



Forisk News, July 11, 2012

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Subject line: Forisk News: Wood Bioenergy Investments – Timber Market Analysis

**Wood Bioenergy Investments:** In the current issue of *Wood Bioenergy US (WBUS)*, we review two aspects of regional wood bioenergy markets. First, we analyze the demand for pulpwood and chips by region to address the question “where does wood bioenergy most directly affect timberland investors and wood procurement managers at pulp mills and OSB plants?” Second, we evaluate the ability of regional markets to absorb and support new wood bioenergy projects. We see how “market depth” helps explain why new wood bioenergy investments migrate to different parts of the United States, especially the South. **As of June 25 2012, WBUS counts 454 announced and operating wood bioenergy projects in the US with total, potential wood use of 125.4 million tons per year by 2022.** Based on Forisk analysis, 297 projects representing potential wood use of 73.5 million tons per year pass basic viability screening.

- To learn about project-by-project tracking and expanded analysis of wood bioenergy markets in the US, check out [Wood Bioenergy US](#).
- To download the free *WBUS* summary, click [here](#).

**Timberland Market Analysis:** Analysis of historic and forecasted stumpage prices for markets in the US South emphasize the relevance of localized analysis. Based on data from Timber Mart-South and Forisk, the spread between the highest and lowest pine sawtimber markets in 2006 was \$16.81 per ton. Prices converged during the downturn in housing markets, dropping the spread to \$11.39 per ton in 2011. The state-by-state Forisk Forecast shows the spread widening again to \$12.57 per ton by 2016, as each state increases demand for wood relative to its ability to produce lumber for US markets.

- For detailed rankings by state and regional analysis of wood demand relative to sawmill utilization, read the two-part blog series “Wood Market Realities”:
  - Part I: [Stumpage Price Paranoia](#)
  - Part II: [Demand Trumps Utilization](#)
- “Timber Market Analysis”, a one day, CFE-qualifying course, will be taught on August 15, 2012 in Atlanta, GA. Click [here](#) for more information. **Early registration ends August 1<sup>st</sup>.**

### Forisk Updates and Upcoming Presentations

- Forisk timber market and wood bioenergy research cited in the [Atlanta Business Chronicle](#) and [The New York Times](#).
- **July 17:** "Wood Bioenergy in Georgia: What's Really Going On?" at the Greene-Morgan Forest Landowner's Meeting, Buckhead, GA
- **July 26:** "Forests, Fuel and Finance" sponsored by AgSouth Farm Credit, Alamo, GA
- **September 19:** "International Discount Rates and Timberland Returns" at the Who Will Own the Forest Conference, Portland, OR

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