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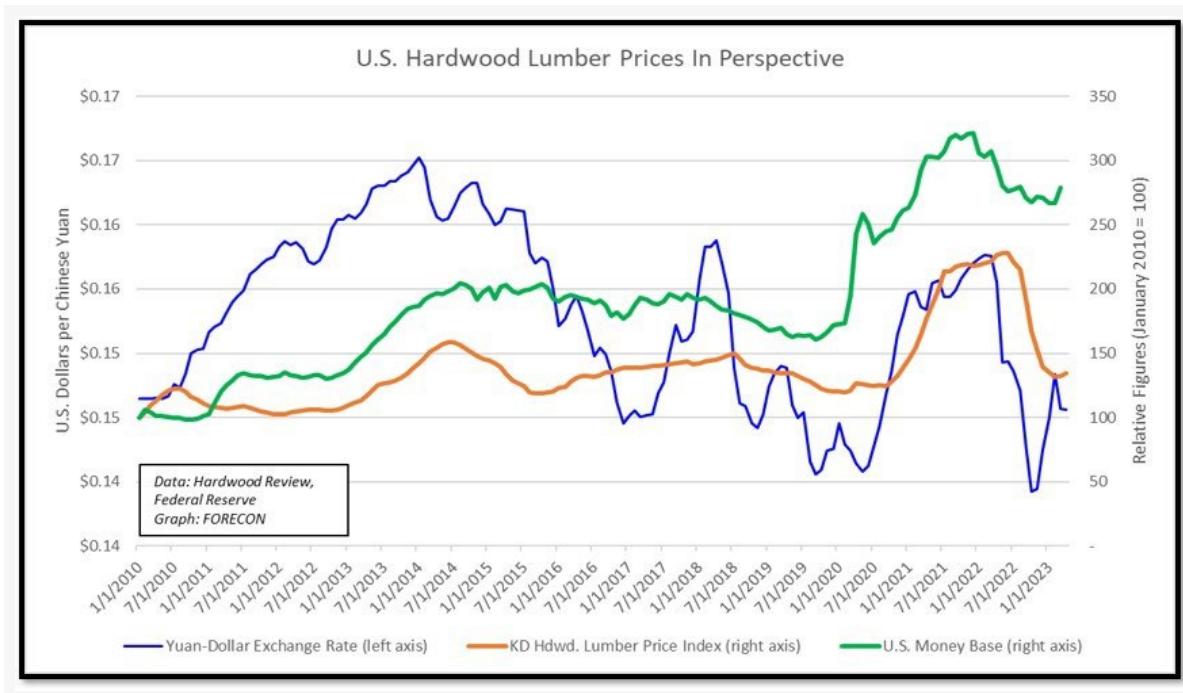


Hardwood Grade Lumber Price Movements

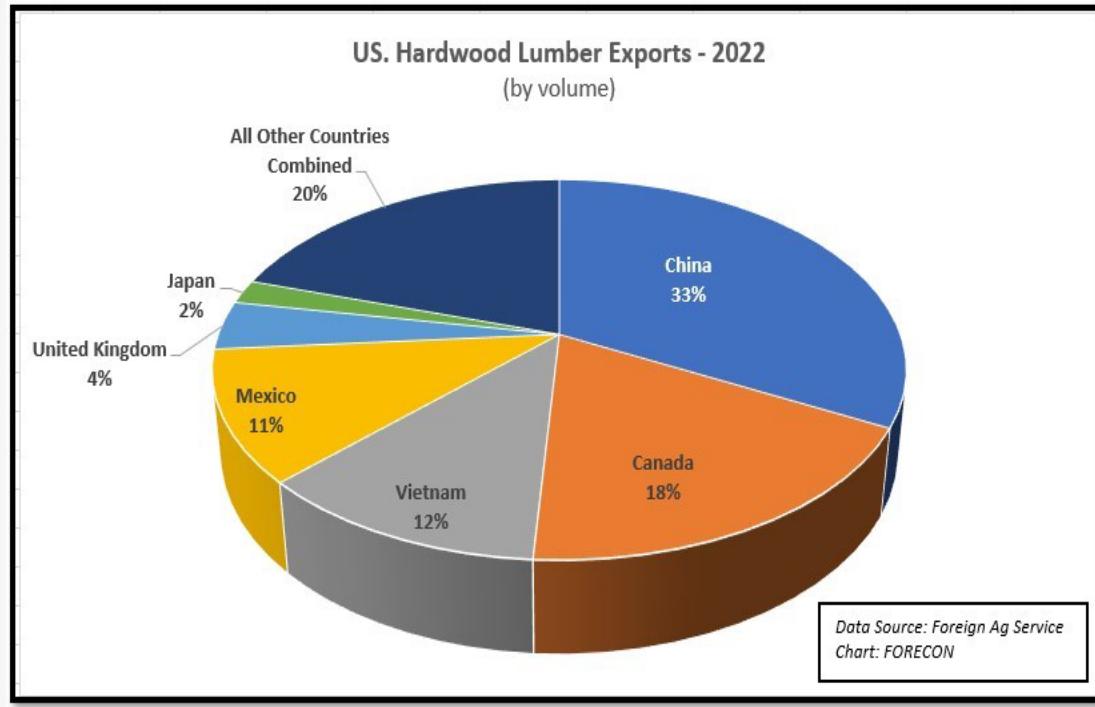
Although U.S. hardwood grade lumber prices have risen and retreated rapidly during the past two years, our research suggests recent price trends have become highly responsive to movements in two leading indicators:

