



Forisk News, July 28, 2011

Archives available at: <http://www.forisk.com/News-v-38.html>

Subject line: Forisk News: Wood Demand – Timber REITs – Continuing Education

Wood Demand: Despite optimism that pine grade demand would increase during Q2 2011 in the South, it fell slightly by 0.6% to 18.4 million tons at 424 mills that consumed pine grade. While demand fell at sawmills, it increased 2.9% at plywood plants. Hardwood sawtimber demand fell for the third consecutive quarter, though by less than 1%. Pine pulpwood and direct chip consumption increased 1% overall for the quarter across 196 forest industry and bioenergy facilities, though demand at OSB plants fell 4.7%.

- To review the updated and revised *Wood Demand Report*, click [here](#).
- For information on Forisk's US-wide mill database and shapefiles, click [here](#).

Timber REITs: Public timber REITs returned 17.39% as of July 22, 2011 as measured by the Forisk Timber REIT (FTR) Index, compared with 6.95% for the S&P 500. Including Weyerhaeuser, timber REITs comprise 5.28% of total public REIT capitalization. Reported Q2 earnings for Plum Creek (PCL) and Potlatch (PCH) indicated continued weakness in those segments affected by housing markets (timber harvesting and wood products manufacturing). Both firms somewhat offset lower timber harvesting cash flows with higher sales of timberlands.

- For more analysis of these and other timber REITs, including Rayonier (RYN) and Weyerhaeuser (WY), visit and subscribe to the Forisk Blog [here](#).
- To subscribe to the free weekly FTR Index Summary, or to obtain historical FTR Index data in an Excel format, contact Neena Mishra, nmishra@forisk.com.

Continuing Education: Early registration for the August 23, 2011 **Investing in Timber REITs** short-course in Atlanta ends Tuesday August 9, 2011. For details and to register, click [here](#).

- Forisk has partnered with the Association of Consulting Foresters to offer a 1.5 day course on **Applied Forest Finance and Stumpage Market Analysis** on August 17-18 in Brandon, MS. For details and to register, click [here](#).

Forisk Updates

- *2011-2021 Forisk Stumpage Price Forecast* Mid-Year Update, with state-by-state forecasts for the US South and Pacific Northwest, will be available in August. For details, please contact Brooks Mendell, bmendell@forisk.com, 770.725.8447.
- Forisk's Forest Industry Shapefiles and Database now tracks 2,729 wood-consuming mills in the United States.

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