

FORISK NEWS

Q1 2025 Edition • February 18, 2025

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FORISK IS HIRING!

Forisk is currently seeking a Forest Industry Analyst to join our team in Athens, GA. The full job description and information on how to apply can be found on [Forisk's website](#).

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 in 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 Q1 edition of the *Forisk News*!

Since the previous *Forisk News* went to press, Forisk research has been [cited in Bloomberg](#) regarding the lumber shifts from Canada to the U.S. South, and Forisk team members have been interviewed by *The Wall Street Journal* and *Atlanta-Journal Constitution*. In addition, Forisk launched the [Custom Market Forecast \(CMF\)](#) for the PNW!

For those interested in continuing education, registration is open for the [Applied Forest Finance Class](#), which will be held virtually on April 3, 2025. This class is only held once per year, and the early registration discount is available until March 20th.

Announcing the Expansion of Forisk's Custom Market Forecast (CMF) Offering!

After launching the [Custom Market Forecast \(CMF\)](#) for the U.S. South in 2024, Forisk has now expanded the *CMF* to include market areas in the Pacific Northwest! In addition, firms can order "Strategic CMFs" for projects that require additional customization.

Forisk's **Custom Market Forecast (CMF)** provides market-specific analyses and price/cost forecasts of a client's wood baskets or timber markets in the U.S. South and Pacific Northwest. Standard deliverables for the Southern and Western CMFs include a dashboard-style report and corresponding Excel file with price/cost forecasts for each market.

The **Strategic CMF** offers enhanced or non-standard deliverables for boards, investors, financiers, and executives. The Strategic CMF serves requests related to comparing markets, ranking markets, screening markets for due diligence, portfolio analysis or tracking, and strategic planning.

Contact Nick DiLuzio (ndiluzio@forisk.com) or visit our [website](#) to learn more about the new CMF offerings!

RECENT HIGHLIGHTS FROM FORISK'S BLOG

- [The Impact of Hurricane Helene on Future Pine Sawtimber Supplies](#)
- [Tariffs on Imports from Canada? Tell me More!](#)
- [U.S. Housing Starts Outlook, Q1 2025 Update](#)
- [Forest Finance and Logical Thinking](#)
- [Top Forisk Blog Posts from 2024](#)
- [Ten Years of the Forisk Research Quarterly](#)
- [Raw Forest Products Exports to China Decline Since 2018 Peak](#)
- [Timber Inventory Forecasts for the Pacific Northwest](#)
- [Evaluating the Impacts of Hurricane Helene in Georgia – Part II](#)
- [Forisk Market Bulletin: November 2024 Mill Update](#)

SELECT FINDINGS FROM THE Q1 2025 FORISK RESEARCH QUARTERLY (FRQ)

The Q1 2025 [Forisk Research Quarterly \(FRQ\)](#) includes industry analysis and market forecasts through 2034 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 Q1 FRQ report include:**

- **Macro and Housing:** The economy grew 2.3% from Q4 2023 to Q4 2024. The labor market added more jobs during Q4 than it did during Q3, while unemployment fell to 4.1%. Yields on 10-year U.S. Treasuries rose to 4.3% in Q4 2024 from 4.0% during Q3 2024. Single family starts rose 6.5% in 2024, while multifamily starts declined by 25%.
- **Lumber:** North American softwood lumber production decreased 6% for Q3 2024 and dropped 5% year-over-year. In 2023, softwood lumber imports into the U.S. represented 28% of U.S. lumber production. U.S. South sawmill investments continue with \$2.5 billion in announced projects from 2024 to 2026, financing over 3.5 BBF of increased capacity.
- **Structural Panels (OSB & Plywood):** U.S. OSB production rose 1% in Q4 2024, and plywood production decreased 1%. Quarter-over-quarter OSB prices gained 4% and 14% for plywood in Q4 2024. Announced mill openings and investments expect to add over 5 BSF to North American structural panel capacity through 2027.
- **Pulp & Paper:** Paper and paperboard production fell 1% in Q4 2024 yet still ended the year 4% higher than in 2023. Packaging production fell 1% in Q4 2024, up 4% year-over-year. Tissue and printing production increased 1% in Q4 2024. OCC prices dropped 25% in Q4, remaining 3% higher year-over-year. Market pulp prices fell in Q4 but remained up 20% or more year-over-year.
- **Wood Bioenergy:** Bioenergy products that pass Forisk's [Wood Bioenergy Database](#) screening plan to consume 99.4 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 continue to be in the biomass-to-electricity, CHP, and pellet segments, though renewable hydrocarbon projects are increasing. Through November 2024, U.S. wood pellet exports increased 6.5% year-over-year while Canadian wood pellet exports decreased 5.5%. North American wood pellet capacity grew 2.3% in 2024, to 21.7 million tonnes.
- **Log & Chip Exports:** Through November 2024, Canadian softwood exports were up 7% while U.S. softwood log exports were down 2% year-over-year. U.S. softwood chip exports for the same period were up 4%. Southern softwood log exports increased 14% year-over-year, and northern softwood log exports fell 12%. The top three U.S. forestry commodity trade partners, Canada, Japan, and China, account for 85% of U.S. wood product exports.
- **Timberland Investments:** Public timber REITs returned 5.7% YTD through January 24th after returning -19.1% in 2024. All three timber REITs are trading above where they started 2025. As a sector, public timber REITs decreased 6.7% for the quarter according to the market cap weighted [Forisk Timber REIT Index \(FTR\)](#). Just over 1 million acres of industrial timberland transactions closed in the United States for the last four quarters. TIMOs accounted for 49.4% of the acreage bought, while private sellers accounted for 41.0% of the acreage sold.
- **Forest Operations:** Logging employment declined year-over-year in every North American region. Four-quarter average employment fell more than 5% in the U.S. North and 3% in the U.S. South. Logging wages increased across North America with greater wage growth in eastern regions. Trucking employment dipped 3% year-over-year, despite steady freight demand.
- **Timber Markets, U.S. South:** Southern stumpage prices increased for all pine and hardwood products in Q4 2024, according to Timber Mart-South. The 2025 forecast for pine sawtimber implies a 1.3% increase over the 2024 price. Pine pulpwood stumpage prices are projected to increase the most through 2029 in Alabama and Mississippi.
- **Log Prices, Pacific Northwest:** Domestic Douglas-fir log prices rose 4.0% in Oregon while falling 2.0% in Washington in Q4 2024. Export Douglas-fir log prices were flat while export Hemlock prices increased 1.0%. Forisk's "base case" projects a slight increase for Douglas-fir prices in Oregon and Washington in 2025 followed by larger increases in 2026. 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 0.5% in Q3 2024, up 4.1% year-over-year. White ash led last 4Q starting price increases in the Lake States. Red oak and hard maple expect to increase the most in all regions in 2025.

