
Wood Demand Across Southeastern Timber Markets

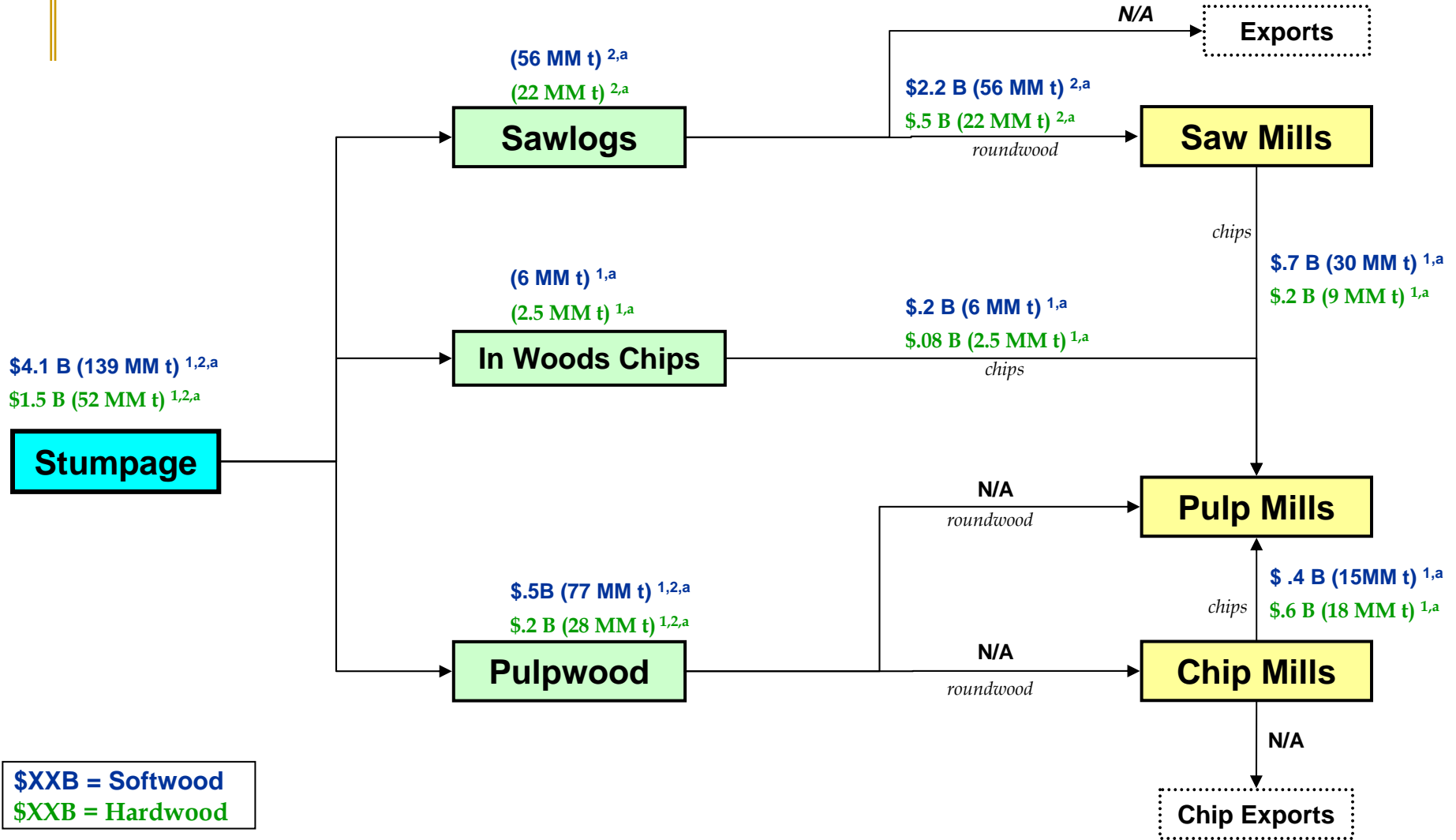
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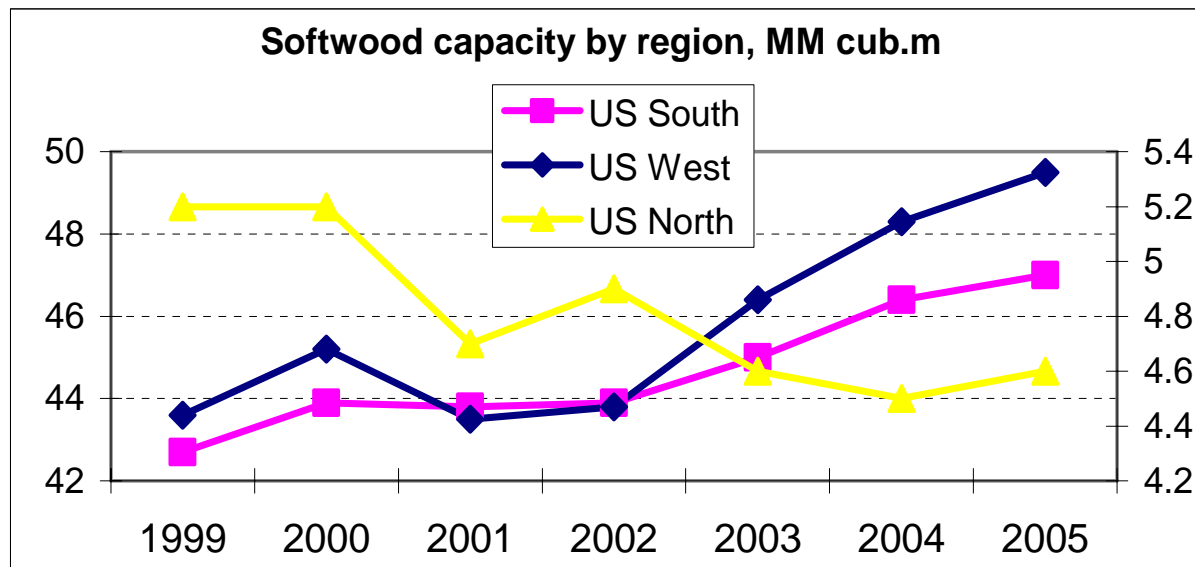
Southern wood flows in tons & dollars, 2004



