



**Forisk News**, November 7, 2011

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

Subject line: Forisk News: Wood Demand – Bioenergy – Forest Finance

**Wood Demand:** Pine sawtimber demand declined ~1% across the South, primarily driven by curtailments at several plywood mills. While demand declined less than expected, pine sawtimber prices, according to Timber Mart-South, declined 5.1%, more than expected. Dry weather and selling by timberland owners eager for cash flows may have pushed prices to new lows. Pine pulpwood demand increased 1.7% in the South and demand for hardwood pulpwood held steady in Q3 2011; stumpage prices for both products declined. We continue to monitor softwood lumber and pulp prices, and the proposed lower design values for SYP lumber.

- For information on Forisk’s US-wide mill database and shapefiles, click [here](#).

**Bioenergy:** Industrial pellets for export to European utilities lead all bioenergy activities. F.E. Wood & Sons plans to build a 300,000 ton/year pellet plant in West Baldwin, ME. German Pellets plans to build a 500,000 metric ton/year pellet plant in Woodville, TX. Westervelt Renewable Energy held a groundbreaking ceremony at its 250,000 metric ton pellet plant site in Aliceville, AL in October. All three firms plan to export pellets to Europe. As of October 2011, Forisk research indicates 471 bioenergy projects could use 136 million green tons/year of wood by 2021, while projects representing only 73 million tons/year pass basic viability screening.

- For information on *Wood Bioenergy US*, which tracks and screens all announced and operating wood bioenergy projects in the United States, click [here](#).

**Forest Finance:** As demand for pulpwood increases in select local markets, forestland owners have called to ask “when should I clearcut for pulpwood versus manage for sawtimber?” We published research commissioned by NAFO that addresses this issue at a regional level (click [here](#)). We will detail the specific step-by-step financial analysis required to answer this question for specific timberland ownerships and markets as part of the **Applied Forest Finance** course offered on February 9, 2012 in Atlanta.

- For details and to register, click [here](#).
- For analysis of Q3 2011 results of public timber REITs Plum Creek (PCL), Potlatch (PCH), Rayonier (RYN) and Weyerhaeuser (WY)), visit and subscribe to the Forisk Blog [here](#).

### **Forisk Updates**

- Brooks Mendell will present at the National Alliance of Forest Owners annual meeting November 9-10 in Boston.

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