

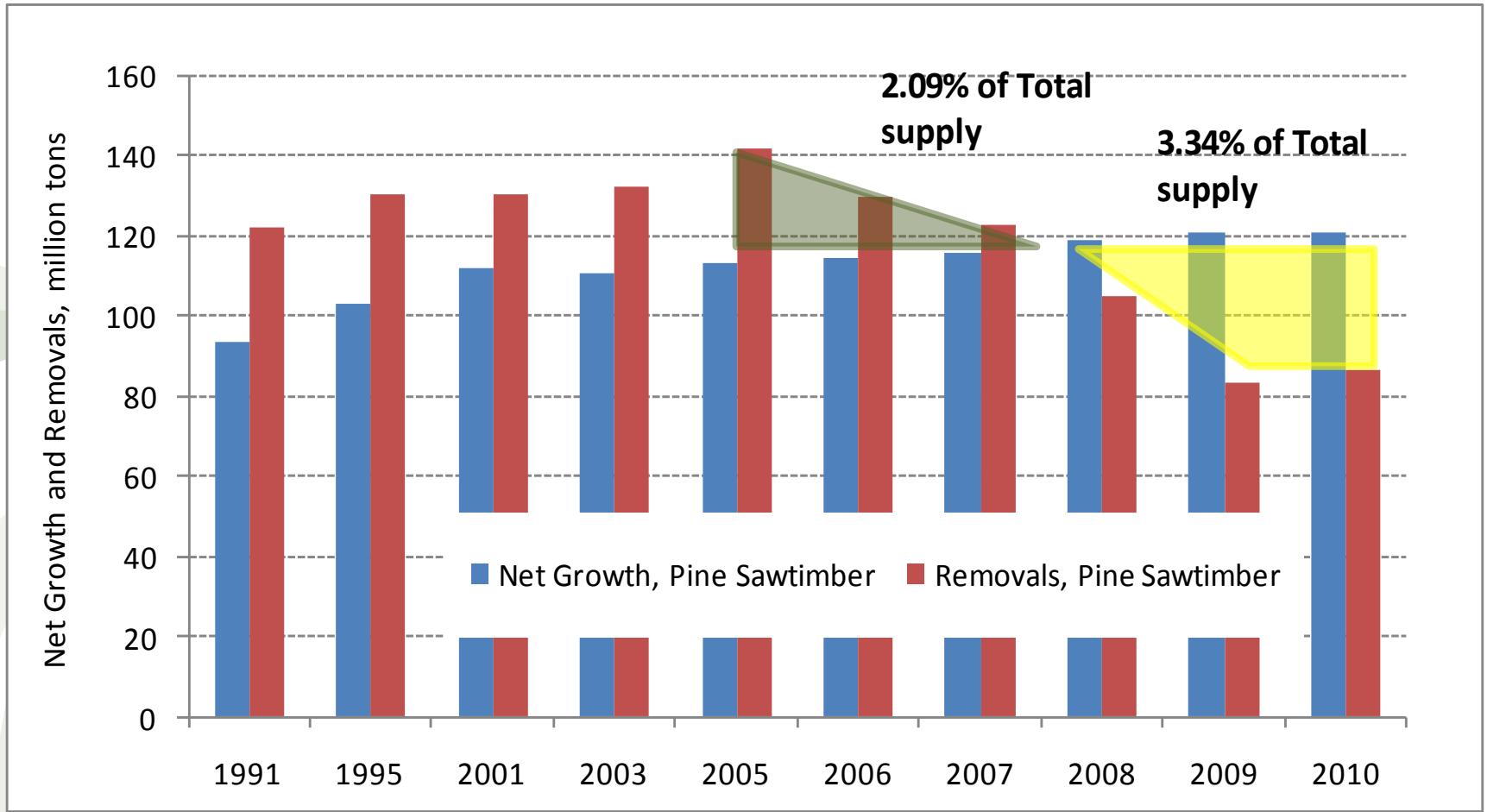


# Forest Supplies and Timber Markets: A Post Recession Outlook

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