



Forisk News: April 15, 2014

Subject line: Forisk News: 2014 Timber Forecasts – US Timberland Ownership Trends

Timber Forecast

This March, we featured a series of blog posts related to forecasting U.S. timber prices and forest industry markets:

- [Forisk Forecast: US Housing Starts Outlook](#)
- [Forisk Forecast Scorecard: 2013 versus Actuals](#)
- [Forisk Forecast: Monitoring the Panama Canal Expansion](#)
- [Forisk Forecast: Foreign Exchange \(FX\) and Forest Industry Markets](#)

Primary factors influencing the *2014 Forisk Forecast* 10-year outlook for U.S. timber prices include (1) increased lumber production associated with improved housing markets; (2) capital investments in wood-using facilities; and (3) state-specific timber supply imbalances relative to demand. Select findings and conclusions include:

- Wood Demand and Lumber Production: capital investments by Canadian sawmills in the South reinforce how the U.S. becomes increasingly self-sufficient with respect to softwood lumber; domestic consumption approaches 44 BBFT in the Base Case for 2014.
- Wood demand from Pulp/Paper, OSB and Bioenergy: total pine pulpwood and chip use in the South grows ~3% in 2014; results vary significantly by state and local market.
- US South, Pine Sawtimber: South-wide prices are forecasted to increase another 11.7% for 2014. State-specific gains range from 3.8% to 14.1%.
- Pacific Northwest, Douglas-fir: in the Base Case, delivered #2 domestic sawlogs are forecasted to increase ~7% in 2014 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 2014 Forisk Forecast for the South, Pacific Northwest, Lake States or Northeast, or Forisk's market-specific forecasts for individual wood-using facilities or timberland ownerships, contact Brooks Mendell at bmendell@forisk.com, 770.725.8447.

U.S. Timberland Ownership Trends

Forisk tracks U.S. timberland ownership to support its forestry investment research and study of timber investment vehicles. Based on state-level holdings of the primary owners of private timberland as of 2014, “industrial” and “institutional” and “investable” acres include 92.2 million acres of timberlands; 302 organizations own/manage at least 10,000 acres each. Recent posts address timberland ownership and investment trends in the U.S.:

- [U.S. Timberland Ownership: Invested Acres and Owner Profiles](#)
- [Five Curious Features of U.S. Timberland Ownership](#)
- [Top 20 Timberland Owners and Managers: 2014 versus 2013](#)

To learn more about the 2014 Timberland Owner List, [click here](#).



Forisk Updates and Upcoming Presentations:

- 2014 Forisk Continuing Education Program Calendar:
 - **May 1 in Leesville, SC:** [How to Make More Money Growing Trees](#) (sponsored by the Clemson University Cooperative Extension Service)
 - **July 14 in Portland:** [Applied Forest Finance](#) (w/ WFCA)
 - **August 11 in Atlanta:** [Timber Market Analysis](#)
- **April 14:** “Future Forest Prospects: Looking Back to See Forward” presentation at the [FIEA Forest Investment & Market Outlook Conference](#), Melbourne, Australia
- **June 23:** “Future Markets” panel discussion at the [Association of Consulting Foresters National Conference](#), Savannah, Georgia
- **September 17, 2014:** “Timberland Investment Fee Structures at “[Who Will Own the Forest?](#)” in Portland, Oregon

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