Future Suppliers of Softwood Lumber to the US Market –

Supply and Demand Outlook
2017-2030

A Multi-Client Study by

ForestEdge LLC and
Wood Resources Int. LLC

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Study Objective

The United States is the largest consumer of softwood lumber in the world, consuming approximately 80.6 million m³ in 2016 in home construction, home repair and remodeling, non-residential construction, and related end-markets. With softwood lumber production estimated at 57.3 million m³, and exports estimated at 4 million m³, the US imported an estimated 27.3 million m³ of softwood lumber from Canada (94%) and off-shore suppliers ranging from New Zealand, to South America, to the Baltic region.

Nearly a decade after the Global Financial Crisis, US demand for softwood lumber demand is re-emerging and is projected to continue to increase at a moderate pace. However, North America faces limits on its softwood timber supply as a result of losses to insects and fire, environmental set-asides, and the effective withdrawal of timber supply from publicly managed forests in the western US.

The purpose of this study has been to project demand for softwood lumber in the US to the year 2030, and independently evaluate current and potential import sources based on timber supply/demand, log costs, lumber production, and delivered softwood lumber costs to the US market, to identify the most likely sources of import demand to the US market over a 2017-2030 forecast period.

Robert Hagler, ForestEdge LLC
Håkan Ekström, Wood Resources International LLC
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ForestEdge LLC

ForestEdge LLC is a Registered Investment Advisor specializing in timber investment management for family offices and direct timberland investors. The company also provides advisory and consulting services to the global forest products industry. ForestEdge was founded in 2017 by Robert W. Hagler who brings over 30 years of experience in all aspects of global forest product markets, including global timberland investment strategy, portfolio construction and investment management. The objective of ForestEdge is to bring this experience and perspective to the expanding array of timberland investors who face the challenges of a changing timberland investment environment. The core business of ForestEdge is:

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Wood Resources International LLC

Wood Resources International LLC (WRI), an internationally recognized forest industry-consulting firm established in 1987, publishes two quarterly sawlog, wood fiber and biomass price reports, the North American Wood Fiber Review (NAFWR) and the Wood Resource Quarterly (WRQ). In addition, WRI has completed a wide variety of consulting projects in over thirty countries around the world. Primary regions of focus include North America, Europe, Russia, Southeast Asia, China and the forest plantation regions in the Southern Hemisphere: Brazil, Chile, Uruguay, New Zealand, Australia and South Africa.

Specific clients served over the past 30 years include international agencies like the World Bank, the EU Commission, Food and Agriculture Organization of the United Nations (FAO), International Tropical Timber Organization (ITTO), World Wildlife Found (WWF), International Institute for Environment and Development (IIED) and the International Finance Corporation (IFC), as well as clients from many of the major forest products, timber investment and energy companies in Europe, Asia, North and South America. Our two quarterly market reports, which have tracked wood markets for over 30 years are:

Wood Resource Quarterly (WRQ): The WRQ, established in 1988, is a 56-page market report which includes prices and trade data for sawlogs, pulpwood, wood chips and lumber. The report, with subscribers in over 30 countries, also covers the latest developments in international timber, pulp, lumber and biomass markets in all major regions of the world, including North America, South America, Europe, Oceania and Asia. Timely knowledge of global wood costs and trends remains a cornerstone for competent internal strategic planning within the forest products industry.

North American Wood Fiber Review (NAFWR): The NAWFR is a 36-page report, established in 1982 with readers in a large number of forest companies in North America. The publication tracks wood raw-material prices for pulpmills and biomass operations in 15 key markets of the US and Canada. The report also includes key information about trade of sawlogs, lumber, wood chips and pellets. The NAWFR is the only publication that consistently provides comparable updates of softwood and hardwood prices, average and range, for all major markets in the US and Canada. The report is a useful information source for anyone that needs to track pulpwood and biomass prices in the most active wood market in the world.

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