

Wood demand across Southeastern timber markets

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Traditional forest economic analysis emphasizes prices, forest production, and wood supplies as means for analyzing forest industry activities. However, wood demand and consumption increasingly provide a valuable means for assessing the current and future prospects for stumpage sales, capital allocation, and timberland investment in given timber markets. This wood demand takes the form of the volume of wood by product that crosses the scales of forest industry mills. By tracking actual wood use by mills in a market, we look to better understand, for example, the price impacts from and mill responses to timber supplies shifting to intensively managed plantations.

We began tracking actual wood demand on a quarterly basis across eleven Southern states in October 2005. A survey of this data captures the uneven concentration of wood consumption across local timber markets, and the increased ability to consume smaller chip-n-saw and “super pulp” forest products at grade mills.