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SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



Eye On Housing

National Association of Home Builders Discusses Economics and Housing Policy

Producer Prices in September – More Energy Declines

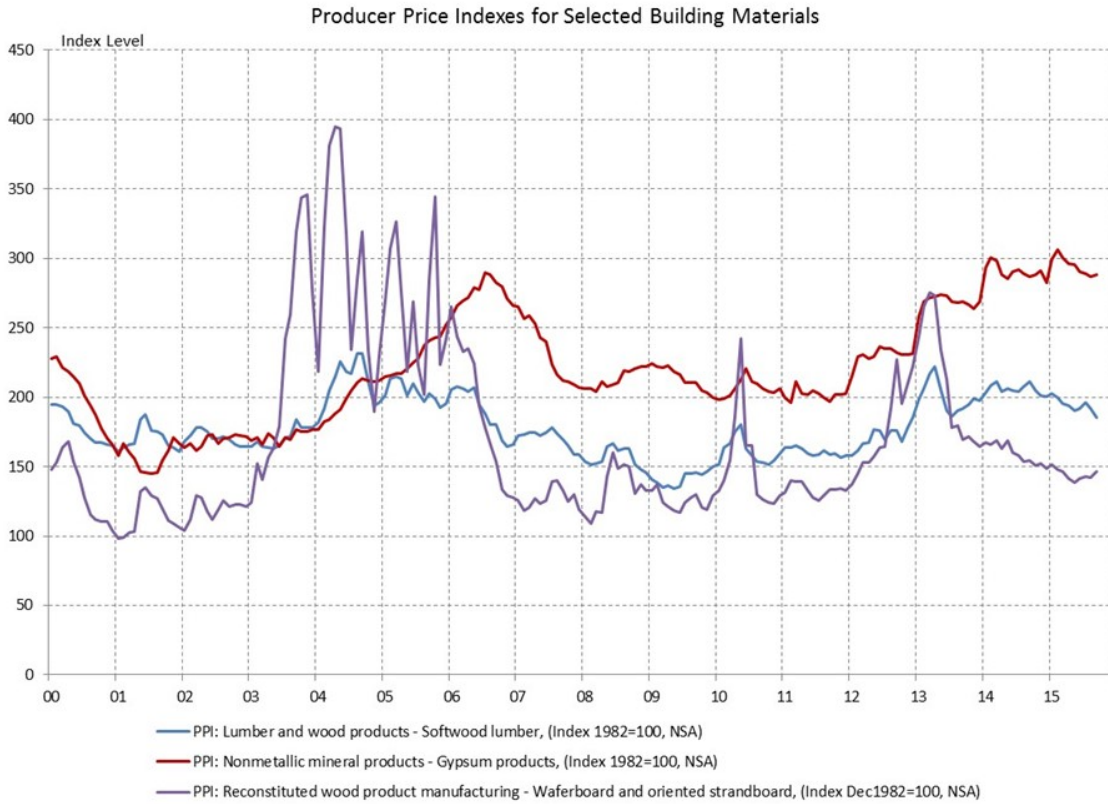
BY [ROBERT DENK](#) ON [OCTOBER 14, 2015](#) • (0)

The Bureau of Labor Statistics (BLS) released the Producer Price Indexes (PPI) for September. Inflation in prices received by producers (prior to sales to consumers) declined 0.5% in September following a 0.2% increase in July and no change in August. The decline was the combination of a 1.2% decline in prices for goods and a 0.4% decline in prices for services. The decline in goods prices was dominated by energy prices which declined 5.9%. Excluding food and energy, prices for goods were unchanged in September. Among wood products, softwood lumber prices reversed the modest increases from June and July, declining 3.5% in September and 8.5% since January. A significant pullback in Chinese demand has kept domestic supply at home placing downward pressure on prices. A strong US dollar has also contributed to soft prices. The coming weeks should provide some insight as to the impact of the expiration of the US-Canadian Softwood Lumber Agreement.

OSB prices rose 3.3% in September, potentially ending the long slide that followed the collapse in early 2013. Even with the recent increases prices are only modestly above the housing bust lows. Reports from traders point to recent firming as a rebalancing of short term supply and demand rather than a major shift in pricing dynamics.

Gypsum prices edged up 0.6% in September after modest declines through the year. A fresh round of gypsum product price increases announced by major producers for the end of this year and through 2016 may be reversing the slide ([gypsum](#)).

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