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***Forisk Market Bulletin* highlights Forest Industry Supply Chain Concerns and Timberland Investment Trends**

WATKINSVILLE, GEORGIA – March 22, 2022 - Forest industry manufacturers continue to allocate capital to several sectors across North American regions. This includes sawmill, pulp mill, pellet plants and panel facility improvement projects in the South, West and Canada. According to the *Forisk Market Bulletin*, which includes market intelligence and tracking for U.S. and Canadian forest industry capital investments and timberland transactions, broader concerns and worries relate to inflation and Russia’s invasion of Ukraine. These reinvigorated a theme often associated with hard assets: **timberlands and domestic forest products manufacturing offer relative safety and long-term returns for investors during periods of uncertainty.**

Despite capital continuing to flow into mills across the forest industry, the ability to move wood remains a persistent issue. One procurement manager who oversees operations at two sawmills in the South said, **“Labor is still an issue, in the mill and in the woods.”** Operators observe a net loss of logging crews, though **“we see higher production from the remaining crews...”**

On the timberland investment side, deal flow rebounded in 2021 with 60% more acres than in 2020. Median timberland annual sale volume over the past decade in the U.S. was ~2.5 million acres while 2021 exceeded that by 11%. In addition, **private timberland returns rose from 0.8% in 2020 to 9.2% in 2021** according to the NCREIF timberland index. This strong seller’s market appears poised to continue as several large packages remain available.

TIMO executives continue to exhibit optimism, thanks to strong investment performance and, ironically, uncertainty in the world, which highlights the relative safety of timberland. One investment manager said, **“a lot of positive markets factors are hitting the books that help cash flows and valuations.”**

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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 **“Applied Forest Finance”** (May 19, 2022) and the annual **“Wood Flows & Cash Flows”** conference. www.forisk.com.