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 for prices that are specific to your local area.

ARKANSAS STUMPAGE PRICE TRENDS

ARKANSAS TIMBER REPORT

1st Quarter, 2014
The U.S. economy grew in 4Q2013 by a 2.4% (annualized) rate. Industrial production lost 0.3% in January, erasing December’s gain. Manufacturing decreased by 0.8%. January’s housing starts retreated to 880,000 units SAAR. Non-farm payrolls expanded by 175,000 jobs in February, which is above the 140,000 expected, but slightly below the prior 12-month average of 188,600.

We anticipate moderate GDP growth (averaging 2.1% per year) during the next two years: slowing growth as 2015 progresses will herald a recession expected in 2016. Housing starts will trend higher after stuttering in January and February, peaking at 1.26 million in May 2015. Oil Prices will trade sideways through 2014, and then gradually soften. The U.S dollar is expected to trend marginally stronger against both the Canadian dollar and euro.

Pine sawtimber and chip-n-saw prices will trend higher over the next two years. In the short term, the spring surge in housing starts combined with unusually wet weather will keep prices elevated.

Pulpwood prices will trend lower over the same period, falling slightly over the course of 2014 and more quickly during 2015. The decline will be caused by the increase in housing starts, which will lead to an upsurge in sawtimber harvest levels and lumber production. This will expand the supply of mill residuals, a substitute for pulpwood.

### ARKANSAS STUMPAGE PRICES

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>DBH</th>
<th>Price Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Pulpwood</td>
<td>$6.83</td>
<td></td>
<td>$1.18</td>
<td>21.7%</td>
</tr>
<tr>
<td>Pine Chip-n-Saw</td>
<td>$14.70</td>
<td>10.2</td>
<td>$0.21</td>
<td>1.5%</td>
</tr>
<tr>
<td>Pine Sawtimber</td>
<td>$26.43</td>
<td>14.0</td>
<td>-$0.31</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Hardwood Pulpwood</td>
<td>$6.70</td>
<td></td>
<td>$1.92</td>
<td>40.3%</td>
</tr>
<tr>
<td>Hardwood Sawtimber</td>
<td>$22.69</td>
<td></td>
<td>$1.34</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

### U.S. SOUTH TIMBER MARKET OUTLOOK

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>DBH</th>
<th>Price Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Pulpwood</td>
<td>$8.11</td>
<td></td>
<td>$0.96</td>
<td>13.4%</td>
</tr>
<tr>
<td>Pine Chip-n-Saw</td>
<td>$14.35</td>
<td>10.7</td>
<td>-$0.30</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Pine Sawtimber</td>
<td>$25.17</td>
<td>14.6</td>
<td>-$0.72</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Hardwood Pulpwood</td>
<td>$13.29</td>
<td></td>
<td>$2.65</td>
<td>24.9%</td>
</tr>
<tr>
<td>Hardwood Sawtimber</td>
<td>$28.53</td>
<td></td>
<td>$2.78</td>
<td>10.8%</td>
</tr>
</tbody>
</table>