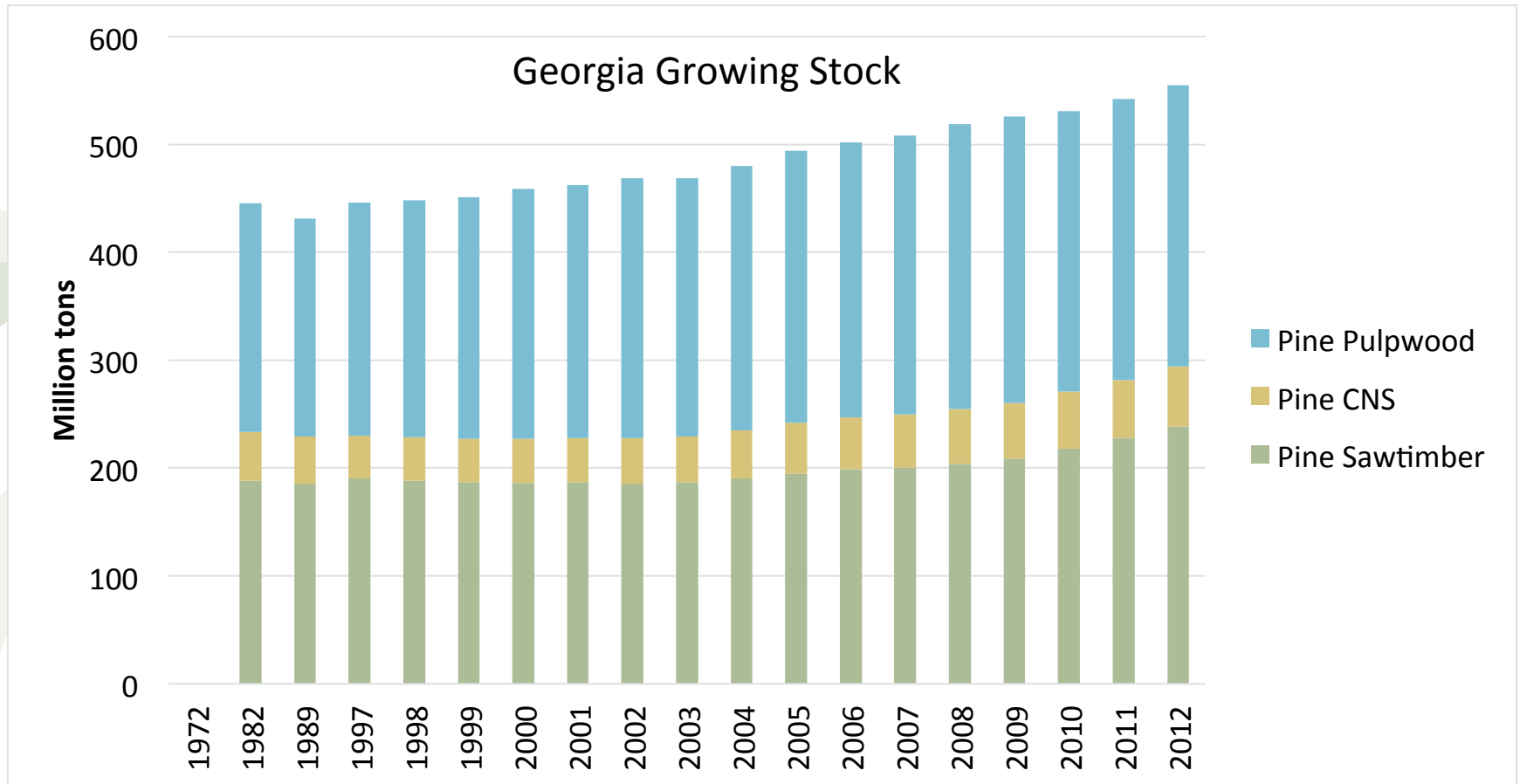
Over time, harvesting alternates between exceeding and lagging net growth of “grade” as markets change.



