



ARKANSAS CUT & HAUL -REPORT-

4th Quarter of 2023



Arkansas Center for Forest Business



Arkansas Cut & Haul -Trends- 4th Quarter 2023

Delivered Wood Price Trends

Table 1. Delivered wood prices in the U.S. South

| | Average \$/ton | % Change 3Q to 4Q |
|-----------------|-------------------|----------------------|
| Pine | | |
| Sawtimber | \$47 | -0.4% ↓ |
| Chip-n-Saw | \$41 | +0.2% ↑ |
| Pulpwood | \$31 | -0.4% ↓ |
| Hardwood | | |
| Oak Sawtimber | \$70 | -0.7% ↓ |
| Mix Sawtimber | \$60 | +0.7% ↑ |
| Pulpwood | \$33 | +0.1% ↑ |

Source: TimberMart-South

The delivered wood prices in the U.S. South during the 4Q of 2023 remained relatively stable, with no significant change compared to the previous quarter. Year over year delivered prices also remained relatively constant with the largest loss seen in Pine C-N-S and hardwood pulpwood prices.

In Arkansas, survey respondents reported significant mill wait times for unloading during this quarter thus decreasing the number of loads certain carriers were able to deliver.

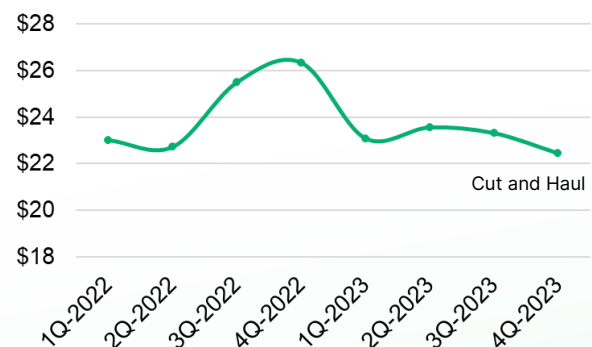
Cut & Haul Rate Trends

During the 4th quarter of 2024, total cut and haul rates in the U.S. south experienced a slight decrease of 4 percent compared to the last quarter, reaching \$22.4 per ton (TimberMart-South).

\$22.4/ton

Figure 1 shows how the cut and haul rates have fluctuated in the last two years. In 2023, rates fluctuated between \$22 and \$24/ton. This trend follows a period of adjustment after the substantial fuel price increase witnessed in the last two quarters of 2022.

Figure 1. Two-year trend of average cut and haul rates in the U.S. South (\$/ton)



Source: TimberMart-South

TimberMart-South (TMS) has more detailed data available by subscription that contains products and regions not included in this report. TMS is compiled and produced at the Center for Forest Business, Warnell School of Forest Resources, University of Georgia, under contract with the Frank W. Norris Foundation, a non-profit corporation serving the forest products industry.

Questions?

Reach out to us at forestbusiness@uamont.edu or (870) 460-1748



Arkansas Cut & Haul -Indicators-

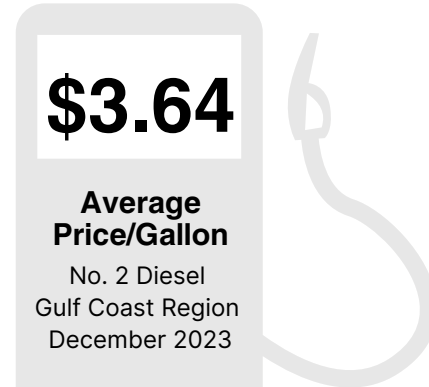
4th Quarter 2023

Diesel Prices Decrease

-13%

The price per gallon of the Gulf Coast No. 2 diesel decreased 13% from October 2023 to December 2023.

Despite an expected increase in diesel demand, the U.S. Energy Information Administration forecasts a continued decline in diesel prices in 2024 driven by an increase in production.



Producer Price Index

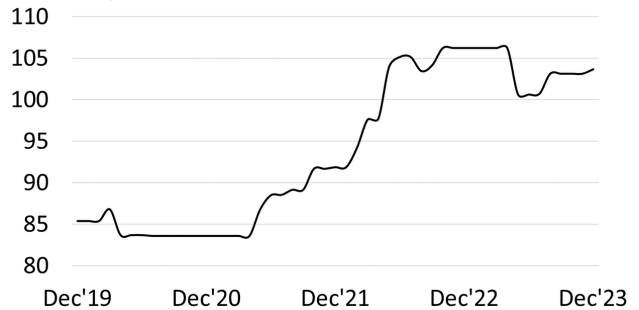
Figure 1. U.S. PPI logging trends



Source: U.S. Bureau of Labor Statistics

The Producers Price Index (PPI) measures the average change in the prices producers receive for their products. This index plays a key role in assessing inflation. When the PPI increases, it can be an indication that the cost of production is increasing.

Figure 2. U.S. PPI local agricultural products trucking trends



Source: U.S. Bureau of Labor Statistics

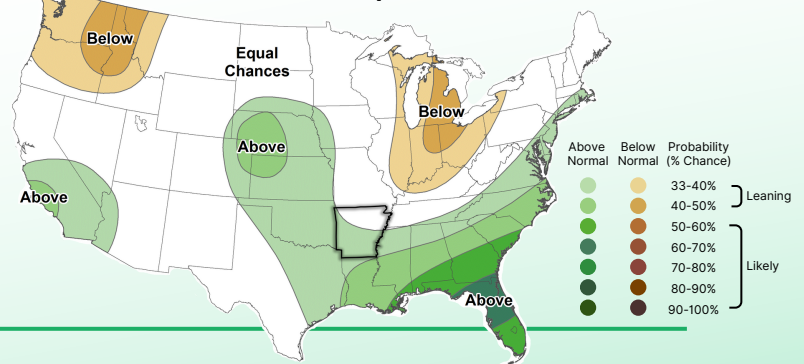
National data provided by the U.S. Bureau of Labor Statistics showed that the PPI decreased 5 percent for logging and 2 percent for trucking from December 2022 to December 2023.

Weather Forecast

The forecasts are leaning towards slightly above average rainfall for most of Arkansas during the next three months (Feb-Apr 2024).

Source: National Weather Service

Figure 3. Seasonal Precipitation Outlook: Feb-Apr 2024



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Arkansas Cut & Haul -Spotlight- 4th Quarter 2023

Candy Bars and Hydraulic Fluid Don't Mix

This quarter's spotlight section is focused on one part of owning a logging business, comingling funds. Have you ever bought a bucket of hydraulic fluid on a hot day at the parts house and bought a cold drink and candy bar along with it? Did you use the same business debit card to pay for both items or did you take time to pay for the refreshments out of your personal account or with cash?



If you bought all the items with the same card (and didn't take time to expense them correctly after the purchase), you have probably comingled your funds. Comingling funds is basically mixing your business and personal expenses in the same account. It is when you treat your business's money as your own. Some examples of comingling funds are: bank deposits made payable to your business deposited into your personal account, depositing personal money to pay for business expenses, using the same bank account to pay for business and personal needs, or writing business checks (or debit card) to pay for personal expenses, etc.



So, why is it not a good idea? Well, if you have gone through the process of creating an LLC or LLP or other organization to protect your personal assets, when you comeingle funds, you put that protection at risk. Suddenly, it becomes difficult to tell what funds are personal and what funds are business. If the line between these two becomes blurred, then your personal assets can be in jeopardy. Consult with your accountant or lawyer to learn more about comingling funds and how you can prevent this costly business mistake.



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