

FORISK NEWS

Q3 2024 Edition • August 14, 2024

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NEW: ONLINE MILL DATABASE

Forisk recently launched its new digital platform for the [Mill Capacity Database](#)! The new interactive platform provides real-time data on mill capacities for over 2,300 wood-using mills across North America. Email Nick DiLuzio (ndiluzio@forisk.com) for more details.

ABOUT FORISK

Forisk helps the forest industry make better decisions. We discover how things work through conducting applied research related to timber markets, wood bioenergy, and forest operations. Founded in 2004 and headquartered near Athens, Georgia, **Forisk conducts original, nationally cited research.** Leading media outlets – including *The Wall Street Journal*, *New York Times*, and National Public Radio – cite our analysis.

Current Forisk clients account for over 250 million tons of annual wood use and over 100 million acres of timberland ownership in North America. You can learn more about our company, our services, and our products at www.forisk.com.



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Welcome to the Q3 edition of the *Forisk News*!

Since the previous *Forisk News* went to press, Forisk team members have delivered presentations on timberland investments, forest finance, pulpwood markets, forest supplies, and mill capital investments to audiences in Florida, Georgia, Oregon, and Washington. Forisk research was also featured by outlets such as *The American Landowner Podcast* and *LandThink*. In addition, Forisk launched a new online platform for our Mill Capacity Database which provides real-time access to current North American forest industry data. Click [here](#) to learn more!

Next Forisk Webinar: Timber Market Analysis

October 16-17, 2024

Taught only once per year, this live virtual class walks through the process to understand, track, and analyze the price, demand, supply, and competitive dynamics of local timber markets and wood baskets through the use of case studies. It is divided into two half-days of course content where Day 2 builds on Day 1.

Attendees receive digital copies of course materials, including excel templates to conduct and deliver assessments of wood baskets and timber markets to clients and managers.

Registration is now open, with the early registration discount available until October 2nd!

This class qualifies for 6.0 Hours of Continuing Education credit for the following: CFE (Forestry), CLE/MTH (Georgia Master Timber Harvester / Logger), and Georgia Real Estate Appraisal.

[Visit Forisk's website to learn more.](#)

RECENT HIGHLIGHTS FROM FORISK'S BLOG

- [Softwood Lumber Capacity Continues to Migrate Across North America](#)
- [US Housing Starts Outlook, Q3 2024 Update](#)
- [Local Timber Supply and Growth-to-Drain in the U.S. South](#)
- [Q2 2024 Forisk Wood Fiber Review: PNW Pulplog Prices Continue Downward Trend](#)
- [Forisk Market Bulletin: June 2024 Mill Update](#)
- [Has Russia Followed Through with its 2022 Log Export Ban?](#)
- [Does Timberland Have a Liquidity Problem?](#)
- [Forisk Timberland Transactions: 2023 Review](#)
- [Matching Logging Employment Changes to Wood Demand](#)

SELECT FINDINGS FROM THE Q3 2024 FORISK RESEARCH QUARTERLY (FRQ)

The Q3 2024 [Forisk Research Quarterly \(FRQ\)](#) includes industry analysis and market forecasts through 2033 for timber prices, logging costs, softwood lumber production, structural panels production, paper and paperboard production, forest supplies, and wood bioenergy markets. **Select summary findings from the Q3 FRQ report include:**