Harvest Sources: 1 - Annual Pulpwood Statistics Summary Report, 2004; 2 - Forest Resources of the United States, 2002, USDA Forest Service.; Also validated by Southern Pulpwood Production, 2002, USDA Forest Service. Pricing Source: a - TimberMart South.

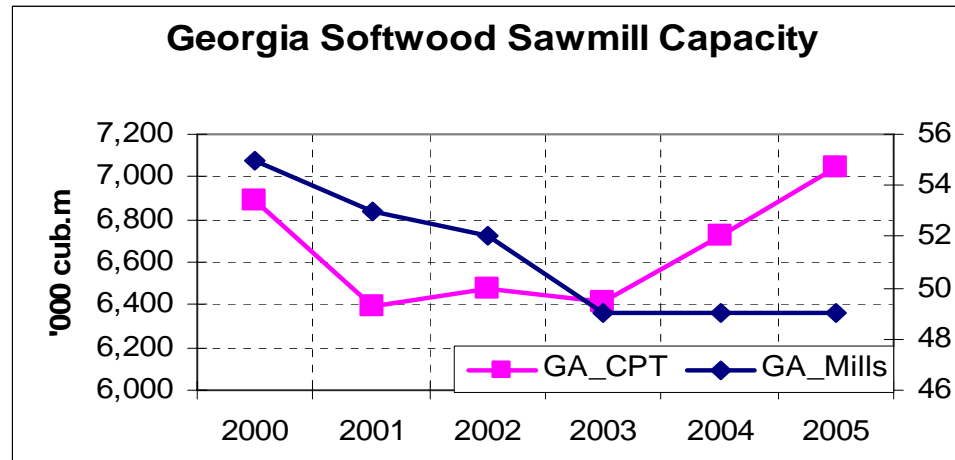
Capacity trends differed by U.S. region between 1999 and 2005.*

- North: 11.5% decline
- South: 9.8% increase
- West: 13.2% increase



*Data from Spelter and Alderman 2005.

