



Forisk News: November 8, 2013

Archives available at: <http://www.forisk.com/News-v-38.html>

Wood Bioenergy: The current issue of [Wood Bioenergy US \(WBUS\)](#) examines the exuberance for new pellet capacity in the U.S. and compares announcements to realized investment. What has been the success rate over the past five years? Pellet sector development differs for domestic versus export oriented projects. Announcements for new domestic plants peaked in 2010 while announcements for export projects have led since 2012. Since 2008, 50 domestic pellet plants began operations with a capacity to produce 2.3 million tons of wood pellets, while 14 export pellet plants began operating with a capacity to produce nearly 4 million tons. For domestic plants, 16% of those announced were canceled or shut down and 27% remain in some state of pre-construction development. For export plants, 19% of those announced were canceled or shut down, while 10% are under construction and 46% remain in pre-construction. **According to Forisk project-by-project analysis and screening, pellet production capacity in the U.S. could exceed 13.7 million tons per year by 2014, an increase of 87 percent from 2012.** The largest capacity increases based on known projects would occur in the South.

As of November 2013, WBUS counts 465 announced and operating wood bioenergy projects in the U.S. with total, potential wood use of 130.4 million tons per year by 2023. Based on Forisk analysis, 301 projects representing potential wood use of 83.4 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](#).

Forest Finance and Investments

Recent Forisk blog posts address finance questions related to the performance of investments in publicly-traded timber REITs and the use of inflation in timber forecasts:

- [Timber REIT Time Machine](#)
- [Accounting for Inflation When Using Timber Forecasts](#)

For those interested in the finance of forestry, we again offer the **Applied Forest Finance** course which details the step-by-step financial analysis required to answer key investment and forest management questions. The course includes copies of our updated *Forest Finance Simplified* handbook that distills key forest finance themes into a question-and-answer format.

- For details and to register for *Applied Forest Finance* on February 10, 2014, click [here](#).



Forisk Updates and Upcoming Presentations:

- 2014 Forisk Continuation Education Program Calendar:
 - **February 10 in Atlanta:** [Applied Forest Finance](#)
 - **August 11 in Atlanta:** [Timber Market Analysis](#)
- **January 23:** “Follow the Money: Investor Strategies in the Timberlands and Wood-Using Sectors” presentation at the [Western Forest & Conservation Association Mapping the Course Conference](#), Portland, OR
- **February 4:** “Forest Industry Investments and the Future of Wood Demand and Bioenergy in the Delta” at the [Center for Bottomland Hardwood Research](#), Stoneville, MS
- **February 12:** “Future Forest Prospects: Looking Back to See Forward” video presentation at the [FIEA Forest Investment & Market Outlook Conference](#), Auckland, New Zealand
- **February 19:** “Future Forest Prospects: Looking Back to See Forward” video presentation at the [FIEA Forest Investment & Market Outlook Conference](#), Melbourne, Australia
- **March 3:** “U.S. Timber Supply Constraints and Opportunities” presentation at the Western Wood Products Association Annual Meeting, 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.