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NAWLA *Bulletin* is
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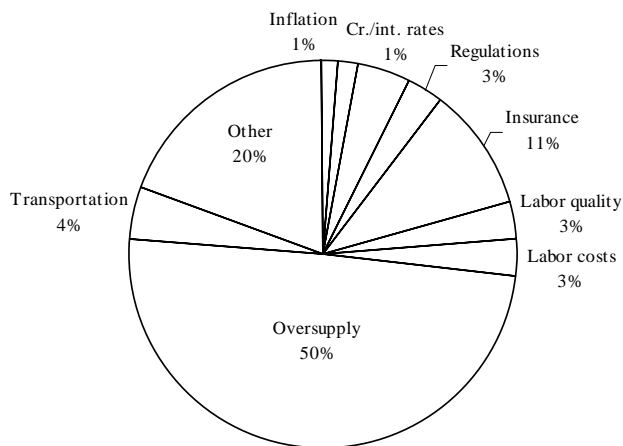


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Half of Quarterly Survey Respondents Cite Oversupply As Main Business Concern

2006 - 4th Quarter Biggest Business Concerns Survey (Out of 67 Total Replies)



Fifty percent of respondents to the quarterly NAWLA “Business Concerns” Survey stated that oversupply continues to be their biggest concern. Insurance, labor quality, labor costs, transportation and regulation continue to follow closely behind.

NAWLA will continue to survey its members throughout 2007. Please take the time to complete these surveys and get them back to us in a timely fashion. We want to continue to report the most complete and accurate information that we can.

Included with this month’s NAWLA Bulletin:

- 2007 NAWLA Mulrooney Nomination Info
- 2007 NAWLA Wood Basics Course Info

Bulletin 1-07
January 15, 2007

Rail Shipments of Lumber, Wood Products Plunge 18.7% in 2006

Rail shipments of lumber and wood products in the U.S. declined 18.7% in 2006, according to the Association of American Railroads. The decline came even as total freight volume as measured in ton-miles set an annual record for a ninth consecutive year.

Source: *Random Lengths*

Fed Official Says Rate Will Not Drop Despite Encouraging News

Despite a recent decline in the nation’s underlying inflation, it is “too early to relax our concerns” about price pressures, a top Federal Reserve official has said, suggesting interest-rate cuts aren’t yet on the table.

Fed Vice Chairman Donald Kohn also warned that long-term interest rates could jump if the Fed fails to cut short-term rates as much as the market expects or if there were a reversal in other factors holding down long-term rates. A recent drop in core inflation, which excludes food and energy is “encouragingly consistent” with the Fed’s forecast for a gradual decline in inflation, Mr. Kohn said in a speech to the Atlanta Rotary Club on January 8.

But he cautioned against “extrapolating trends from a couple of months of data,” and said some of the recent slowdown in inflation may reflect “one-time influences,” in particular the indirect effects of the big drop in energy costs. Moreover, companies may be holding the line on prices to keep inventories from rising, and “that restraint on pricing will dissipate” once inventories are in line with sales.

Source: *Wall Street Journal*

Industry News

Inez M. Caon, 68, passed away December 21, 2006. She was employed as general manager for **Mid State Lumber**, Branchburg, NJ, for 31 years.

All-Coast Forest Products recently announced that as of February 1, 2007, their Salt Lake City, UT distribution center will be located at 4282 West 1730 South.

Capital Lumber recently announced the hiring of *Steve Short*, Account Manager for its Spokane Valley division.

Jimmy Nye has joined the sales team at **Klumb Lumber Co.**, Tyler, TX.

David J. Morris, c.f.o. and treasurer of **BlueLinx**, Atlanta, GA, left at the end of 2006 to pursue personal interests. He will continue on a consulting basis.

Edmund "Ned" DeJarnette has joined Southern Forest Products Association, Kenner, LA, as director of international markets.

North Pacific, Portland, OR, has purchased **North Santiam Lumber**, Columbus, OH.

Bob Boeh has been promoted to senior vice president of resources at **Riley Creek**, Laclede, ID.

Valuable National Association of Wholesaler-Distributors Publications Available on Their Website

Facing the Forces of Change: Lead the Way in the Supply Chain, eighth edition in acclaimed series by NAW's Distribution Research and Education Foundation, is ready for ordering. This all-new report is packed with trends, action ideas and thought-provoking questions for your management team. Every distribution executive should read this book. Also available through NAW is *Smart Investments*. This publication discusses investing your training dollars wisely and developing top performers. Let this book help you identify a strategy for employee development and to engage your staff to move forward with common vision and purpose.

More information about these publications is available at www.nawd.org in the "Publications" area.

2007 NAWLA Mulrooney Award Nominations Now Being Taken

As was mentioned in the December 2006 NAWLA Bulletin, nominations are now being taken for the 2007 NAWLA Mulrooney Award, the most prestigious award in our industry. The distinguished award is presented each year at the NAWLA Executive Conference, and nominations can be made by anyone in our industry. 26 past recipients have been honored with the award, which recognizes exemplary service to the North American forest products industry and the community at large.

Send in your nominations today! A form outlining the nomination process is included with this issue of the NAWLA Bulletin. If you need additional copies of the form or have questions regarding nominations, feel free to contact NAWLA headquarters at (800) 527-8258.

Declining Demand For Lumber To Continue Into 2007 As Housing Slows

After four consecutive years of record lumber consumption, demand for lumber fell in 2006 and is expected to slow further during 2007, according to a forecast by Western Wood Products Association (WWPA).

