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US South Sawtimber Prices Expected to Recover in 2012-2013; Pine Pulpwood Prices Driven by Bioenergy and OSB; Results Vary by State

ATHENS, GEORGIA – March 9, 2011 – Increasing demand for wood raw materials indicates higher pine stumpage prices for forest owners and investors. Forisk Consulting forecasts sawtimber prices for the US South strengthening 4.6% into 2012 and 5.5% into 2013 as lumber production increases with housing starts. Alternately, pine pulpwood – the lower valued raw material used for pulp, OSB and bioenergy – gains 1.4% and 2.7% into 2012 and 2013 South-wide, with high variance across the 11 states covered in Forisk’s models. The ForiskFORECAST emphasizes the limits of regional or national forecasts for timber markets, and the critical importance of assessing timber prices locally.

In 2011, states such as Georgia, Louisiana and Mississippi show sawtimber prices exceeding \$30/ton, and Florida and Louisiana surpassing \$11/ton for pine pulpwood. Prices change annually across and between states in the 10-year forecast as local mills adjust to end-market demands. The benefit to forecast users of this bottom-up approach was evident in 2010. “In 2010, Forisk’s sawtimber forecast was within 4% of actual prices, and within 1% for key end-use markets such as paper and paperboard,” said Dr. Tim Sydor, Forisk’s Forest Economist. “The key is understanding and updating the local, state-specific relationship – the elasticity – between wood demand and prices.”

The *ForiskFORECAST: Pine Sawtimber and Pine Pulpwood* predicts annual pine sawtimber and pulpwood stumpage prices across the US South and by state through 2020, and forecasts the production of lumber and paper and paperboard, as well as the demand for wood from emerging bioenergy markets. For more information, visit [www.foriskstore.com](http://www.foriskstore.com) and click “Stumpage Price Forecasts.”

In addition, two upcoming short courses on May 11<sup>th</sup> – “Applied Forest Finance” and “Forecasting Timber Prices” – teach specific skills and strategies for evaluating forest investment decisions and pricing in local wood markets today and looking forward. To learn more about these Atlanta-based courses, visit [www.forisk.com](http://www.forisk.com) and click on “Continuing Education.”

About Forisk Consulting: Forisk specializes in analyzing the supply and demand characteristics of local wood and timber markets. Forisk produces analytical products and provides research and educational services to operating, finance and strategy executives and analysts making decisions associated with timber REITs, timberlands, and wood-using bioenergy and manufacturing facilities.

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