- **Macro and Housing:** The economy grew 2.8% from Q2 2023 to Q2 2024, up from its annualized pace of 1.4% in Q1 2024. The labor market added fewer jobs during Q2 than it did during Q1, while unemployment rose to 4%. Yields on 10-year U.S. Treasuries rose to 4.5% in Q2 2024 from 4.2% during Q1 2024, returning to their highest level since 2007. New home sales fell 1.1% from Q1 to Q2 and are down 5.9% year-over-year in Q2 2024.
- **Lumber:** Through May 2024, total North American softwood lumber imports increased 0.4% year-over-year. North American softwood lumber production was up 5% for Q1 2024 and flat year-over-year. Canada, Mexico, and China accounted for 61% of all U.S. lumber exports through May 2024. Softwood lumber prices decreased 8% year-over-year in Q2 2024. U.S. South sawmill investments continue with \$2.6 billion in announced projects from 2024 to 2026, financing over 3.6 BBF of increased capacity.
- **Structural Panels (OSB & Plywood):** U.S. OSB production was flat (<1%) through Q1 2024, and plywood production decreased 4%. Net imports for both products increased. Quarter-over-quarter OSB prices increased 5% and plywood prices declined 9% in Q2 2024. Announced mill openings and investments expect to add at least 5 BSF to North American structural panel capacity through 2026.
- **Pulp & Paper:** Paper and paperboard production remained flat in Q2 2024 and was up 4% year-over-year. Packaging production rose 0.5% in Q2 2024, up 5% year-over-year. OCC prices rose 11% in Q2, rising over 140% year-over-year. Market pulp prices increased in Q2, rising over 12% year-over-year.
- **Wood Bioenergy:** Bioenergy products that pass Forisk's [Wood Bioenergy Database](#) screening plan to consume 100.8 million green tons per year of wood across the country. The U.S. South leads all regions in total projects and demand. Most bioenergy projects are in the biomass to electricity, CHP, and pellet segments, though renewable hydrocarbon projects are increasing. Through May 2024, U.S. wood pellet exports increased 9.9% year-over-year while Canadian wood pellet exports decreased 12.3%. North American wood pellet capacity is expected to grow 3.4% in 2024, to 22 million tonnes.
- **Log & Chip Exports:** Through May 2024, Canadian softwood exports were up 7% while U.S. softwood log exports were down 9% year-over-year. U.S. softwood chip exports for the same period were flat. Southern softwood log exports dipped 13% year-over-year, and northern softwood log exports also fell 15%. The top three U.S. forestry commodity trade partners, Canada, Japan, and China, account for 85% of U.S. wood product exports.
- **Timberland Investments:** All three timber REITs are trading down year-to-date. As a sector, public timber REITs increased 1.9% for the quarter according to the market cap weighted [Forisk Timber REIT Index \(FTR\)](#). Over 1 million acres of industrial timberland transactions closed in the United States for the last four quarters. TIMOs accounted for the largest portion of acreage bought and sold at 31.4% and 58.2%, respectively.
- **Forest Operations:** Logging employment losses worsened in the U.S. West and West Canada. Four-quarter average 2023 employment fell 3% or more in every North American region except East Canada, where employment rose less than 1%. Logging wages increased across North America though the pace of wage growth slowed. Trucking employment dipped 3% year-over-year, in step with falling freight demand.
- **Timber Markets, U.S. South:** Southern stumpage prices decreased for all timber products except pine sawtimber in Q2 2024, which was flat according to Timber Mart-South. The 2024 forecast for pine sawtimber implies no change over the 2023 price. Average pine sawtimber prices are not forecasted to recover to 2022 levels until 2028.
- **Log Prices, Pacific Northwest:** Domestic log prices rose 0.7% in Washington while falling 7.3% in Oregon in Q2 2024. Export Douglas-fir log prices increased 1.8% while export Hemlock prices decreased 0.3%. Forisk's "base case" projects a drop for Douglas-fir prices in Oregon and Washington in 2024 followed by increases in 2025. Logging and hauling costs remain relatively flat over the next decade due to a steady diesel price forecast.
- **Hardwood Markets, U.S. North:** Forisk's Hardwood Price Index decreased 6.1% in Q1 2024, falling 6.2% year-over-year. Last 4Q starting prices were led by white oak in the Middle Atlantic, hard maple in New England, and red oak in the Lake States.

To learn more about the Forisk Research Quarterly (FRQ) subscription, [click here](#) or contact Nick DiLuzio at ndiluzio@forisk.com.

