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***Forisk Market Bulletin Captures Timberland Investment Trends
and Forest Industry Risks Across Local Markets***

WATKINSVILLE, GEORGIA – September 23, 2021 – While deal flow across the forest industry has been robust, investors are mindful of the risks. As such, timberland investors and wood using firms are drilling into local opportunities related to supply and demand. According to the *Forisk Market Bulletin*, which includes market intelligence and tracking for U.S. and Canadian forest industry capital investments and timberland transactions, North America’s forest industry continues to focus on a common question: **where do we see balanced markets for wood/logs/fiber relative to forest supplies?**

Forisk analyzed growth-to-drain in the U.S. South and Pacific Northwest. **The average pine growth-to-drain for the South in 2020 indicated a general oversupply of timber in the region**, with tighter markets in, for example, north Florida, South Georgia and East Texas. **Looking to 2025, the region has an estimated average growth-to-drain close to one (1.04)**. During this time, 10 sawmills and 11 pellet mills come online in the South.

The **Pacific Northwest had a growth-to-drain of 1.0 in 2020 for softwood sawtimber on private forests**, indicating that regional supplies are in balance with demand. It also implies that **prices are more responsive to changes in demand**. Results vary by state and county, which help distinguish investment opportunities in both regions.

Forest industry economics still drives decisions related to operating rates and downtime. As one forest analyst said in reviewing the recent squeeze on softwood sawmills in BC, **“lumber prices overshot to the top and down at the bottom.”** Raw material economics also influences the pulp sector, where the market sees a “plastic to paper shift” and faces the reality that conversion costs at plants are lower for OCC (recycled cardboard) than they are for virgin fiber.

For more information or to subscribe to the *Forisk Market Bulletin*, visit <https://forisk.com/product/forisk-market-bulletin/> or contact: Heather Clark, hsclark@forisk.com.

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 North American Forest Industry Capacity Database; supporting benchmarking studies related to forest operations; and attending educational workshops, such as **“[Timber Market Analysis](#)”** (December 8-9, 2021) and the annual “Wood Flows & Cash Flows” conference. www.forisk.com.

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