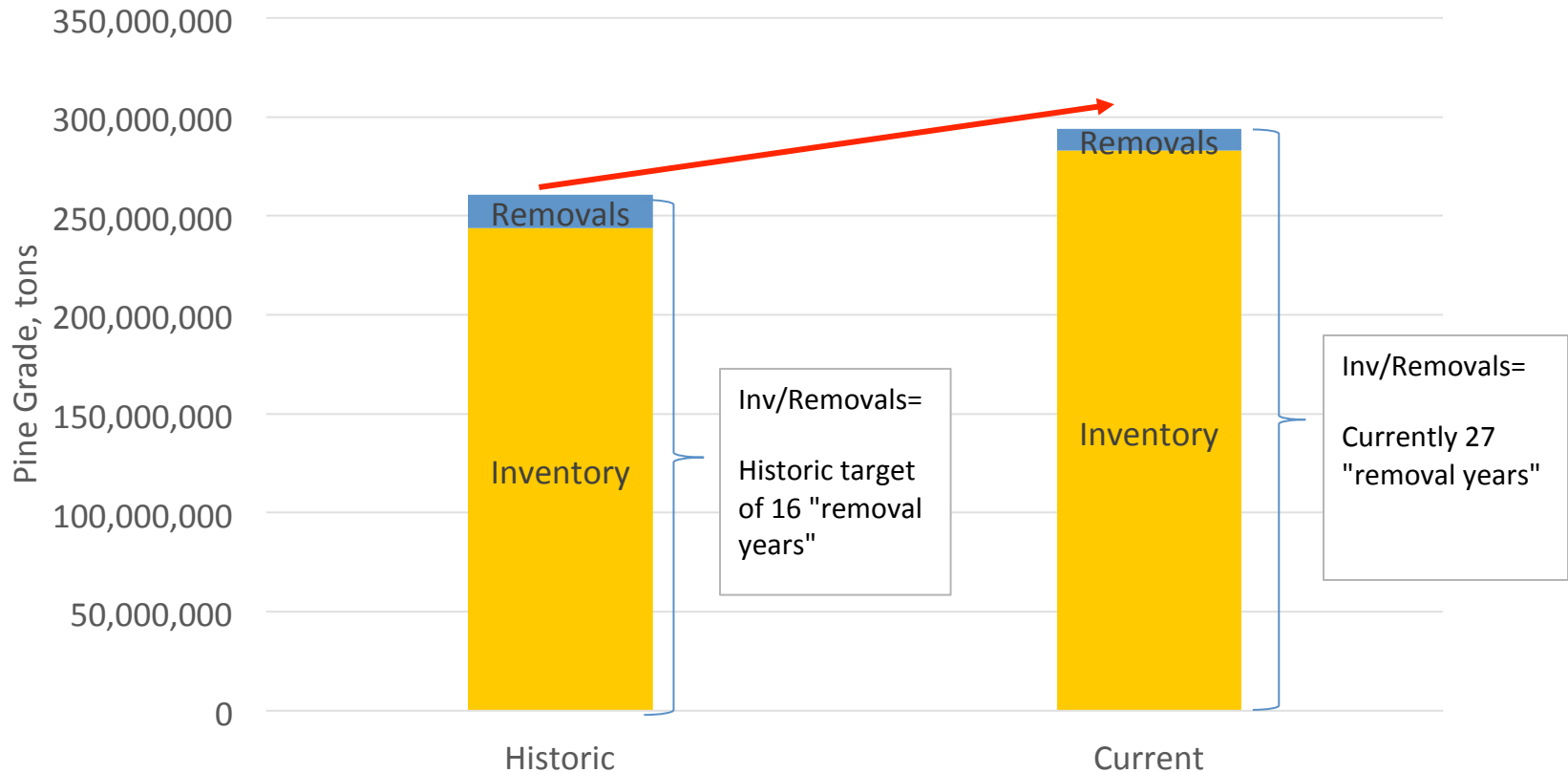
Note: availability of US Forest Service data affected years depicted in figure;

