Timber Supply Dynamics in the U.S. South

A Joint Study with:

TIMBERLAND APPRAISAL

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The Shifting Inventory Dynamics in the US South Will Shape Tomorrow’s Timber Markets

The timber inventory situation in the US South is having a profound impact on timber markets. The US South timber inventory levels have risen sharply over the past decade. Depressed harvests during the Global Financial Crisis coupled with higher productivity on the managed pine plantation resource has created significant imbalance in the Southern timber markets. Sawtimber stumpage prices have fallen to the same levels as prices during the early 1990s on a nominal basis and the lowest levels in over 35 years on an inflation-adjusted basis.

Southern timber supply dynamics will shift in coming years. Looking forward, demand on the Southern timber resource will increase. Supply constraints in other North American producing regions have led to significant investment in the South’s forest products industry. The increase in demand will not be distributed evenly across the South and will result in contrasting supply conditions across the region, with inventory levels declining in some regions while others remain elevated. This will have a direct impact on regional timber prices, wood costs for the forest products industry and timberland investment decisions.

The timber supply dynamics in the US South study will provide answers to:

- Where has the timber inventory expansion been the greatest?
- Where are the most productive softwood resources located?
- Which regions will see the largest increase in harvest levels?
- Which regions have the greatest supply available for future capacity expansions?
- How will shifting age-classes on the pine plantation resource impact timber supply?
- Which regions will see the strongest timber prices over the next fifteen years? Which regions will see the weakest?
Data & Analysis

A Comprehensive Timber Supply and Demand Study with In-depth Analysis

This study is the product of an extensive modeling collaboration between Timberland Appraisal and FEA. Individual supply models were developed for seven regions in the US South incorporating the latest timber inventory information with an integrated outlook on timber demand. This study provides a 15-year outlook on important timber resource characteristics such as standing inventory volume, timberland acreage, age-class, harvests by end-use and product and timber prices on a region-by-region basis.
Study Team

RICHARD LAMONT
President, Timberland Appraisals, Inc.

Rick LaMont, President of Timberland Appraisal Inc., is a professional forester and graduate of Oregon State University in Forest Management. He has over 35 years of experience in timberland appraisal services, harvest scheduling analysis, and timber supply and demand forecasting. He annually appraises over two million acres of timberland in the Pacific Northwest and is a Certified General Appraiser in four states. He has published numerous timber supply and demand studies of the Pacific Northwest, US South and the Pacific Rim.

ROCKY GOODNOW
Vice President, Timber, Forest Economic Advisors

Rocky Goodnow is Vice President of the North American Timber Service at Forest Economic Advisors LLC and is responsible for FEA’s outlook on the North American timber markets. Rocky has been analyzing the North American timber markets since 2002 and leads the development of FEA’s timber econometric models, which are used in the analysis of future demand on wood fiber resources, regional timber supplies, and timber values. He is the primary author of FEA’s Timber Quarterly Forecasting Service publications.

JED BRYCE
Forest Analytics and Appraisal Manager, Timberland Appraisals, Inc.

Jed Bryce has a Master’s Degree in biometrics from the University of Washington’s College of Forest Resources. He has worked on numerous research projects involving growth and yield modeling, lumber recovery and tree form. Using advanced analytics, Mr. Bryce routinely integrates growth and yield models with statistical software. He is an associate appraiser and biometrician with Timberland Appraisal Inc., and has been appraising investment grade timberlands for five years.
Subscription Agreement

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For any questions, please contact Lisa Kelly, at lkelly@getfea.com or 978-944-2610.

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