100.5% |
| Western Total | 99.6% | 100.3% | 100.5% |

Shipments vs. Inventory

| | | |
|----------------------|--------------|--------------|
| | Sep-16 | Sep-15 |
| Coast | 110.2% | 107.9% |
| Inland | 84.5% | 75.0% |
| Cal RW | 26.9% | 28.4% |
| Western Total | 91.6% | 85.5% |

Inventories

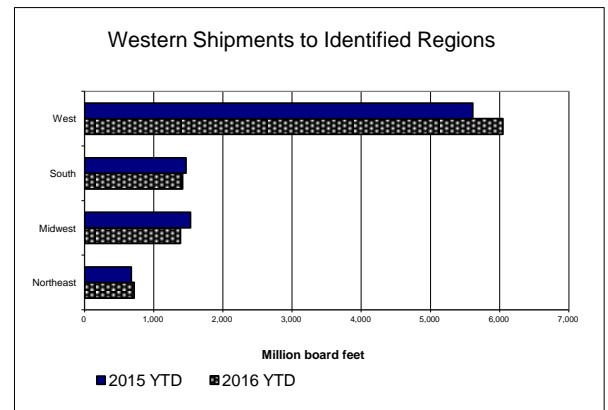
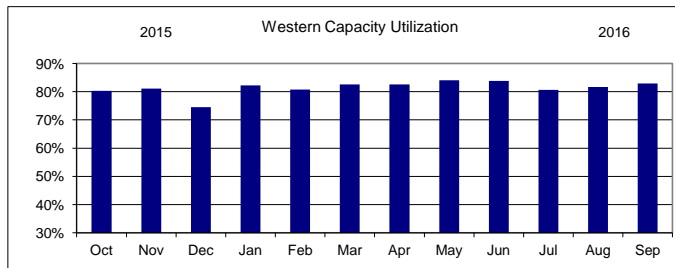
| | | | | |
|----------------------|--------------|--------------|--------------|--------------|
| | Dec-15 | Sep-16 | Sep-15 | % Chg |
| Coast | 617 | 629 | 609 | 3.3% |
| Inland | 563 | 495 | 539 | -8.2% |
| Cal RW | 143 | 127 | 140 | -9.2% |
| Western Total | 1,323 | 1,251 | 1,288 | -2.9% |

Unfilled vs. Inventory

| | | |
|----------------------|--------------|--------------|
| | Sep-16 | Sep-15 |
| Coast | 38.0% | 35.6% |
| Inland | 47.4% | 42.2% |
| Cal RW | 25.6% | 26.3% |
| Western Total | 40.4% | 37.4% |

Production as Percent of Practical Capacity

| | 9 months YTD | | | | | |
|----------------------|--------------|------------|------------|------------|------------|------------|
| | 2015 | 2016 | 2015 | Sep-16 | Aug-16 | Sep-15 |
| Coast | 78% | 83% | 77% | 83% | 80% | 77% |
| Inland | 78% | 81% | 77% | 84% | 84% | 80% |
| Cal RW | 77% | 82% | 75% | 72% | 77% | 88% |
| Western Total | 78% | 82% | 77% | 83% | 82% | 79% |



Shipments to Identified Markets

Coast Region by Rail & Truck

| Coast Region by Rail & Truck | | 9 months YTD | | | | | | % Chg | |
|------------------------------|-------|--------------|-------|--------|--------|--------|--------|--------|--------|
| | 2015 | 2016 | 2015 | % Chg | Sep-16 | Aug-16 | Sep-15 | M to M | Y to Y |
| Northeast | 682 | 534 | 493 | 8.3% | 50 | 60 | 55 | -17.6% | -9.7% |
| Midwest | 1,126 | 781 | 880 | -11.3% | 84 | 79 | 94 | 5.9% | -10.2% |
| South | 1,154 | 804 | 908 | -11.4% | 91 | 107 | 97 | -14.8% | -6.0% |
| West | 4,764 | 3,893 | 3,640 | 7.0% | 431 | 470 | 379 | -8.3% | 13.8% |
| Total | 7,726 | 6,012 | 5,920 | 1.5% | 656 | 717 | 625 | -8.5% | 5.0% |

Inland Region by Rail & Truck

| | | | | | | | | | |
|--------------|--------------|--------------|--------------|-------------|------------|------------|------------|---------------|-------------|
| Northeast | 249 | 183 | 184 | -0.2% | 20 | 21 | 19 | -4.0% | 8.1% |
| Midwest | 851 | 607 | 654 | -7.2% | 60 | 69 | 73 | -13.1% | -17.4% |
| South | 736 | 615 | 562 | 9.4% | 65 | 67 | 60 | -3.3% | 8.4% |
| West | 2,612 | 2,153 | 1,972 | 9.2% | 241 | 273 | 222 | -11.6% | 8.9% |
| Total | 4,447 | 3,558 | 3,372 | 5.5% | 386 | 430 | 373 | -10.2% | 3.6% |