Data: US Forest Service; analysis: Forisk

# Reduced clear cutting during the recession has near-term price implications....

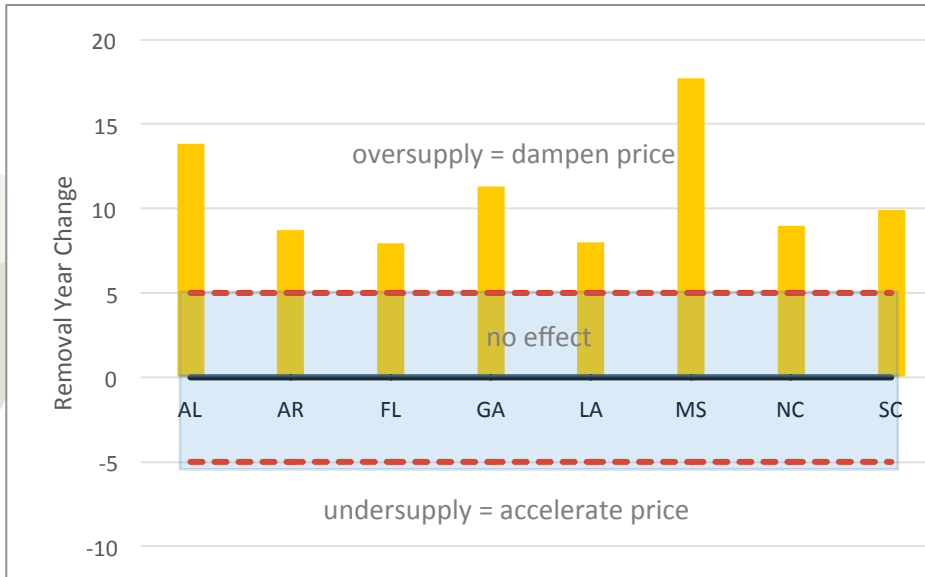


# Georgia Pine Grade "Removal Years"

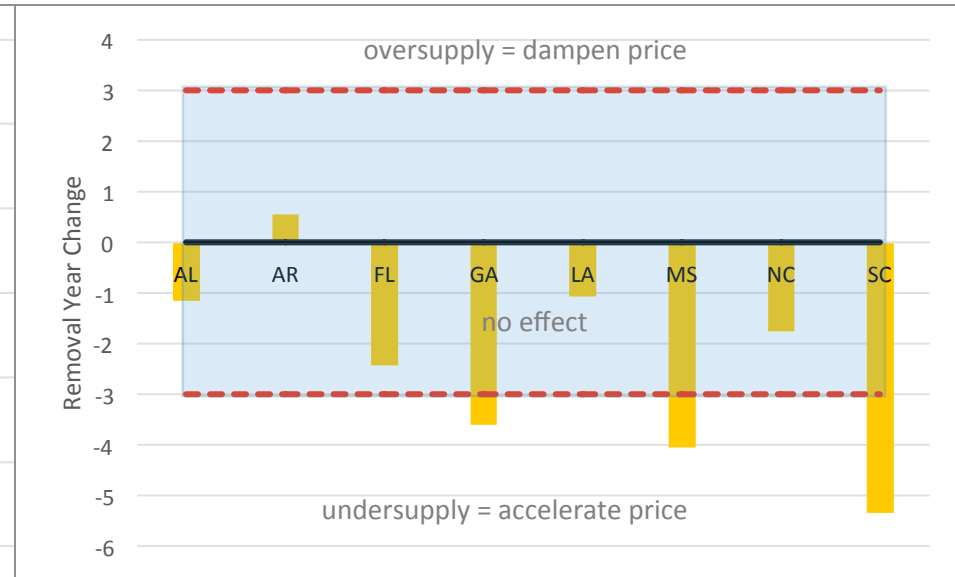


