



**Forisk News:** September 20, 2013

**Timber Forecast:** This September, we featured a series of blog posts related to forecasting stumpage and delivered softwood prices in the U.S. South and Pacific Northwest:

- [Forisk Forecast: 2013 Mid-Year US Housing Starts Outlook](#)
- [Forisk Forecast: Keeping Up with the Panama Canal Expansion](#)
- [Forisk Forecast Scorecard: Forest Supplies and Timber Prices](#)

The recently published *2013 Mid-Year Update Forisk Forecast* details factors influencing the 10-year outlook across three scenarios for U.S. softwood stumpage and delivered log prices such as (1) improved housing markets; (2) lumber imports from Canada; and (3) localized bioenergy project successes and failures. Select findings and conclusions include:

- **U.S. Lumber Production:** the U.S. becomes increasingly self-sufficient with respect to softwood lumber as imports from Canada decrease. Domestically, the U.S. North lost market share falling below 5% for the first time in 20 years.
- **Wood demand from Pulp/Paper, OSB and Bioenergy:** while pulpwood demand from pulp/paper mills declines ~2% by 2023, total pulpwood and chip use, including demand from OSB and viable bioenergy projects, grows demand by ~8% by 2023 in the Base Case.
- **US South, Pine Sawtimber:** South-wide prices are forecasted to increase another 4.8% for 2013. Price spread – the difference between the highest and lowest priced markets at the state level – across eleven Southern states tops \$16/ton by 2023.
- **Pacific Northwest, Douglas-fir:** in the Base Case, delivered #2 domestic sawlogs are forecasted to increase ~1% in 2013 in Coastal Oregon and Washington from current baseline pricing. Oregon average annual prices maintain an \$18/MBF spread over Washington delivered prices through 2023.

*To learn more about the 2013 Mid-Year Forisk Forecast or Forisk's market-specific stumpage forecasts tailored to individual wood-using facilities or timberland ownerships, contact Brooks Mendell at [bmendell@forisk.com](mailto:bmendell@forisk.com), 770.725.8447.*

**Wood Bioenergy:** The current issue of [Wood Bioenergy US \(WBUS\)](#) analyzes state-level forecasts of pine pulpwood prices in the U.S. South. The results highlight how bioenergy projects drive potential price increases over the next ten years. An analysis of announced and operating biomass projects by state regarding project viability affect stumpage prices to a greater degree than assumptions regarding demand for traditional forest products such as pulp and paper and OSB. For the South, 77% of the increase in stumpage prices is associated with increased demand from viable wood bioenergy projects. The *WBUS* feature article describes the state-level price effects for pine pulpwood.

**As of September 2013, WBUS counts 464 announced and operating wood bioenergy projects in the U.S. with total, potential wood use of 129.3 million tons per year by 2023.** Based on Forisk analysis, 298 projects representing potential wood use of 79.4 million tons per year pass basic viability screening.

- To learn about project-by-project tracking and market analysis, see [Wood Bioenergy US](#).
- To download the free *WBUS* summary, click [here](#).



**Forisk Updates and Upcoming Presentations:**

- In August, Forisk launched their [new website!](#)
- In June, Forisk Press published Forest Finance Simplified, 4th Edition, which is available at [Forisk](#) or [Amazon](#).
- October 1, 2013 - “Wood Bioenergy and Fun House Mirrors” presentation at [American Forest & Paper Association](#), Washington, D.C.
- January 23, 2014 - “Timber Prices and Timberland Investments in the South and Pacific Northwest” presentation at the [Western Forest & Conservation Association Conference](#), Portland, OR

*Forisk provides research and educational services to executives and analysts making decisions related to timber REITs, timberlands, and wood-using energy and manufacturing facilities.*