Source: Western Wood Products Association

Lumber, Average Prices by Species

| | Full Year | 9 months YTD | | | % Chg | | | | |
|---------------------------|-------------|--------------|-------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>% Chg</u> | <u>Sep-16</u> | <u>Aug-16</u> | <u>Sep-15</u> | <u>M to M</u> | <u>Y to Y</u> |
| Coast Region | | | | | | | | | |
| Douglas Fir, Dry | \$356.33 | \$374.49 | \$354.47 | 5.6% | \$378.50 | \$380.07 | \$343.84 | -0.4% | 10.1% |
| Douglas Fir, Green | \$350.40 | \$351.79 | \$353.18 | -0.4% | \$353.88 | \$356.80 | \$346.07 | -0.8% | 2.3% |
| Douglas Fir, All | \$353.16 | \$361.91 | \$353.79 | 2.3% | \$364.48 | \$366.64 | \$345.11 | -0.6% | 5.6% |
| Hem-Fir, Dry | \$309.64 | \$336.36 | \$312.63 | 7.6% | \$335.86 | \$345.92 | \$299.77 | -2.9% | 12.0% |
| Hem-Fir, Green | \$379.28 | \$366.15 | \$387.76 | -5.6% | \$353.26 | \$384.21 | \$356.95 | -8.1% | -1.0% |
| Hem-Fir, All | \$314.04 | \$338.34 | \$317.47 | 6.6% | \$336.79 | \$348.00 | \$302.95 | -3.2% | 11.2% |
| Inland Region | | | | | | | | | |
| Ponderosa Pine | \$491.54 | \$468.36 | \$502.36 | -6.8% | \$493.93 | \$491.55 | \$468.35 | 0.5% | 5.5% |
| Douglas Fir & Larch-Dry | \$374.98 | \$389.34 | \$374.43 | 4.0% | \$392.73 | \$398.95 | \$372.22 | -1.6% | 5.5% |
| Douglas Fir & Larch Green | \$417.10 | \$405.10 | \$423.02 | -4.2% | \$401.39 | \$431.62 | \$449.90 | -7.0% | -10.8% |
| White Fir | \$348.11 | \$358.35 | \$352.10 | 1.8% | \$359.85 | \$376.49 | \$343.16 | -4.4% | 4.9% |
| Englemann Spruce | \$426.51 | \$430.94 | \$420.55 | 2.5% | \$460.91 | \$411.94 | \$447.59 | 11.9% | 3.0% |
| Western Red Cedar | \$848.69 | \$902.20 | \$851.22 | 6.0% | \$863.14 | \$940.33 | \$855.97 | -8.2% | 0.8% |
| Whitewoods | \$304.42 | \$319.16 | \$307.29 | 3.9% | \$331.61 | \$338.29 | \$299.38 | -2.0% | 10.8% |

Lumber, Invoice-based Average Prices for Selected Products

| | Full Year | 9 months YTD | | | % Chg | | | | |
|---------------------------------------|-------------|--------------|-------------|--------------|---------------|---------------|---------------|---------------|---------------|
| \$/MBF | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>% Chg</u> | <u>Sep-16</u> | <u>Aug-16</u> | <u>Sep-15</u> | <u>M to M</u> | <u>Y to Y</u> |
| Coast Douglas Fir (Green) | | | | | | | | | |
| 2 x4 Stand & Btr R/L | \$332.89 | \$352.70 | \$335.71 | 5.1% | \$352.85 | \$371.69 | \$316.74 | -5.1% | 11.4% |
| 2x4 Stud Stand & Btr (8') | \$334.32 | \$347.23 | \$337.26 | 3.0% | \$359.84 | \$360.60 | \$325.45 | -0.2% | 10.6% |
| 2x10 No. 2 & Btr R/L | \$385.65 | \$383.86 | \$381.96 | 0.5% | \$362.14 | \$369.73 | \$417.89 | -2.1% | -13.3% |
| Coast Hem-fir (Dry) | | | | | | | | | |
| 2x4 Stand & Btr R/L | \$337.06 | NA | \$337.06 | NA | NA | NA | NA | NA | NA |
| 2x10 No. 2 & Btr R/L | \$353.01 | \$373.12 | \$355.94 | 4.8% | \$379.88 | \$387.23 | \$367.12 | -1.9% | 3.5% |
| Inland Douglas Fir-Larch (Dry) | | | | | | | | | |
| 2x4 Stud (8') | \$359.49 | \$344.46 | \$363.34 | -5.2% | \$391.47 | \$367.33 | \$341.11 | 6.6% | 14.8% |
| 2x10 No. 2 & Btr R/L | \$386.04 | \$430.70 | \$390.63 | 10.3% | \$415.61 | \$432.52 | \$372.27 | -3.9% | 11.6% |
| White Woods | | | | | | | | | |
| 2x4 Stud (8') | \$336.85 | \$346.81 | \$339.49 | 2.2% | \$384.85 | \$367.78 | \$322.44 | 4.6% | 19.4% |
| 2x6 Stud (8') | \$290.58 | \$282.84 | \$292.76 | -3.4% | \$317.18 | \$283.76 | \$278.99 | 11.8% | 13.7% |
| Ponderosa Pine (Dry) | | | | | | | | | |
| 5/4 Moulding & Btr R/W | \$1,218.70 | \$1,217.91 | \$1,211.16 | 0.6% | \$1,196.84 | \$1,172.53 | \$1,229.05 | 2.1% | -2.6% |
| 5/4 No. 2 Shop R/W | \$783.19 | \$668.63 | \$817.67 | -18.2% | \$681.54 | \$677.58 | \$668.48 | 0.6% | 2.0% |
| 5/4 No. 3 Shop R/W | \$543.02 | \$465.20 | \$544.24 | -14.5% | \$492.94 | \$487.06 | \$540.74 | 1.2% | -8.8% |
| 1x6 No. 2 & Btr Corn R/L | \$582.39 | \$668.38 | \$580.83 | 15.1% | \$666.70 | \$694.24 | \$568.66 | -4.0% | 17.2% |