



**Forisk News**, May 4, 2009

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Subject line: Forisk News: Wood Demand – Analyzing Timber Markets

**Wood Demand:** Seventeen mills idled during the first quarter, increasing the total number of idled mills for the South to 43 mills. Demand for pine sawtimber, pine chip-n-saw, and hardwood sawtimber declined for every state in the South. Despite these downturns, several procurement managers expressed optimism toward the end of the quarter, saying they had seen signs of market recovery at their facilities. Over the past year, pine pulpwood had been the most stable of the common timber products. However, pine pulpwood receipts dropped 13.4% from fourth quarter levels. Consumption fell at both pulp mills and OSB mills, with pulp mills taking both market-related and maintenance downtimes during the quarter. Markets for newsprint, bleached softwood kraft, and paper products were especially hard hit. For more details and bioenergy updates, review the [Wood Demand Report](#)

**Analyzing timber markets** for investments in timberlands or wood-using plants requires an explicit understanding of how short-term operational and cash needs align with long-term investment objectives. For example, stumpage price risk has distinctly different implications for a 10-year timberland fund versus a 50-year bioenergy facility. To learn an approach for analyzing wood baskets that relies on the consistent application of simple questions using current data and practical analyses, attend the [May 19 Timber Market Analysis course](#) in Atlanta, Georgia. For course details and to register, click [here](#).

### **Forisk Updates**

- Forisk Consulting and Timber Mart-South published the *2009 Update to the Timber Market Profiles and Rankings* that ranks markets for wood demand and stumpage prices by product. The *Update* identifies timber markets that have proven to be more resilient than others to the downturn of lumber demand and, in turn, potentially more attractive for timberland and forest industry investments. For details and to purchase, click [here](#).
- James W. Sewall and Forisk Consulting announced the release of MillVantage™, an online geodatabase of current information on mills and wood-consuming bio-energy facilities. MillVantage provides geospatial data, mapping and applications for use in locating wood products facilities and assessing wood markets in specific geographic areas of interest. MillVantage is available both as an online subscription service and as a fully configurable product for use with existing GIS software. Map coverage now includes 12 states in the southeastern US. To access a demo site, visit <https://geopower.jws.com/milldb>.

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