- a) the Yuan-Dollar exchange rate;
- b) the U.S. monetary base

Below, readers will note the downward movements in both indicators in early 2022 were followed by a sharp decline in average U.S. hardwood grade lumber prices later in the year. That's not to say the Yuan-Dollar exchange rate and the U.S. monetary base are the only two influences affecting U.S. hardwood lumber prices. Certainly, end-use customers' aggregate inventory levels and other supply chain forces play a role. But, the data indicates a strong correlation with those two drivers- at least during the most recent cycle. And, it's no wonder. China remained the top foreign purchaser of U.S. hardwood lumber in 2022 (33%, by volume). In the coming months, watch for U.S. hardwood lumber prices to trend in the general direction of these two metrics.



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FORECON, Inc. is one of the oldest established professional forestry consulting firms operating in the hardwood regions of the Eastern United States. Founded in 1954, we offer full-service solutions to forestry and general natural resource management needs out of our 5 strategically located offices in New York, Pennsylvania and West Virginia, having many years of experience working in most of the hardwood forests east of the Mississippi River. Our client relationships are unsurpassed when it comes to the professional knowledge, attention to detail and confidentiality that we are entrusted with as natural resource consultants, and we have an outstanding team of foresters, appraisers, wildlife managers, database managers, arborists and environmental scientists that stand ready to assist with your needs.

For well more than a half a century, FORECON has managed valuable hardwood forests for a variety of landowners, small and large alike, including small non-industrial private landowners, industrial landowners, timber investment management organizations (TIMOs) and institutional investors, as well as municipal, state and federal landowners. We are experts in the management of northern and Appalachian hardwoods, where the principal species of value include black cherry, sugar (hard) maple, red (soft) maple, red oak, white oak, and white ash. Our longevity has allowed us to develop great customer relationships with a variety of timber market participants in our regions, including sawmills, loggers and secondary wood products producers, which in turn benefits our clients. We know the markets and the market participants, and that translates to effective, efficient and financially attractive results for our clientele.

Landowner objectives are paramount in the services we provide, and we can accommodate a variety of needs including forest management, timber sale, wildlife management, appraisal, and general ecological projects, small and large. Our staff carries the educational and professional experience credentials needed to assure our clients of receiving world class consulting experiences. Collectively, we are members or affiliates of a variety of professional organizations, including the Association of Consulting Foresters (ACF), the Society of American Foresters (SAF), the Forest Landowners Association (FLA), the Allegheny Hardwoods Utilization Group (AHUG), the Empire State Forest Products Association (ESFPA), the New York Forest Owners Association (NYFOA), the Pennsylvania Forest

Products Association (PFPA), the Forest Landowners Tax Council, the International Society of Arboriculture (ISA), the Appraisal Institute (AI), the National Association of Realtors (NAR), the Northwest Pennsylvania Woodland Association (NWPWA), and the American Institute of Certified Public Accountants, to name a few.

Our commitment to sustainable forestry management is evident in the properties we have managed, many for over 50 years, and we continue to stay on the cutting edge of research and technology to ensure that our clients are receiving world-class expertise for their needs. We have developed outstanding relationships with other environmental professionals, and are able to accommodate small or large, simple or complex projects in short order.

FORECON, Inc. has consistently followed the goal of satisfying client needs with well-planned, professionally-sound work, completed on or ahead of schedule. We would be delighted to serve your needs in any capacity.