FORISK IN THE NEWS

- ▶ Brooks Mendell participated in a [podcast interview with The American Landowner](#) to discuss lessons to learn from institutional landowners.
- ▶ Forisk article "[Timberland and Liquidity: Have a Plan](#)" featured in *LandThink*
- ▶ Forisk article "[Timberland Transaction Trends: What Can We Learn from 2023?](#)" featured in *LandThink*

UPDATES FROM FORISK

- ▶ Forisk is launching a new product offering later this year called the *Custom Market Forecast!* Be on the lookout for more information, or contact Nick DiLuzio (ndiluzio@forisk.com) if you would like to learn more.
- ▶ **August 27 & 28:** Brooks Mendell is presenting at the [Louisiana Forestry Association Annual Meeting](#) in Lake Charles, LA.
- ▶ **September 25th:** Brooks Mendell is presenting at the [CANOPY Conference](#) (formerly Who Will Own the Forest) in Portland, OR
- ▶ **October 29:** Amanda Lang is presenting at the [ERA Global Wood Summit](#) (Day 1, Session #4) in Vancouver, BC.

FORISK RESEARCH & DATA SUBSCRIPTIONS

- ▶ [Forisk Research Quarterly \(FRQ\)](#)
- ▶ [Forisk Wood Fiber Review \(WFR\)](#)
- ▶ [Forisk North American Mill Capacity Database](#)

Contact Nick DiLuzio to learn more about any of these products:
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SPECIAL RESEARCH IN THE Q3 FRQ

Featured Research: Local Timber Supplies and Growth-to-Drain in the U.S. South

This feature article examines the history of supply and demand for pine timber in the U.S. South, provides context for current timber market dynamics, and maps a localized outlook of growth-to-drain in the region.

Market Update, Q3 2024: In this edition of quarterly observations and summary analysis of forest industry trends, we review how softwood lumber capacity shifted across North America over the past 15 years. Then, we revisit the impact of inflation on commodity prices over time. Finally, we offer context for the range of current legislative and policy proposals affecting the forest industry.

Forisk Facts & Figures: Forisk's quarterly "story in 3 slides" investigates recent changes in wood-using capacity across North America. How have capital investments in the South compared to closures in Western Canada? What is the net impact of closures in the paper industry compared to expansions in pellets and panel manufacturing?

FORISK EXPANDS MILL DATABASE TO COVER NONSTRUCTURAL PANELS

Forisk expanded coverage of their North American Forest Industry Capacity Database (Mill Capacity Database) to include nonstructural panel (NSP) mills. This sector includes 68 mills that process wood into panel end products including particleboard, medium density fiberboard (MDF), high density fiberboard (HDF), hardboard, and engineered wood siding. "The NSP mill sector is extremely important to our industry using almost 23 million tons of wood feedstock annually," notes Pat Jolley, Product Manager of [Forisk's Mill Capacity Database](#). He explains "the sector uses woody feedstock, much of which comes from by-products of existing mills in the form of chips, shavings, other residuals, and even reclaimed wood, although some by roundwood." The Forisk Mill Database now covers 2,300 facilities representing almost 775 million tons of wood use at open and announced mills across North America. [Read the full Research Release here.](#)

FIBER PRICES IN MAJORITY OF REGIONS IN NORTH AMERICA MIXED YEAR-OVER-YEAR

U.S. and Canadian weighted softwood fiber prices increased 2% and 6% year-over-year, respectively, through Q2 2024 according to the [Forisk Wood Fiber Review \(FWFR\)](#). Fiber price increased stem from markets adjusting to a "new normal" following the end of spring outage season at many North American pulp and paper mills, and hopeful end market outlooks for some facilities.

Canadian roundwood prices increased 10% and chip prices fell 9% year-over-year. U.S. roundwood prices rose 2% year-over-year and chip prices fell 8% year-over-year, with significant regional variability. [Read the full Research Release here.](#)