



**Forisk News:** February 17, 2015

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Subject line: Forisk News: Timber Price Forecast - Wood Bioenergy – Workshop in Portland

### **Timber Price Forecast**

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

- [Forisk Forecast: 2015 US Housing Starts Outlook](#)
- [Forisk Forecast: Canadian Imports, Western Log Supplies and U.S. Softwood Lumber Production](#)
- [Forisk Forecast Scorecard: 2014 Mid-Year versus Year End Actuals](#)

The Q1 2015 edition of the *Forisk Research Quarterly (FRQ)* includes analysis and market forecasts through 2024 for timber prices, forest industry production, forest supplies and ownership, and wood bioenergy markets for the South, Pacific Northwest and North. In “Forisk Facts & Figures” – Forisk’s quarterly “story in three slides” – we detail the case for capital investments in the U.S. South from lumber manufacturers. Select *FRQ* findings include:

- U.S. softwood lumber production, which exceeded 30 billion board feet in 2014 for the first time since 2007, approaches 35 billion board feet when housing starts hit 1.2 million.
- While OSB production strengthens, plywood has shown no material growth in consumption or production since 2009.
- Pine sawtimber prices in the South are expected to increase 5.4% on average, with states such as Florida, Louisiana, Mississippi, and South Carolina projecting stronger growth.
- Average log prices in the Pacific Northwest for 2015 are forecasted to increase 3-4% across products when compared to 2014 average prices; over the next five years, Washington prices slightly outpace Oregon, while Douglas-fir export logs slightly outpace (on a percentage basis), Hemlock export prices.

*To learn more about the Forisk Research Quarterly (FRQ), click [here](#) or contact Brooks Mendell at [bmendell@forisk.com](mailto:bmendell@forisk.com), 770.725.8447.*

### **Wood Bioenergy**

As of January 2015, there were 430 projects in Forisk’s *Wood Bioenergy US* database. All announced and operating projects could use a total of 123.1 million green tons of wood per year by 2024. Projects that pass viability screens could consume 85.7 million tons of wood per year. Of the 160 projects announced and operating in the South, 96 pass viability screens. In the West, 64 of the 91 announced and operating projects pass viability screens. In the North, 139 of the 179 announced and operating wood bioenergy projects pass Forisk’s viability screens.

The single largest source of growth in U.S. wood bioenergy markets are pellet projects planned and under construction in the South built to serve export markets to the UK and EU. As of January 2015, the U.S. had at least 129 operating wood pellet projects; of these, 25 (19%) by



count serve, primarily, export markets. Forisk screening and analysis of announced projects indicates at least 137 operating wood pellet projects in the U.S. by 2018 of which 31 (23%) would focus on export markets.

To download the free *WBUS* summary, [click here](#).

### **Upcoming Workshop in Oregon**

On March 25th, Forisk will teach "**Analyzing Forest Products Markets and Forecasting Log Prices in the Pacific Northwest**" in **Portland, Oregon**. This one-day short course is ideal for anyone who wants to learn a detailed process to understand, track, and analyze local wood baskets and regional forest product markets. This CFE-qualifying workshop is sponsored by the Western Forestry & Conservation Association. Early registration discounts end March 18th! Click here to learn more and to register.

### **Forisk Updates:**

- Congratulations to Forisk Partner **Amanda Lang** on the birth of a lovely baby girl!
- In January, Forisk was named to the "[Bulldog 100 Fastest Growing Businesses](#)" for the 4th time since 2010.

### **Upcoming Events & Classes:**

- On **March 12**, Brooks Mendell will present "How the National Economy Affects Southern Forest Industry Markets" for the Southern Land Exchange in Watkinsville, Georgia.
- On **March 25**, Forisk will teach "[Analyzing Forest Products Markets and Forecasting Log Prices in the Pacific Northwest](#)" in Portland, Oregon (sponsored by WFCFA).
- On **August 4**, Forisk will teach [Timber Market Analysis](#) in Atlanta, Georgia.
- On **September 16**, Brooks Mendell will present "Timberland Investment Vehicles and Performance" 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.*