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 was quoted in a Bloomberg article about the [shifts of the North American lumber industry from Canada to the US South](#).
- ▶ Forisk article “[Tracking Wood Demand for Mills and Firms in Local Timber Markets](#)” featured in *LandThink*
- ▶ Forisk article “[Forest Investments and Opportunity Costs: Nothing Mandates a Timber Harvest](#)” featured in *LandThink*
- ▶ Forisk article “[What is Forest Finance?](#)” featured in *LandThink*

UPDATES FROM FORISK

- ▶ Forisk’s annual **Applied Forest Finance Class** will be hosted virtually on April 3, 2025. Early registration ends on March 20 and 6.0 hours of CE are available. [Visit Forisk’s website to learn more and to register.](#)
- ▶ **February 27, 2025:** Brooks Mendell will be delivering the inaugural seminar for the [Thompson Lectures in Forest Economics and Policy](#) at Auburn.
- ▶ **March 10-12, 2025:** David Rossi will be speaking at the [International Society of Forest Resource Economics meeting](#) in Myrtle Beach, SC.
- ▶ **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

SPECIAL RESEARCH IN THE Q1 FRQ

Featured Research: 10 Years of FRQ Price Forecasts

This article reviews supply, demand, and price behavior over the first decade of the *Forisk Research Quarterly*. We compare forecasts from our first issue in 2015 to the actual development of markets and discuss how actuals differed from expectations. We highlight lessons learned and reiterate forecasting fundamentals.

Market Update, Q1 2025: In this edition of quarterly observations and summary analysis of forest industry trends, we begin with observations on the current state and status of timberland markets. Then, we provide [context for potential tariffs on Canadian lumber](#) given long-term demographic trends. Finally, we address [financial analysis relevant to forest investments and management](#).

Forisk Facts & Figures: Forisk’s quarterly “story in three slides” examines the [inventory impacts of Hurricane Helene](#) in the Southeast US. How much timber was damaged and salvaged? What impact did the hurricane have on timber inventories?

PULP/PAPER AND CHIP MILLS REDUCED WOOD-USING CAPACITY IN Q4 2024, WHILE SAWMILLS COMPLETED PROJECTS THAT OFFSET LOSSES FROM CLOSURES IN NORTH AMERICA

Forisk tracks mill announcements as part of the [North American Forest Industry Capacity Database](#) (Mill Capacity Database). Over the past quarter, Forisk tracked 24 mill closures, 4 new mill startups or restarts, and 5 mills completing expansions. “Mills reduced wood-using capacity by 3.3 million tons across North America from Q3 to Q4 2024, but that is only a 0.4% decline in overall operating mill consumption,” remarked Amanda Lang, COO & VP of Client Services for Forisk Consulting. The biggest losses were in the pulp/paper sector and chip sectors. [Read the full Research Release here.](#)

WEIGHTED YEAR-OVER-YEAR WOOD FIBER PRICES RISE IN NORTH AMERICA

The [Forisk Wood Fiber Review \(FWFR\)](#) reports that U.S softwood fiber prices rose by 2% year-over-year through Q4 2024, while Canadian prices climbed by 5%. Quarterly price declines in the U.S. are attributed to market adjustments driven by an oversupply for natural disasters and reduced consumer demand. In Canada, prices generally saw moderate increases, with most producers purchasing the fiber required for their reduced operation rates, though at higher prices.

Canadian roundwood prices increased by 18%, while chip prices increased by 1% year-over-year. U.S roundwood prices increased by 6% year-over-year, and chip prices rose by 1%, though this varied regionally. [Read the full Research Release here.](#)