

# Forest Industry Dynamics Since the Great Recession

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Georgia House of Representatives Rural Development Council  
Forestry: A Critical Part of Rural Georgia's Economic Vitality  
Waycross, GA October 25, 2017



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# Great Recession Forestry Trends

- Shifts in core markets – solid wood and paper
- Housing market collapse 2007-09 saw 78% drop
- Led to ripple effect on lumber, panels, millwork, cabinetry, furniture
- Downstream ripple in packaging, containers, trucking, equipment servicing, plumbers, electricians, etc.
- Downward trend in manufacturing – paper down 12% since 1996 – digital media, etc.
- Paper product lines shifting

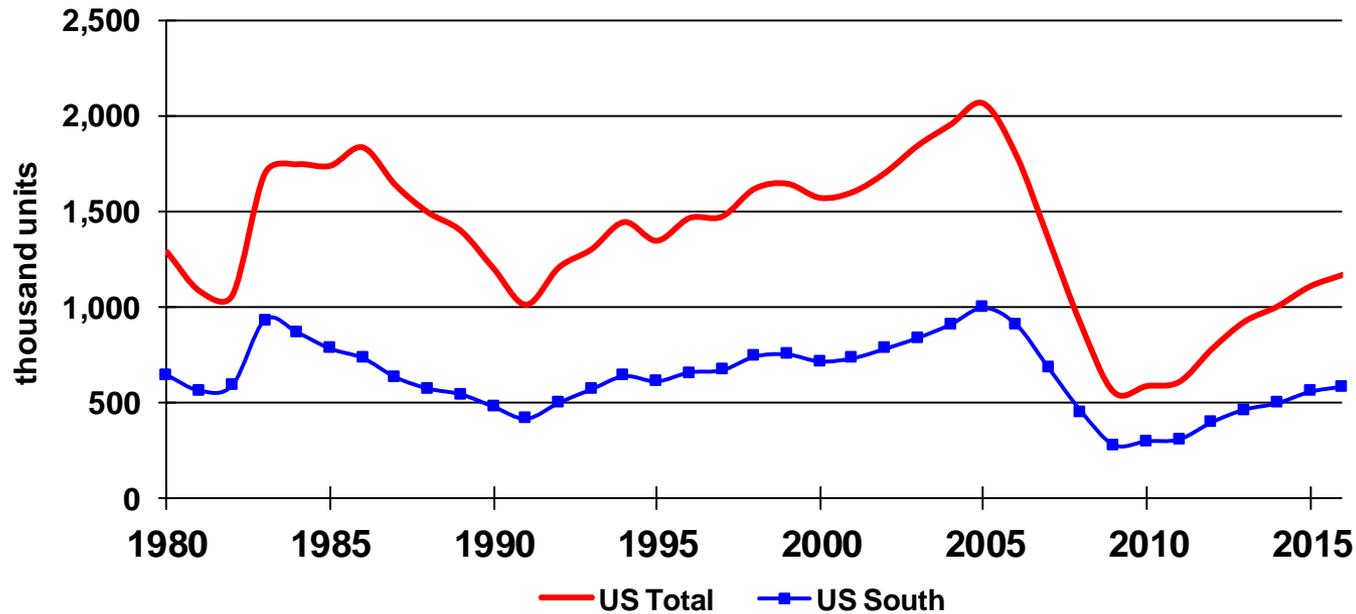


# Recovery Trends

- Housing starts in 2016 barely half of 2006
- But they are up
- Consensus varies but ~1.7 million starts may be needed to sustain recovery
- When it comes, previous downward trends should reverse
- Darlings will be paper packaging, tissue, solid wood and new innovations – mass timber
- Manufacturing efficiency enhanced
- US South is the place to be – Georgia is the place to be
- Privately held timber resources



