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Pulpwood Costs Are Higher Across the United States

WATKINSVILLE, GEORGIA – July 8, 2022 – Higher fuel prices and constrained labor markets for loggers and truck drivers pushed pulp-quality fiber prices higher through Q2 2022 across much of the United States. "In almost every U.S. market, we are seeing prices for at least one fiber product at or above five-year highs," according to Forisk VP of Research Shawn Baker. "Last year at this time, we saw a number of products testing five-year lows." Regionally, the Pacific Northwest exemplifies the trend. Softwood pulplog and chip prices are both up nearly 50% year-over-year. *Forisk Wood Fiber Review* Editor Tim Gammell noted "The supply surplus of chips we saw during the lumber price surge is dwindling as overseas demand for chips from the West increases. Paired with high fuel costs, prices are back near their 2018 peak."

On the East Coast, hardwood fiber prices were consistently across markets. In the Northeast, substantial logging capacity shortages forced hardwood chip and roundwood prices up over 10% for the quarter. In the Southeast and South Central, hardwood chip and roundwood prices were up nearly 10% year-over-year. A dry spring mitigated further increases. *Forisk Wood Fiber Review* Associate Editor Stephen Wright commented, "We are seeing a number of fuel surcharges paid to loggers across the South, but the dry weather improved supply conditions and loggers were seeing quotas to start the summer." As diesel prices hovered near \$5 per gallon, fiber buyers struggled to control costs in spite of the favorable supply.

Wood fiber costs account for over half of total pulp manufacturing cost worldwide. The *Forisk Wood Fiber Review* includes prices and market commentary for all major North American regions, providing essential data for anyone that needs to track pulpwood, wood chips, and biomass prices in the world's largest and most dynamic wood fiber markets. The *FWFR* provides updates of softwood and hardwood prices for all major markets in North America. Prices are reported for wood delivered to consuming plants as a range and average price. Each report also updates U.S. and Canada trade statistics for lumber, logs, wood pellets, wood chips and pulp.

For more information or to subscribe to the <u>Forisk Wood Fiber Review</u>, visit <u>www.forisk.com</u> or contact: Heather Clark, <u>hclark@forisk.com</u>, 770.725.8447.

About Forisk Consulting: Forisk delivers forecasts and analysis of forest industry markets and timberland investments. Firms participate in Forisk's research program by subscribing to the Forisk Research Quarterly (FRQ), Forisk Wood Fiber Review, Forisk Market Bulletin, or the North American Forest Industry Capacity Database; supporting benchmarking studies related to forest operations and mill capacities; and attending educational workshops and the annual "Wood Flows & Cash Flows" conference. www.forisk.com.