



Forisk News: December 23 2013

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Subject line: Forisk News: Wood Bioenergy – Forest Finance

Wood Bioenergy

The [current issue of *Wood Bioenergy US \(WBUS\)*](#) compares industry announcements and Forisk research since 2010 to assess the variance of projections made by the U.S. bioenergy sector relative to realized wood-using capacity. Overly-optimistic or under-evaluated estimates of wood use from bioenergy projects create analytic and incentive problems for bioenergy investors and financiers, NGOs focused on forest sustainability and policymakers looking to balance forest industry concerns and renewable energy development. The planned capacity to use wood for bioenergy exceeded the actual wood-using capacity in 2010, 2011, and 2012 by an average of 20%. Forisk's application of viability screens reduced the variance between projected and actual wood-using capacity by 50% on average. While dozens of projects failed and dropped out of the system since 2012, at least 18 projects came on-line and bought wood in 2013. Looking to 2014, 38 projects plan to begin operations; 45% (17 of 38) of these projects pass viability screens currently, representing 9.6 million additional tons of wood-using capacity.

As of December 2013, WBUS counts 442 announced and operating wood bioenergy projects in the U.S. with total, potential wood use of 122.6 million tons per year by 2023. Based on Forisk analysis, 290 projects representing potential wood use of 80.9 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:

- [Forest Finance and the Value of Dirt](#)
- [Forest Finance and Strategic Planning](#)

In February, the Forisk Continuing Education Program offers the **Applied Forest Finance** course which details the financial analysis required to answer key timberland investment and forest management questions.

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



Forisk Updates and Upcoming Presentations:

- **Forisk welcomes David Garrett to the team!** David completed his M.S. in Forestry at the University of Georgia and joins Forisk full-time as a Market Analyst in January.
- 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
- **March 3:** “U.S. Timber Supply Constraints and Opportunities” presentation at the Western Wood Products Association Annual Meeting, Portland, OR
- **April 10:** “Future Forest Prospects: Looking Back to See Forward” video presentation at the [FIEA Forest Investment & Market Outlook Conference](#), Auckland, New Zealand
- **April 14:** “Future Forest Prospects: Looking Back to See Forward” video presentation at the [FIEA Forest Investment & Market Outlook Conference](#), Melbourne, Australia

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