

# FORISK NEWS

Q4 2024 Edition • November 12, 2024

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## NEW: FORISK'S CUSTOM MARKET FORECAST

Forisk recently launched the *Custom Market Forecast*. The *Custom Market Forecast* leverages models from the *Forisk Research Quarterly (FRQ)* to deliver timely and cost-efficient market-specific analyses for clients. Email Nick DiLuzio ([ndiluzio@forisk.com](mailto: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](http://www.forisk.com).



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## Welcome to the Q4 edition of the *Forisk News*!

Since the previous *Forisk News* went to press, Forisk team members have delivered presentations on timberland investments, pulpwood markets, forest supplies, and mill capital investments to audiences in Louisiana, Portland, and Vancouver, as well as delivering our annual [Timber Market Analysis](#) course. In addition, Forisk launched the *Custom Market Forecast (CMF)* for FRQ subscribers! Click [here](#) to learn more!

## Next Forisk Webinar: Applied Forest Finance

April 3, 2025

Taught publicly once per year, this live virtual class details the step-by-step financial analysis required to answer key investment and forest management questions. Attendees will learn how to identify, value, and rank timber and forestry investments.

Attendees receive a copy of the updated *Forest Finance Simplified* handbook and the *Aunt Fanny Learns Forestry* book, as well as electronic reference materials and Excel models for reinforcing and applying the concepts learned during the course.

**Registration will open in early 2025!**

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

- [Understanding Southern Sawmill Recovery Rates: Status, Factors, and Trends](#)
- [Concentration of Wood Demand in Local Timber Markets](#)
- [US Housing Starts Outlook, Q4 2024 Update](#)
- [Evaluating the Impacts of Hurricane Helene in Georgia – Part I](#)
- [Evaluating Mill Risk When Analyzing Timber Markets and Wood Baskets](#)
- [Wood Pellet Producer Operating Rates by Region Based on EIA Data](#)
- [Analyzing Timber Markets to Customize Forecasts and Make Investment Decisions](#)
- [Forisk Market Bulletin: September 2024 Mill Update](#)
- [Timberland Investment Correlation and Diversification](#)
- [2024Q3 Timberland Transactions Review](#)
- [North America's Forest Industry Contraction](#)

## SELECT FINDINGS FROM THE Q4 2024 FORISK RESEARCH QUARTERLY (FRQ)

The Q4 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 Q4 FRQ report include:**

- **Macro and Housing:** The economy grew 2.7% from Q3 2023 to Q3 2024. The labor market added fewer jobs during Q3 than it did during Q2, while unemployment rose to 4.2%. Yields on 10-year U.S. Treasuries fell to 4.0% in Q3 2024 from 4.5% during Q2 2024. Single family starts are up 10% YTD over last year through September, while multifamily is down 29% through September.
- **Lumber:** North American softwood lumber production increased 2% for Q2 2024 and is flat year-over-year. Last year, softwood lumber imports into the U.S. represented 39% of U.S. lumber production. The softwood lumber price index was flat in Q3 2024 while declining 8% year over year. U.S. South sawmill investments continue with \$2.6 billion in announced projects from 2024 to 2026, financing over 3.7 BBF of increased capacity.
- **Structural Panels (OSB & Plywood):** U.S. OSB production decreased 2.7% through Q2 2024, and plywood production decreased 2.7%. Quarter-over-quarter OSB prices dropped 28% and plywood prices declined 16% in Q3 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 rose 1% in Q3 2024 and was up 4% year-over-year. Packaging production rose 1% in Q3 2024, up 5% year-over-year. Tissue and printing production increased 2% in Q3 2024. OCC prices held flat in Q3, remaining 89% higher year-over-year. Market pulp prices increased in Q3, rising over 35% year-over-year.
- **Wood Bioenergy:** Bioenergy products that pass Forisk's [Wood Bioenergy Database](#) screening plan to consume 100.5 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 August 2024, U.S. wood pellet exports increased 3.8% year-over-year while Canadian wood pellet exports decreased 6.9%. North American wood pellet capacity is expected to grow 3.8% in 2024, to 22.0 million tonnes.
- **Log & Chip Exports:** Through August 2024, Canadian softwood exports were up 12% while U.S. softwood log exports were down 7% year-over-year. U.S. softwood chip exports for the same period were down 23%. Southern softwood log exports increased 7% year-over-year, and northern softwood log exports 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 below where they started 2024. As a sector, public timber REITs increased 1.1% 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 32.8% and 52.6%, respectively.
- **Forest Operations:** Year-over-year logging employment losses exceeded 2% across most of North America. Four-quarter average employment fell more than 5% in the U.S. North and western Canada. Logging wages increased across North America. Trucking employment dipped 3% year-over-year, despite steady freight demand.
- **Timber Markets, U.S. South:** Southern stumpage prices decreased for pine chip-n-saw and pine sawtimber products in Q3 2024. Prices for all other products increased modestly, according to Timber Mart-South. The 2024 forecast for pine sawtimber implies a 4.1% decline over the 2023 price. Average pine sawtimber prices are not forecasted to recover to 2022 levels until 2029.
- **Log Prices, Pacific Northwest:** Domestic Douglas-fir log prices fell 4.8% in Oregon and fell 1.0% in Washington in Q3 2024. Export Douglas-fir log prices increased 0.3% while export Hemlock prices increased 1.7%. 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 increase slightly over the next decade due to a steady diesel price forecast.
- **Hardwood Markets, U.S. North:** Forisk's Hardwood Price Index increased 1.4% in Q2 2024, up 0.7% year-over-year. Last 4Q starting prices were led by hard maple 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](mailto:ndiluzio@forisk.com).