# Forest Supply Characterization

Pine Grade

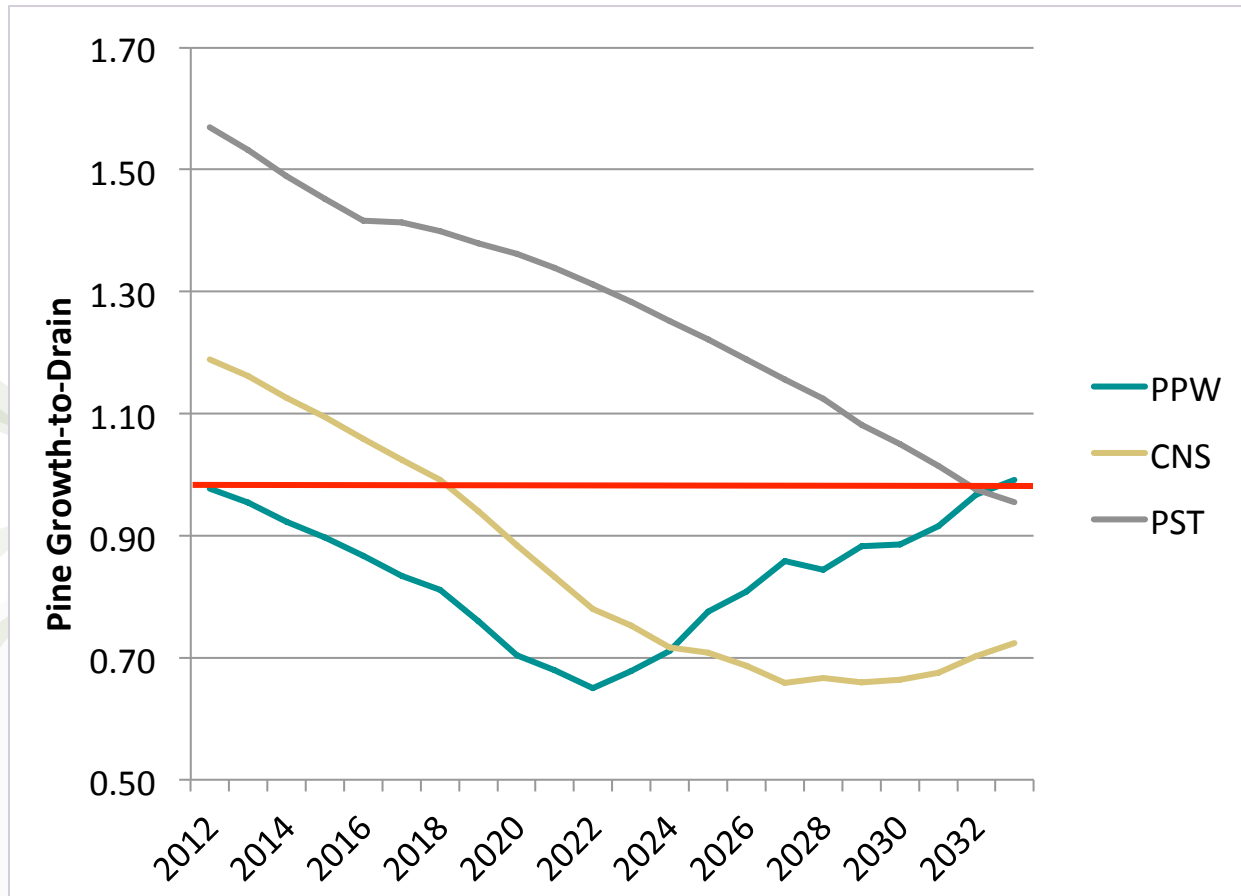


Pine Pulpwood



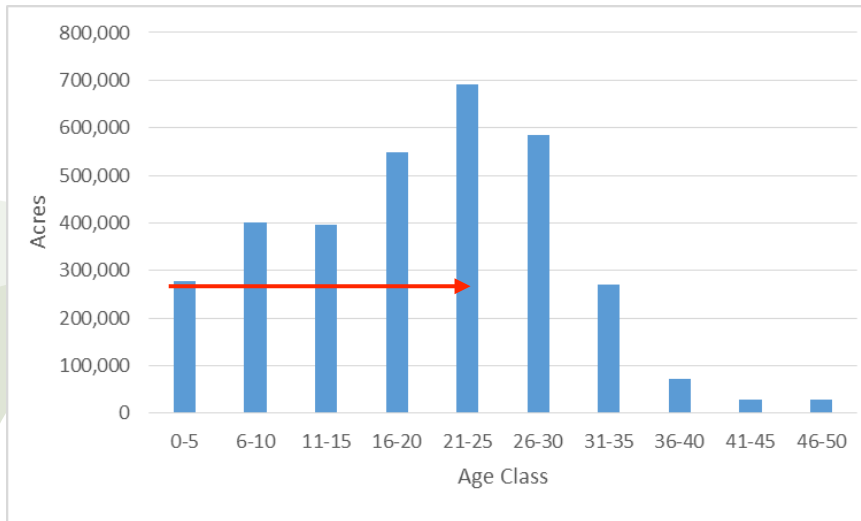
- Removal year metric:
  - “Accessible” inventory divided by removals.