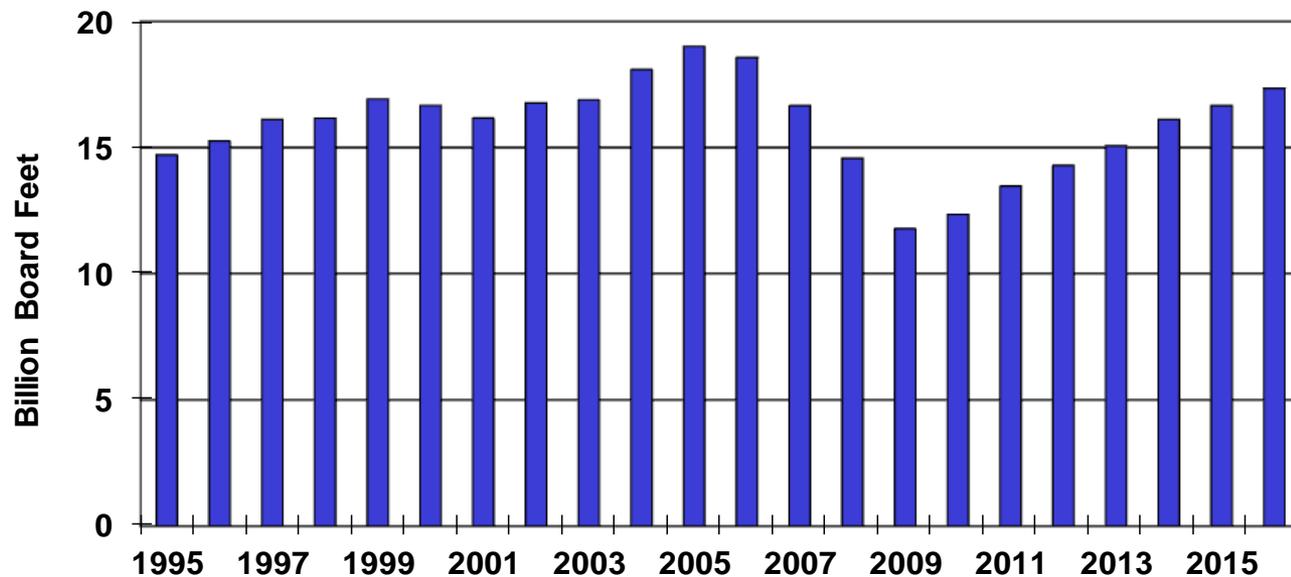
# Annual Housing Starts



Sources: U.S. Census Bureau (Single Family + Multifamily Starts)



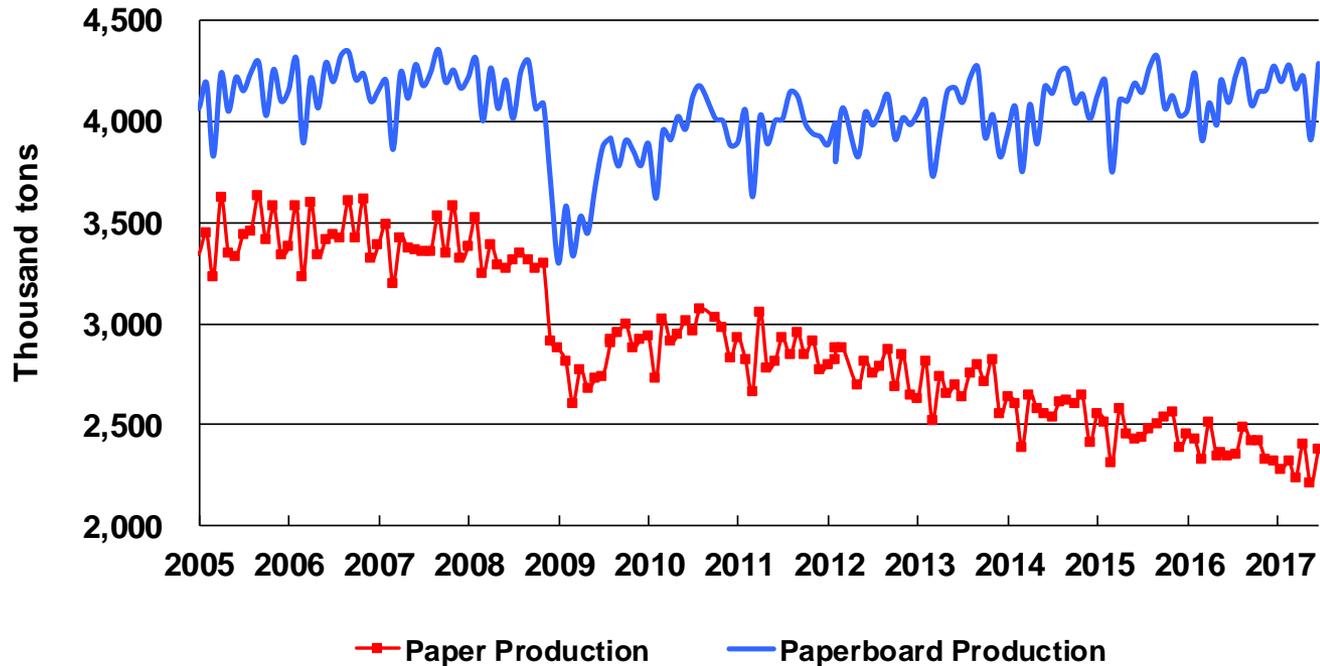
# Annual Southern Pine Lumber Production (1995 – 2016)