A decrease in housing construction is expected to reduce lumber demand in 2006 by 3.2 percent to 61.9 billion board feet, compared to the all-time high of 63.9 billion board feet recorded in 2005. The slide in demand will continue into 2007, with WWPA forecasting total lumber use at 57.1 billion board feet, a decrease of 7.2 percent.

Slower housing markets are the key reason for the lumber demand declines. New housing starts will be down nearly 9 percent in 2006, and fall another 10 percent to 1.69 million in 2007, according to the association's forecast. Residential construction is the largest market for lumber, accounting for more than 40 percent of the lumber used each year.

Source: WWPA

Start Your New Year Off Right With This Fantastic NAWLA Educational Opportunity!

The NAWLA Wood Basics Course February 11-16, 2007 - Jacksonville, Florida

The *NAWLA Wood Basics Course* is an intensive, four-day training experience that is custom-tailored to the forest products industry. This course is for employees and management with two weeks to two years of experience in all areas of their companies.

The *Wood Basics Course* maintains the highest level of regard within the forest products industry, and is considered the mainstay of training programs for new hires and new people to the industry in all departments. In addition to Sales and Marketing people, this course is also ideal for Accountants, Administrative Assistants, Shipping & Receiving personnel, Buyers, even Executive Management who are new to the industry.

Please see the enclosed flyer for more details.

2007 NAWLA Executive Conference May 6 – 8 Palm Desert, CA Desert Springs, JW Marriott Resort & Spa “Focus on the Future”

Experience the cool of the desert in breathtaking Palm Springs Valley at the 2007 NAWLA Executive Conference. Cascading waterfalls, relaxed elegance, singular amenities and exemplary service await you at the Desert Springs, JW Marriott Resort & Spa.

NAWLA has planned a two-part, educational program to help us “Focus on the Future.” You will not want to miss Dr. Stanley F. Duobinis, President of Crystal Ball Economics and former Director of Forecasting of the National Homebuilders Association (NAHB) who will present his economic overview and industry outlook for 2007 and beyond. A *Distinguished Panel of Experts* will present its views on consolidation, evolving demands of the builder community and challenges they face in the supply chain.

Discounted room rates for NAWLA attendees are available. Look for registration materials in February.

Please Welcome NAWLA’s Newest Members!

Gator Joist, LLC (M)

P.O. Box 4067

Fort Smith, AR 72914

Contact: Tom Moore

Phone: (479) 783-3385

Fax: (479) 709-9902

Website: www.gatorjoist.com

Recruited by: *Dan Thornton, Cedar Creek Wholesale,*
and *David Bernstein, Multisac*

GatorJoist, LLC is a manufacturer of engineered wood products for residential and commercial builders.

My Lumber Trader (SA)

2108 S. 1100 W. #5

Ogden, UT 84401

Phone: (801) 621-3399

Fax: (801) 621-6699

Website: www.konecnybros.com

Recruited by: *Kevin Pratt, H.E. Simpson,* and *Rod Larios,*
Central Forest Products

My Lumber Trader is an exciting and new trade journal with on-line trading tools and features.

U.S. Lumber Output Through October Down 3.8%

U.S. lumber production through October totaled 32.933 billion board feet, down 3.8% from January-October 2005, according to the Western Wood Products Association. Through October, production in the West was off 6.7% this year compared to the same period of 2005, while output in the South was down 0.7%. For the month of October, production in the West was down 13.2% compared to October 2005, while production in the South was off 8.4% during the same time frame.

Source: *Random Lengths*

Don't Forget To Mark Your Calendars For These Upcoming Industry Events

January 25, 2007

North American Wholesale Lumber Association
Statesville Country Club Statesville, NC
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

February 7-8, 2007

Wisconsin Retail Lumber Association
Kalahari Resort & Convention Center
Wisconsin Dells, WI
(800) 527-8258 www.nawla.org
Annual Convention and Trade Association

February 11-16, 2007

North American Wholesale Lumber Association
Crowne Plaza Riverfront Hotel Jacksonville, FL
(800) 527-8258 www.nawla.org
Wood Basics Course

February 13, 2007

North American Wholesale Lumber Association
The Rusty Pelican Tampa, FL
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

February 15, 2007

North American Wholesale Lumber Association
Bright Star Restaurant Birmingham, AL
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

February 27, 2007

North American Wholesale Lumber Association
Venue To Be Determined Portland, OR
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

March 1, 2007

North American Wholesale Lumber Association
Westin Bayshore Vancouver, BC
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

March 4-7, 2007

North American Wholesale Lumber Association
Indiana University/Purdue University Indianapolis
(800) 527-8258 www.nawla.org
University of Industrial Distribution

March 20, 2007

North American Wholesale Lumber Association
Sacramento, CA
(800) 527-8258 www.nawla.org
NAWLA Regional Meeting

March 21-24, 2007

Softwood Export Council
Shanghai, China
(503) 248-0406 www.softwood.org
WoodMac China

March 24-26, 2007

Hardwood Plywood & Veneer Association
Westin Resort Hilton Head Island Hilton Head, SC
(703) 435-2900 www.hpva.org
Spring Convention

SAVE THE DATES!

May 6-8, 2007

North American Wholesale Lumber Association
Marriott Desert Springs Resort & Spa
Palm Desert, CA
(800) 527-8258 www.nawla.org
NAWLA Executive Conference

Quote of the month

"Life will always be to a large extent what we ourselves make it" - Samuel Smiles

Keep The News Coming!

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