# Growth-to-Drain Example: Georgia



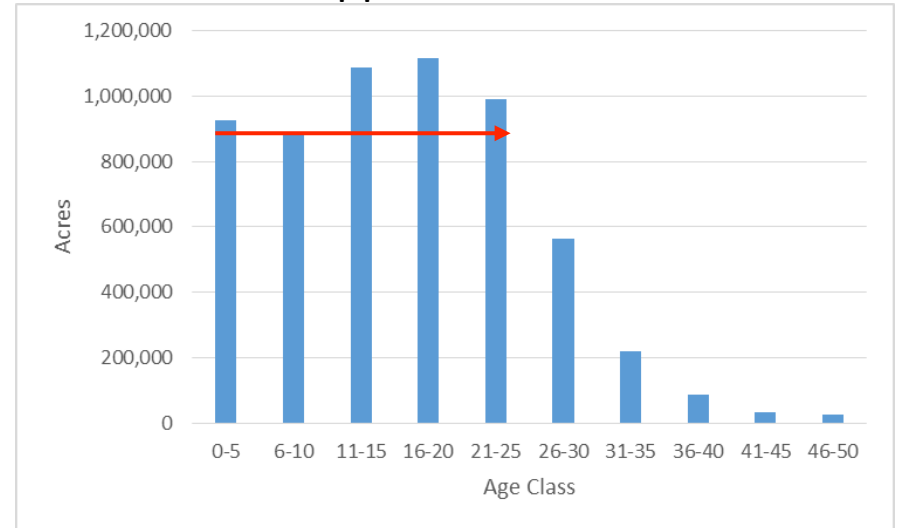
# Reduced clear cutting also has supply (and price) implications in ~10+ years.