Source: Southern Forest Products Association



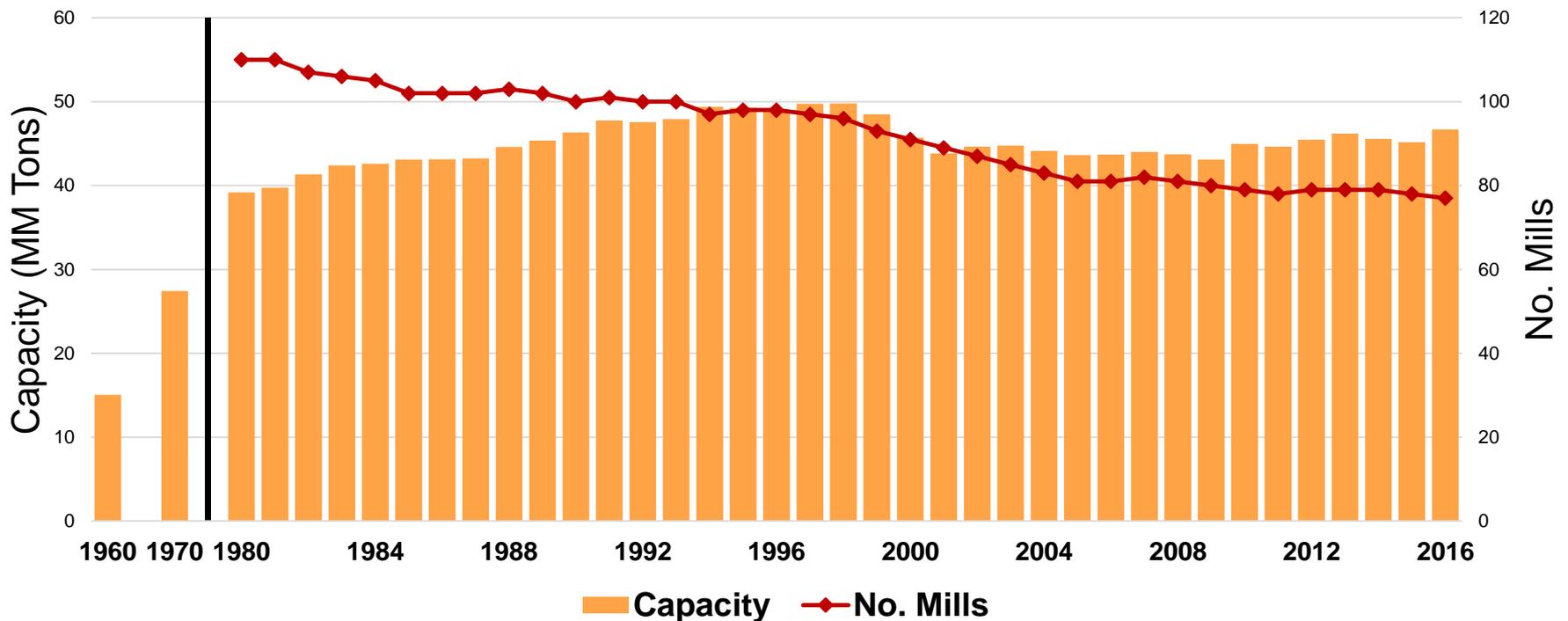
# US Paper & Paperboard Production



Source: AF&PA

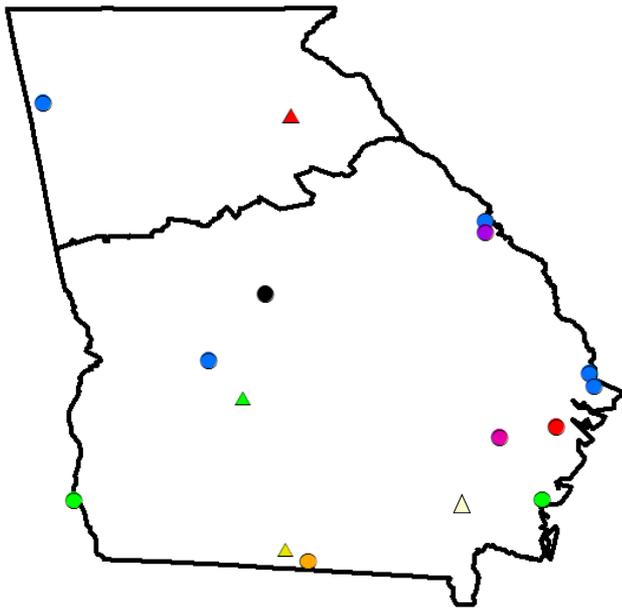


# Southern Pulpwood Industry Capacity (billion bf) & Number of Mills



# Georgia Pulpwood Using Mills 2017

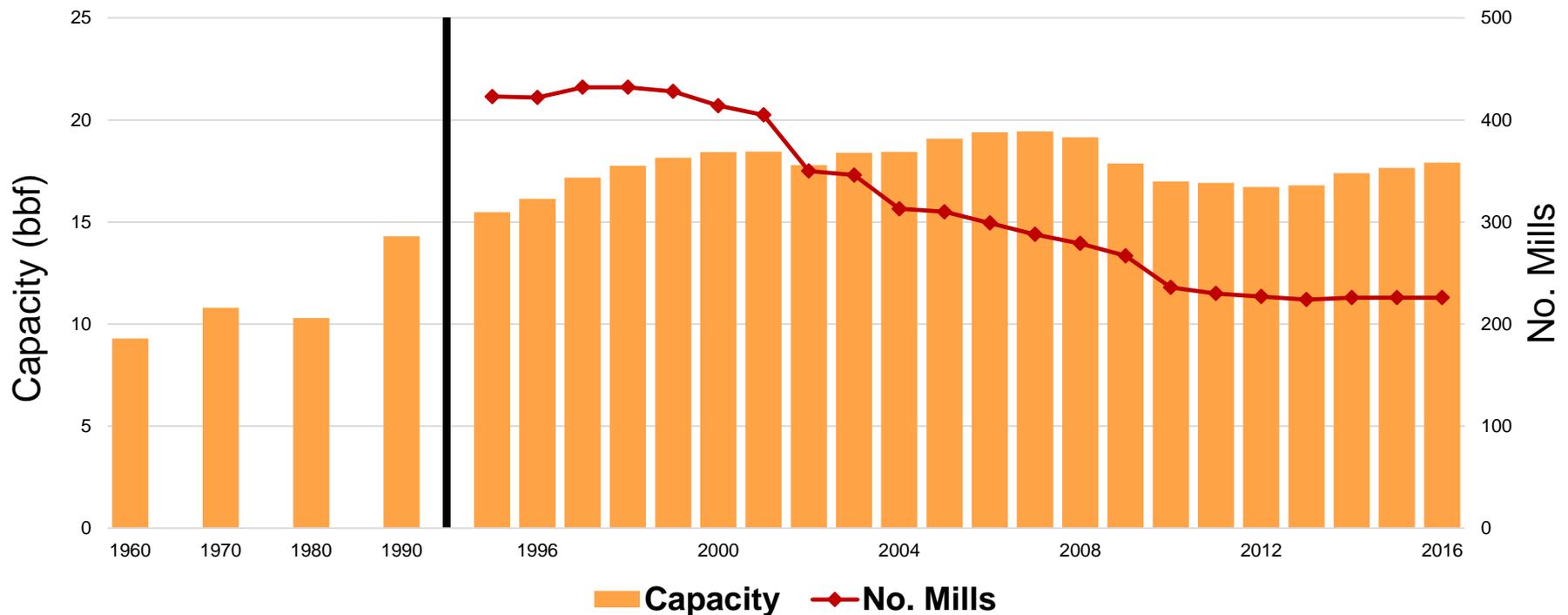
16 mills: 11 Owners



- Georgia-Pacific - Pulp
- Graphic Packaging
- ▲ Huber
- International Paper
- Interstate Paper
- △ Georgia Biomass
- ▲ Langboard Inc
- ▲ Norboard
- Packing Corporation of America
- Rayonier Advanced Materials
- Resolute Forest Products