Consumption of wood by forest products mills in Georgia continues to increase.



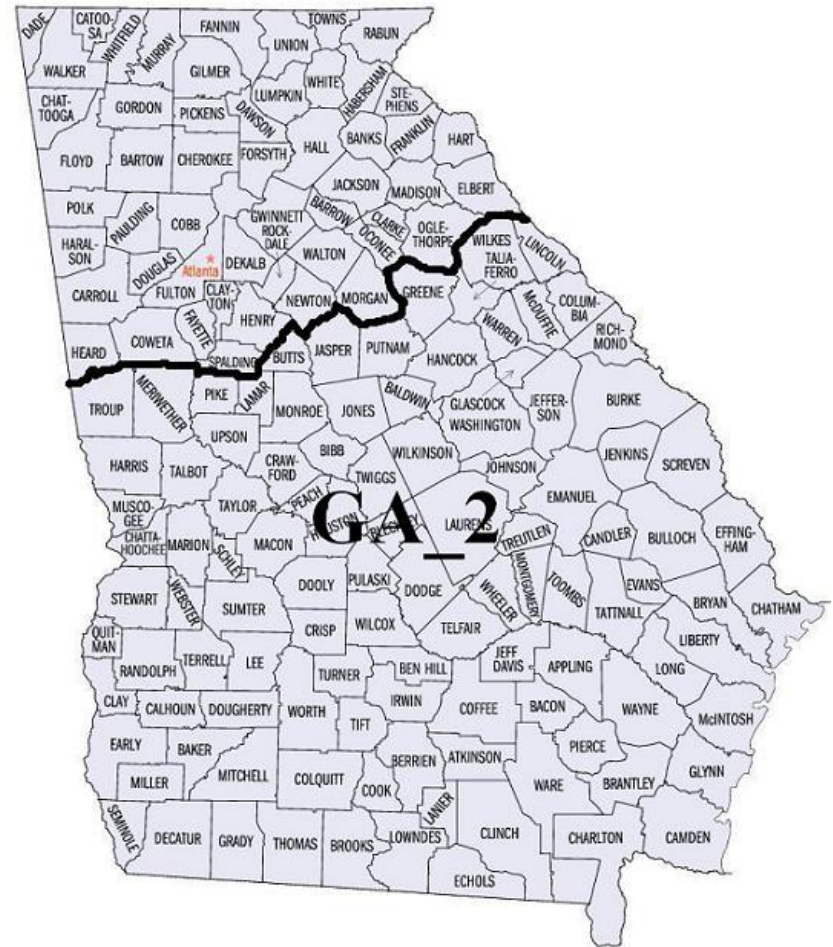
- Sawmill capacity has increased since 2003
- Eight sawmills closed since 2000
- What's going on?
 - Mills are growing larger and increasing capacity to capture economies of size and scale
 - Smaller players disappearing

2005: began working with mills across South

2006 Q2: published first Wood Demand Report

GA_2 as of July 2006

Total wood consuming mills	70
Mills that accept*:	
Pine grade (PST, CNS)	36
Hardwood grade (HST, Hpallet)	22
Pine pulpwood	12
Pine chips	13
Hardwood pulpwood	5
Hardwood chips	6
Mills closed in past 12 months**	1
Mills opened in past 12 month	0



Actual Wood Consumption in Tons

South Georgia, July 2005-June 2006

Products		2006 Q2	2006 Q1	% change	Last 12 months
Pine Sawtimber		2,739,919	2,731,994	0.29%	10,977,987
Pine CNS		482,916	490,120	-1.47%	1,907,857
Pine Pulpwood		3,420,205	3,469,694	-1.43%	13,824,954
Pine Chips	direct	228,737	244,887	-6.59%	920,927
	residual	1,259,061	1,300,016	-3.15%	5,259,074
Hardwood Sawtimber		421,409	421,815	-0.10%	1,706,416
Hardwood Pallet		116,375	116,375	0.00%	465,500
Hardwood Pulpwood		646,124	653,274	-1.09%	2,593,986
Hardwood Chips	direct	80,291	71,381	12.48%	299,126
	residual	618,309	618,732	-0.07%	2,480,811

Thank you

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