## South Carolina Plantation Acres

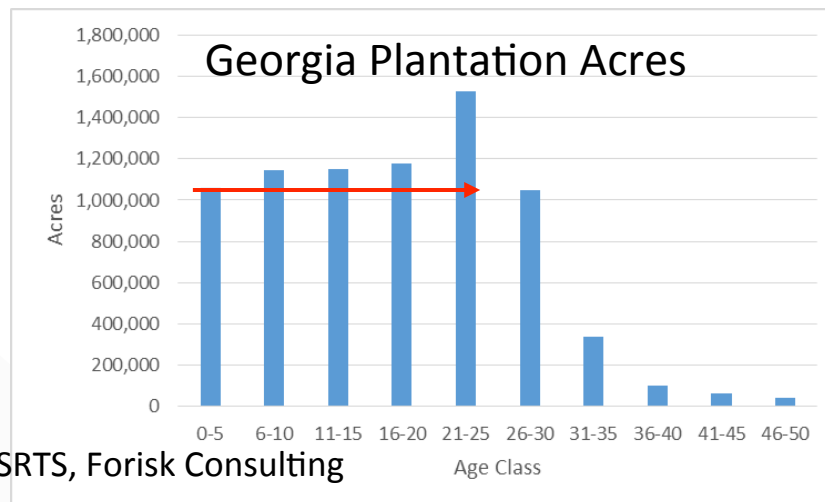


VS

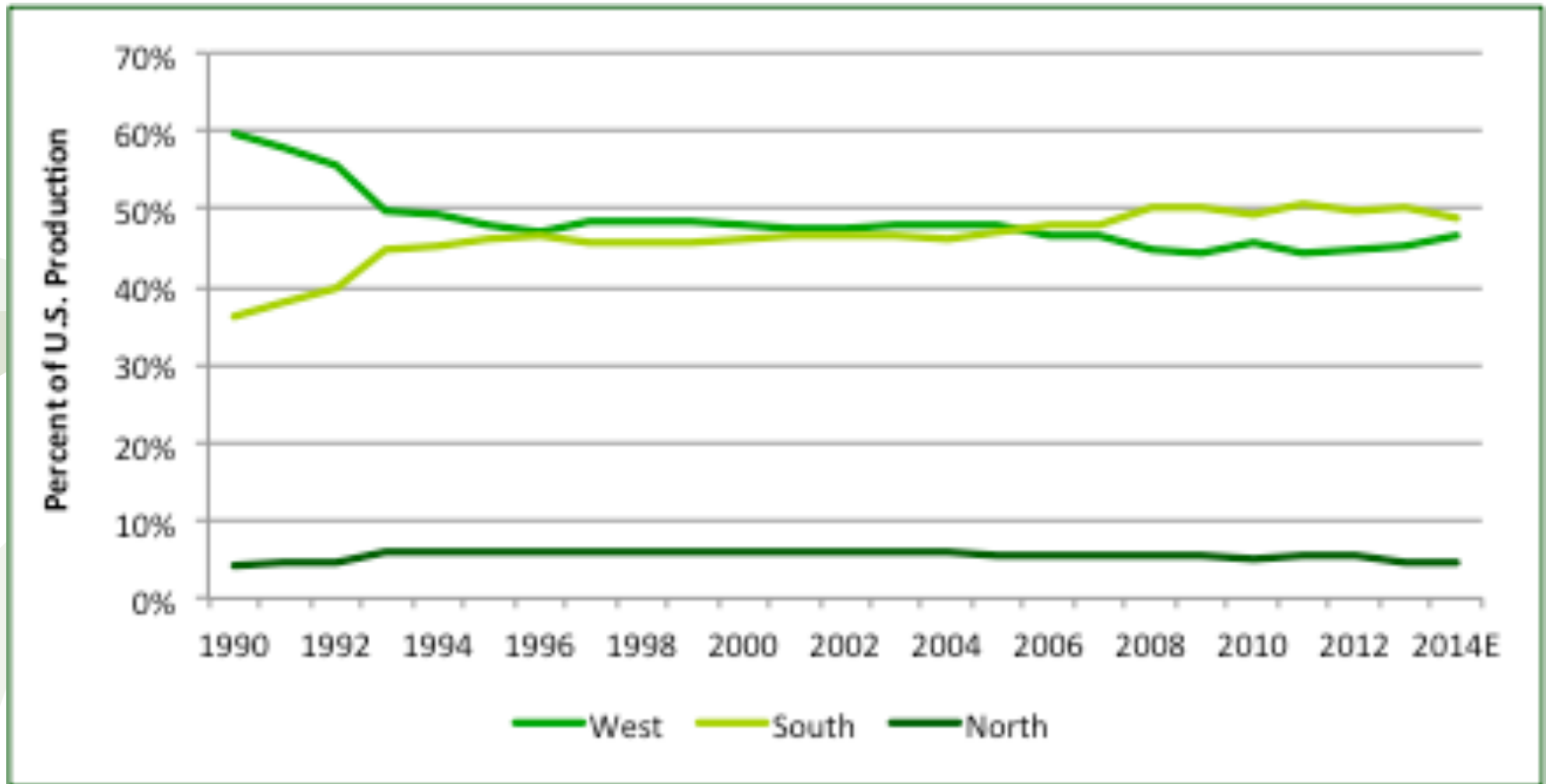
## Mississippi Plantation Acres



## Georgia Plantation Acres



While the South led US softwood lumber production since 2006, it slowed this year.