## FORISK IN THE NEWS

- ▶ Brooks Mendell was quoted in a Bloomberg article about the [shifts of the North American lumber industry from Canada to the US South](#).
- ▶ Brooks Mendell was [interviewed on the "Minding the Forest" podcast](#) about the economics of forestry in the U.S. and Louisiana
- ▶ Forisk article "[Local Log Markets and the Migration of Softwood Lumber Capacity](#)" featured in *LandThink*
- ▶ Forisk article "[How Timberlands Diversify Investment Portfolios](#)" featured in *LandThink*
- ▶ Forisk article "[Evaluating Mill Risk when Analyzing Timber Markets](#)" featured in *LandThink*

## UPDATES FROM FORISK

- ▶ Forisk launched a new product this quarter called the *Custom Market Forecast!* The *CMF* provides market-specific analyses and price/cost forecasts of a client's wood baskets or timber markets. Contact Nick DiLuzio ([ndiluzio@forisk.com](mailto:ndiluzio@forisk.com)) to learn more.
- ▶ **March 12, 2025:** Brooks Mendell is speaking on "Emerging Forest Investment Opportunities and Challenges" at the [UGA Timberland Investment Conference](#).

## FORISK RESEARCH & DATA SUBSCRIPTIONS

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

Contact Nick DiLuzio to learn more about any of these products:  
[ndiluzio@forisk.com](mailto:ndiluzio@forisk.com)

## SPECIAL RESEARCH IN THE Q4 FRQ

### Featured Research: Western Timber Supply Model and Updated Outlook

This feature article updated Forisk's western timber supply outlook. We quantified the effects of changes in local mill demand, revised U.S. Forest Service data on current inventories, merchantable inventory unavailable in streamside management zones, and Oregon's recent Private Forest Accord.

**Market Update, Q4 2024:** In this edition of quarterly observations and summary analysis of forest industry trends, we review how softwood lumber manufacturers balanced production and shipments while rationalizing capacity over the past two years. Then, we revisit how opportunity costs relate to forest investments and rotations. Finally, we look at tracking the concentration of wood demand in local timber markets.

**Forisk Facts & Figures:** Forisk's quarterly "story in 3 slides" revisits previous logging capacity analysis. How have employment and wood demand changed in the past two years? Did trends in employment and demand explain recent logging capacity changes?

## THE NET CHANGE IN SAWMILL CLOSURES AND OPENINGS RESULTED IN LESS THAN A 1% INCREASE IN NORTH AMERICAN LUMBER CAPACITY

Forisk tracks mill announcements as part of the [North American Forest Industry Capacity Database](#) (Mill Capacity Database). Over the past quarter, Forisk tracked 10 mill closures, 12 new mill startups or restarts, and 11 mills completing expansions. Of the 10 closures, 8 were lumber mills, resulting in a loss of 788 MMBF of capacity. However, 8 lumber mills began operating, resulting in an additional 765 MMBF of capacity notes Pat Jolly, Product Manager of Forisk's Mill Capacity Database. "The net change for the lumber sector including all updates over the period resulted in less than a 1% increase for North American lumber capacity" according to Mr. Jolly. Regionally, Eastern Canada and the U.S. South gained over 1% of their respective capacity, the U.S. North and Western Canada were flat, while the U.S. West lost less than 1%.

[Read the full Research Release here.](#)

## FIBER PRICES IN MOST NORTH AMERICAN REGIONS ARE MIXED YEAR-OVER-YEAR

U.S. weighted softwood fiber prices increased 4% while Canadian prices decreased 2% year-over-year through Q3 2024 according to the [Forisk Wood Fiber Review \(FWFR\)](#). The price hikes in the U.S. are linked to regional market adjustments caused by wet weather and reduced availability of residual chips due to widespread sawmill curtailments and closures.

Canadian roundwood prices increased 2% and chip prices fell 3% year-over-year. U.S. roundwood prices rose 6% year-over-year and chip prices rose 1% year-over-year, with significant regional variability.

[Read the full Research Release here.](#)