



Forisk News: February 19, 2014

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Subject line: Forisk News: Wood Bioenergy – Timberland Investment Performance

Wood Bioenergy

The current issue of [Wood Bioenergy US \(WBUS\)](#) includes Forisk's **2014 Wood Bioenergy Project Rankings**. The rankings highlight successes in a sector that saw new project announcements fall from 139 in 2010 to 19 in 2013. During this period, *WBUS* identified 96 cancelled wood bioenergy projects in the U.S. The feature article ranks viable project activities based on their size and location by subsector. Rankings confirm the leading roles played by the power and pellet sub sectors. In the wood-to-electricity and power sector, plants captured in the top ten rankings account for 30% of the wood-using capacity of the power sector's total wood use. For the pellet sector, the top ten plants account for 9.2 million tons of wood-using capacity and 46% of the pellet sector's total wood use. For biofuels, fewer than ten plants actually use wood at this time, and one plant accounts for 85% of the biofuel sector's wood use. The rankings include top ten states based on wood energy generation and the potential to use wood over the next ten years.

As of February 2014, *WBUS* counts 444 announced and operating wood bioenergy projects in the U.S. with total, potential wood use of 121.5 million tons per year by 2023. Based on Forisk analysis, 290 projects representing potential wood use of 80.1 million tons per year pass basic viability screening.

Forisk made two improvements to *WBUS*. First, wood use estimates are now reported separately for softwood pulpwood, hardwood pulpwood and logging residues. Second, wood use projections in the free *WBUS* summary now account for ramp-up time by including half of stated capacity in the start year of a project and full capacity assumed in year two of operations.

- 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 Timberland Investment Performance

Recent Forisk blog posts address questions related to timberland investment performance, the tax treatment of timber REIT dividends, forest valuation models, and the newest timber REIT: CatchMark Timber Trust (ticker CTT):

- [Forest Finance: Sunk Costs Versus Falling Knives](#)
- [Tax Treatment of 2013 Timber REIT Dividends](#)
- [Forest Finance Q&A: Timing of Cash Flows in Forest Valuation Models](#)
- [How Did Timber Perform in 2013 Relative to Other Assets?](#)
- [Timber REITs: CatchMark Timber Trust \(CTT\) Joins FTR Index](#)

In February, Forisk Press published the 5th Edition of *Forest Finance Simplified*, which distills forest finance themes into a question-and-answer format for those who want an accessible reference and introduction to forest management and timberland investment decision-



making. The 5th Edition includes additional content on forest valuation, marginal analysis and the use of leverage with timberland investments.

- For details and to order copies, click [here](#).
- For bulk orders and volume discounts, contact Heather Clark, hclark@forisk.com

Forisk Updates and Upcoming Presentations

- **Forisk named to the “Bulldog 100 Fastest Growing Businesses”** for the third time in five years! See the [complete Top 100 listing](#).
- Forisk Press published the 5th Edition of *Forest Finance Simplified* by Brooks Mendell
- 2014 Forisk Continuing Education Program Calendar:
 - **July 14 in Portland:** Applied Forest Finance (with WFCA)
 - **August 11 in Atlanta:** [Timber Market Analysis](#)
- **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.