



## 2019 Retail Outlook Survey Results - Comments

**Q9 Given the record lumber price run and historic downward correction, do you intend to change your purchasing patterns in 2019? If so, how?**

<i>Region</i>	<i>Change purchasing patterns?</i>	<i>Additional Comments</i>
Midwest	I don't see my purchasing patterns changing in 2019.	
Midwest	Not at all, we roughly manage 1/3 with contracts, 1/3 with futures, and 1/3 with open market transactions, which sometimes cross the line between futures and cash. We do not intend on changing this strategy much.	
Midwest	No	
Midwest	2018 was a challenge the second half of the year, but it was and is a real lumber market again. I like the challenges that a rising and falling market bring. I hated the recession where the market was flat forever. Even hardware guys could buy and sell lumber then. Our purchasing patterns will remain the same, we will continue to take positions when available to maximize our margins.	The numbers below are our lumber and panels combined, everything is in comparison to 2018. Even having our average costs way down from where they were in June, we still have more money tied up in dimension lumber and panels than what we did years ago. 2017, -\$31,883.72 less dollars used to have -4.09 trucks of lumber and panels here. 2016, \$24,139.32 more dollars used to have -2.75 trucks of lumber and panels here. 2015, \$121,554.70 more dollars used to have -0.53 trucks of lumber and panels here. 2014, \$66,145.78 more dollars used to have -1.27 trucks of lumber and panels here. 2013, \$248,814.40 more dollars used to have +7.63 trucks of lumber and panels here. 2012, \$287,909.78 more dollars used to have +9.43 trucks of lumber and panels here. 2011, \$272,119.78 more dollars used to have +6.63 trucks of lumber and panels here. 2010, \$327,934.11 more dollars used to have +9.07 trucks of lumber and panels here.
Midwest	No.	

<b>Region</b>	<b>Change purchasing patterns?</b>	<b>Additional Comments</b>
Midwest	Limit quantity buys to 90 days.	
Midwest	Likely more JIT purchasing. Predicting this market has been less than profitable.	
Midwest	No	
Midwest	We need to sell through some high-priced inventory before we consider bulk purchasing of certain slower-moving products.	n/a
Midwest	No, purchase based on need.	
Midwest	I changed our purchasing patterns this year. So, next year I intend to be back to a more normal pattern. Depending on market cooperation, of course.	Unusual volatility sometimes signals a major event. Beware!
Midwest	Yes - less OSB contracts. More future looking commodity purchases.	
Midwest	Minimized purchases on the way up and on the way down. Here we are at the beginning of winter yet instinct says, load the barn. Cash flow is tight for the next three months so buy as needed is the plan.	Our increased sales expectations are misleading in that our new larger, more visible facility will open in the spring.
Midwest	If pricing goes up, I will be extremely cautious. If pricing stays low, I can afford to be a little more aggressive in my buying.	
Midwest	Plan to buy more inventory in late fall or winter before prices take off.	
Midwest	No	
Midwest	Mixing species looking for the best value.	
Midwest	Probably not, I don't think we will see another run and crash like this one any time soon.	
Midwest	No.	
Midwest	No change.	

<b>Region</b>	<b>Change purchasing patterns?</b>	<b>Additional Comments</b>
Midwest	No.	Builders in our area can't build anymore due to labor constraints.
Northeast	No.	
Northeast	No.	
Northeast	We plan on using fewer contracts.	We are optimistic that 2019 will be at least as good as 2018.
Northeast	If prices stay low and consistent, may keep more in stock.	We kept our inventory pretty lean. We were able to stay with the market which helped us stay competitive in the local market.
Northeast	No - One lumber and one panel contract, otherwise, buying as I need.	
Northeast	Somewhat already done that. Better stock, new mills, carry more inventory, take advantage of buying opportunities. Hungry mills, wholesalers etc. for pricing and being on-time deliveries.	
Northeast	No change.	
Northeast	No.	
Northeast	No.	
Northeast	Do not expect much change. Will continue to buy for current, 30-45 day, needs.	
Northeast	No.	
Northeast	No.	
Northeast	I will probably be more willing to sit on more inventory dollars than usual in order to avoid the severe spikes that we experienced this past year.	
Northeast	No.	Expect piece volume to be up single digits versus 2018, but dollar value down as don't expect to see record high prices that we saw in 2018.

<b>Region</b>	<b>Change purchasing patterns?</b>	<b>Additional Comments</b>
Northeast	No nothing drastic.	
South	I really have no idea how to purchase in 2019. Some of my contracts were a great buy, but I did get hung with a few that were so overpriced and overloaded my inventory. I will keep my OSB contracts, but I doubt I will use any S-P-F.	
South	No.	
South	Yes. We have purchased large quantities at the current low market so we will not need to purchase as much in 2019.	
South	We will continue to try to lower our average cost when possible.	The weather has been tough on us this fall.
South	No. Will still take advantage of bargains when available, and will buy according to opportunity and need.	
South	I will probably contract less in the coming year than I did this year.	
South	No.	
South	No changes.	
South	There will be very little heavy investment made in lumber. Most of the time it will be bought for a very short time frame.	
South	No.	
South	I plan on being a little more cautious and not be afraid to have to buy a little more from local distribution.	One for the record books for sure... Have to see how interest rates affect us. Also will be hard to equal dollar totals next year with a more stable lumber market.
South	My purchasing habits have been on an "as-needed" basis since the middle of 2017. Until a less volatile market emerges, I will continue these habits.	
West	No.	
West	More block buys, less contracts.	

<b><i>Region</i></b>	<b><i>Change purchasing patterns?</i></b>	<b><i>Additional Comments</i></b>
West	Not really. "The Perfect Storm" can't happen again, can it?	
West	No. Buy to need and forecast sales. Seldom do we buy to take advantage of a market run - maybe a car or two, but not a substantial position.	
West	Yes, buying more and buying earlier in the year.	
West	No change.	
West	No.	
West	Keep the same.	The mills proved once again that they can outproduce even a good housing market!