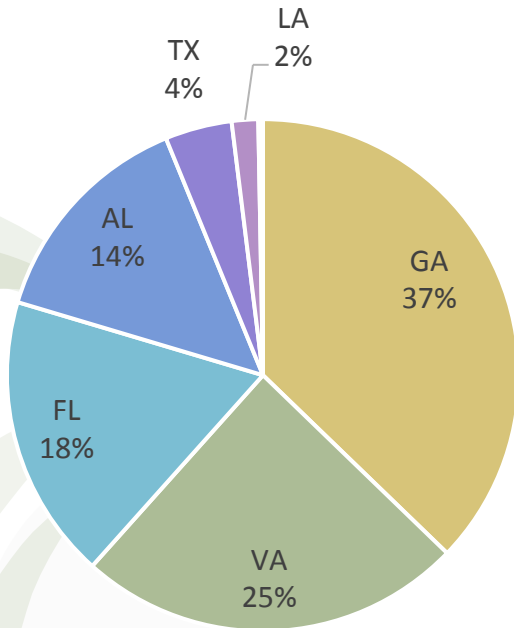


# Softwood Sawmill Capacity: Georgia

State	Demand, tons		Capacity, MMBF	
	Open	Open + Closed Operable	Open	Open + Closed Operable
GA	12,192,720	13,545,240	2,708	3,002
South	84,222,100	92,696,450	17,509	19,178
GA %			15%	16%

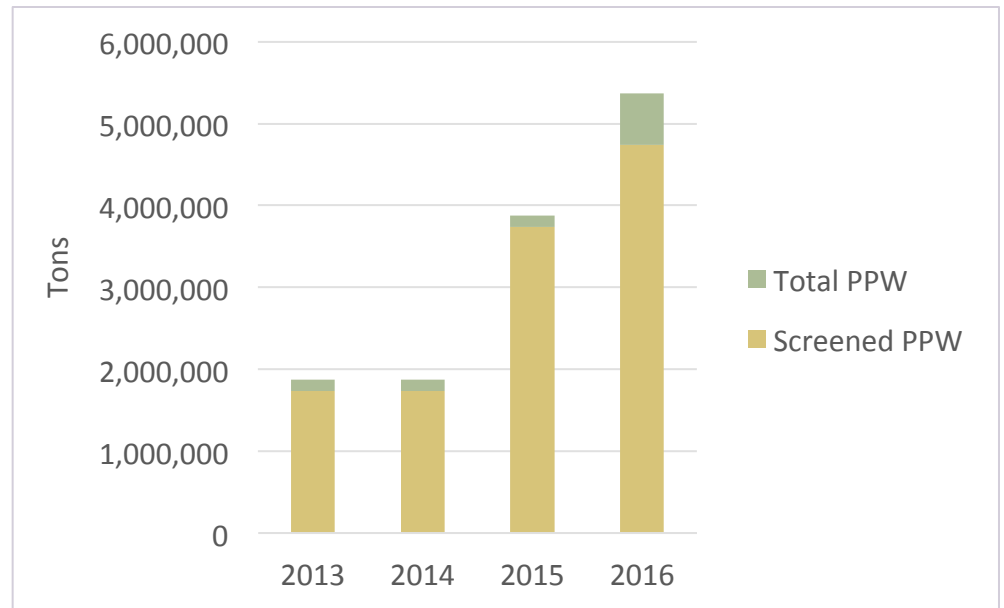
# Wood Bioenergy in Georgia

## 2013 US Pellet Exports



Source: US Census

## Bioenergy Pine Pulpwood Use: Georgia



Source: Forisk Consulting; as of May 2014

# Things to Watch

- Regional housing starts
  - All US regions report growth...except the South
- “Big 3” sources of US softwood lumber
  - Northwest and Canada have “run ahead” of South year-to-date
- Sawmill lumber inventories in the South
  - Producers have been patient; no signs of buildup
- Chip-n-saw prices in Georgia
  - Can signal pressure “from below”

# About Forisk Consulting

- Forisk provides management consulting and educational services to senior management and investors in the forest industry and timberland investing sectors.
- Founded in 2004.
- Subscription products:
  - *Forisk Forecast: South, West and North*
  - *Wood Bioenergy US*
  - *US Timberland Owner List*
- Books:
  - *Wood for Bioenergy* (Forest History Society)
  - *Forest Finance Simplified* (Forisk Press)