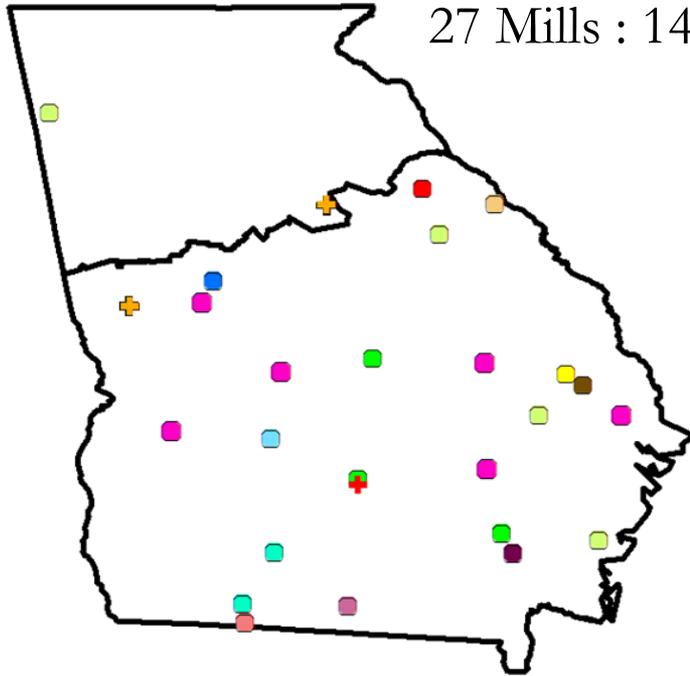


# Southern Sawmill Industry Capacity (billion bf) & Number of Mills



# Georgia Sawmill/Plymills 2017

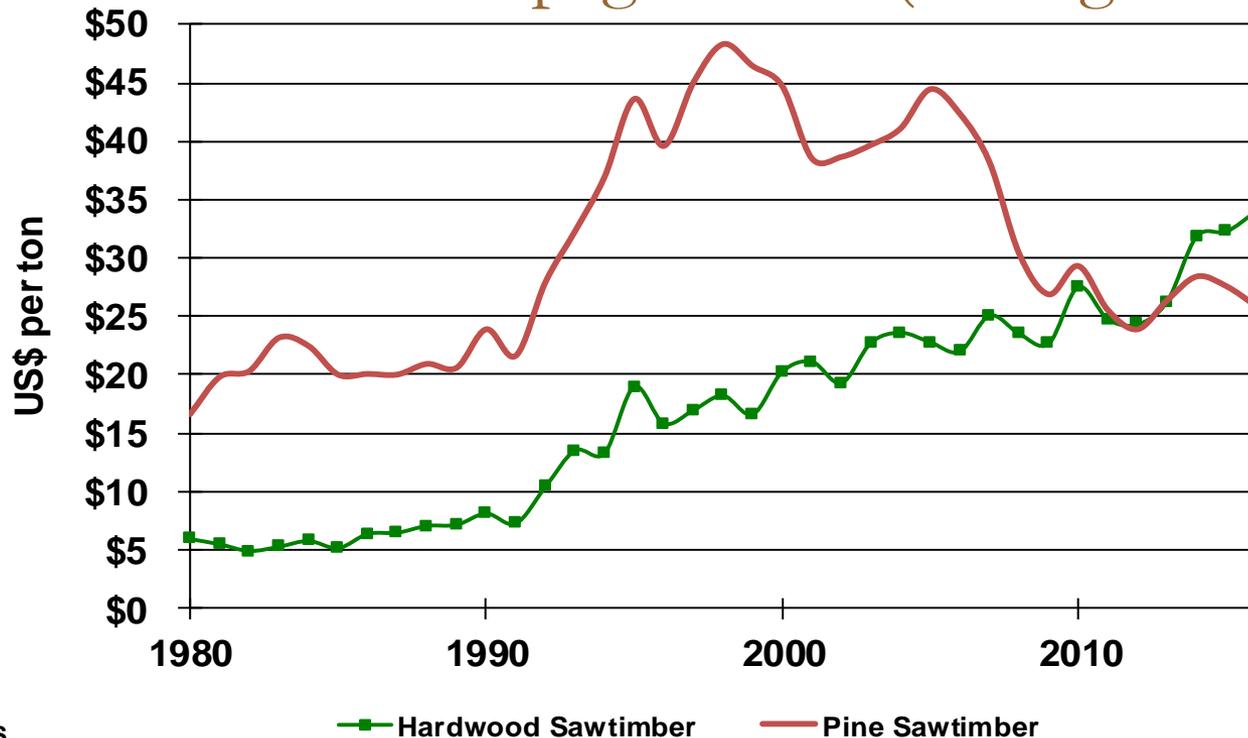
27 Mills : 14 Owners 2.6 billion board feet



