

# **Global Timber and Wood Products Market Update**

*- a news brief from Wood Resources International LLC*

## **Timber harvests in the US have increased by ten percent from 2011 to 2015 because of higher production of wood pellets, softwood lumber and hardwood lumber, according to the Wood Resource Quarterly**

*Higher lumber production and a rapid expansion of the wood pellet sector has resulted in an increase in timber harvests in the US the past five years, according to the latest Wood Resource Quarterly. Shipments of logs to Asia from the west coast fell 33% from 2013 to 2015, while the US South log exports have gone up, albeit from a very low level.*

**Seattle, USA.** According to official statistics, the US timber harvests were practically the same in 2015 as in 2011, coming in at 355 million m<sup>3</sup>. This appears to be quite low considering the log demand by the US forest industry. Analysis by Wood Resources International based on derived log consumption by the forest industry in the US and net log trade, indicates that the actual removals of industrial roundwood were closer to 411 million m<sup>3</sup> in 2015, and 10% higher than in 2011.

The major reasons for the increase in log consumption over the five-year period include higher lumber and wood pellet production. Softwood lumber production was up by as much as 21% from 2011 to 2015, while production of hardwood lumber increased 28% over the same period. The wood pellet sector, which is concentrated to the Southern States and is targeting the European market, has increased six-fold in five years but still consumes just over three percent of the total timber harvest in the US.

The substantial rise in both softwood and hardwood lumber production in the US over the past few years has resulted in a higher percentage of the timber removals being shipped to sawmills in 2015 than in 2011. Over the same period, log consumption by the country's pulp mills and log exports have declined.

Log exports from the US West Coast to Asia fell quite substantially from 2013 to 2015. In just two years, shipments were down 33% to six million m<sup>3</sup> in 2015. Reduced demand for US export logs has not been limited to China the past few years but to Japan and South Korea as well. A combination of less demand for logs by sawmills in Asia and a strong US dollar has resulted in US log shipments falling to their lowest levels in five years. However, during the first eight months of 2016, exports were up 13% as compared to the same period in 2015, as reported in the Wood Resource Quarterly.

Historically, there have been minimal exports of logs from the US South. This started to

change in 2011 when about 200,000 m<sup>3</sup> of pine logs were shipped to China, and by 2014 the volumes had almost quadrupled with India and the Dominican Republic being added to the list of destinations. In 2016, export volumes have picked up again and have been about 50% higher than in 2015.

*Global lumber, sawlog and pulpwood market reporting is included in the 52-page quarterly publication Wood Resource Quarterly (WRQ). The report, which was established in 1988 and has subscribers in over 30 countries, tracks sawlog, pulpwood, wood chip, lumber and pellet prices, trade and market developments in most key regions around the world. **To subscribe to the WRQ**, please go to [www.woodprices.com](http://www.woodprices.com)*

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