- |   |                           |   |                             |
|---|---------------------------|---|-----------------------------|
|  | Burt Lumber Co            |  | Jordan Lumber & Supply Inc. |
|  | Canfor                    |  | Langdale Forest Products Co |
|  | Claude Howard Lumber Co   |  | Pollard Lumber Co           |
|  | Georgia-Pacific - Plywood |  | Southern Veneer Products    |
|  | Georgia-Pacific - Sawmill |  | Varn Wood Products          |
|  | Griffin Lumber Co         |  | W.M. Sheppard Lumber Co     |
|  | Hood Industries           |  | WestFraser *                |
|  | Interfor Ltd.             |   |                             |



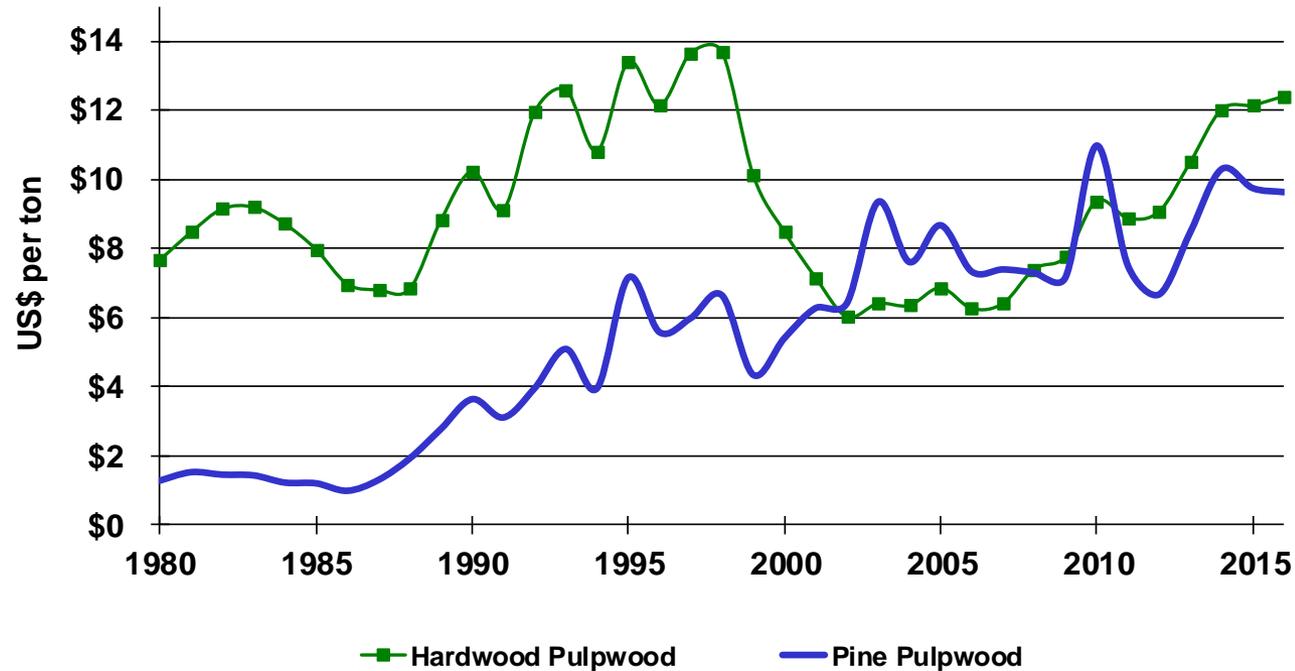
# Georgia Annual Average Sawtimber Stumpage Prices (through 2016)



Source: TMS



# Georgia Annual Average Pulpwood Stumpage Prices (through 2016)



Source: TMS

